

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1045 (First Edition)

SHORT TITLE: NC Climate Action Registry

SPONSOR(S): Rep. Hackney

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
EXPENDITURES					
DENR – DAQ					
-The Division has several options for implementing the Registry, with more resources needed for providing more services.					
POSITIONS: (cumulative)					
- No more than 2 positions depending on services offered					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Department of Environment and Natural Resources – Division of Air Quality					
EFFECTIVE DATE:					
The act is effective when it becomes law.					

BILL SUMMARY: The proposed legislation establishes the North Carolina Climate Action Registry (Registry) to provide a method to document voluntary reductions in greenhouse gas emissions in the State. The Department of Environment and Natural Resources (DENR) is directed to establish monitoring systems for emissions, programs to promote participation in the Registry, and plans for encouraging emissions reductions goals. Participants are ensured appropriate consideration for emissions reductions under future federal regulatory programs. Beginning October 1, 2006, DENR must submit annual reports to the Environmental Review Commission and the Governor regarding the implementation of the legislation.

ASSUMPTIONS AND METHODOLOGY:

Background: New Hampshire created one of the first voluntary greenhouse gas registries in 1999. It allowed companies to document greenhouse emissions reductions since 1990 for free with the agreement that New Hampshire Department of Environmental Services will support the recognition of the emissions under any future federal regulations. Colorado, Oregon, California, Wisconsin, and

New Jersey have also implemented similar greenhouse emissions programs, with several other states reviewing legislation this year.

In North Carolina, the Division of Air Quality (Division) in DENR will be the principal unit affected by the legislation. Rules will be adopted directing the Division to establish the Registry, including a program to establish emissions baselines and monitor/verify emissions. The Division will also maintain permanent records of all greenhouse gas emissions baselines and reductions for future use. The Division would require additional resources and infrastructure to support the data collection, analysis, and reporting. No efforts or requirements for banking and trading are anticipated as part of this analysis.

The Division suggests three tiers for implementing the Registry. **Level One** would use existing software to promote the Registry's existence and solicit participation. Notice of the Registry could be provided via the Division's website with minimal effort. No additional staff resources would be required for Level One support.

Level Two would require an employee to provide individual, one-on-one interaction with the participants in the Registry. The position would provide public outreach, awareness and education of the advantages of participating in the Registry, and technical assistance when needed for emissions estimation techniques. This position may begin as a part- or half-time position while the Registry is voluntary. If Registry participation increases in scope or is eventually required as part of a federal regulatory program, this position could be converted to a full-time position.

Level Three assumes technical / scientific verification of greenhouse emissions levels is a component of the Registry. It would require an additional full-time technical employee for verification of emissions, oversight of the collection of emissions data, validation of the reliability of the data, and coordination with third parties for certification purposes.

SOURCES OF DATA: Department of Environment and Natural Resources – Division of Air Quality; New Hampshire Department of Environmental Services

TECHNICAL CONSIDERATIONS: Because this is a voluntary program, emissions reductions may not be realized. However, the Division foresees that data collected and maintained in the Registry could be used to heighten public awareness of air quality issues in the State.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Stephanie Schmitt

APPROVED BY: James D. Johnson Director, Fiscal Research Division

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