

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1149

Short Title: Energy Credit Banking/Selling Program/Fund.

(Public)

Sponsors: Senators Jenkins and Albertson.

Referred to: Agriculture/Environment/Natural Resources.

March 24, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A BANKING AND SELLING PROGRAM FOR CREDITS
3 ISSUED UNDER THE FEDERAL ENERGY POLICY ACT IN ORDER TO
4 GENERATE FUNDS FOR THE USE OF ALTERNATIVE FUELS AND
5 ALTERNATIVE FUELED VEHICLES BY STATE DEPARTMENTS,
6 INSTITUTIONS, AND AGENCIES; AND TO IMPROVE AIR QUALITY.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Article 3 of Chapter 143 of the General Statutes is amended by
9 adding two new sections to read:

10 **"§ 143-58.4. Energy credit banking and selling program.**

11 (a) Establish Program. – The State Energy Office of the Department of
12 Administration, in cooperation with State departments, institutions, and agencies, shall
13 establish and administer an energy credit banking and selling program to allow State
14 departments, institutions, and agencies to use moneys generated by the sale of EAct
15 credits to purchase alternative fuel, develop alternative fuel refueling infrastructure, and
16 purchase AFVs for use by State departments, institutions, and agencies. Each State
17 department, institution, and agency shall provide the State Energy Office with all
18 vehicle fleet information necessary to determine the number of EAct credits generated
19 annually by the State. The State Energy Office may sell credits in any manner that is in
20 accordance with the provisions of the Energy Policy Act.

21 (b) Adopt Rules. – The Department shall adopt rules as necessary to implement
22 this section and G.S. 143-58.5.

23 (c) Definitions. – The following definitions apply to this section and
24 G.S. 143-58.5:

- 25 (1) 'AFV' means a hybrid electric vehicle that derives its transportation
26 energy from gasoline and electricity. AFV also means an original
27 equipment manufactured vehicle that operates on compressed natural
28 gas, propane, or electricity.

- 1 (2) 'Alternative fuel' means biodiesel, ethanol, compressed natural gas,
2 propane, and electricity used as a transportation fuel in blends or in a
3 manner as defined by the Energy Policy Act.
- 4 (3) 'Energy Policy Act' means the federal Energy Policy Act, 42 U.S.C.
5 § 13201, et seq.
- 6 (4) 'EPAAct credit' means a credit issued pursuant to the Energy Policy Act.
7 (5) 'Incremental cost' means the difference in cost between an alternative
8 fuel and conventional petroleum fuel at the time the fuel is purchased.
9 Incremental cost also means the difference in cost between an AFV
10 and conventional vehicle of the same make and model. For vehicles
11 with no comparable conventional model, incremental costs means the
12 incremental cost that the industry accepts as the incremental cost.

13 **"§ 143-58.5. Alternative Fuel Revolving Fund.**

14 (a) The Alternative Fuel Revolving Fund is created and shall be held by the State
15 Treasurer. The Fund shall consist of moneys received from the sale of EPAAct credits
16 under G.S. 143-58.4, any moneys appropriated to the Fund by the General Assembly,
17 and any moneys obtained or accepted by the Department for deposit into the Fund. The
18 Fund shall be managed to maximize benefits to the State for the purchase of alternative
19 fuel, related refueling infrastructure, and AFV purchases. To the extent possible,
20 benefits from the sale of EPAAct credit shall be distributed to State departments,
21 institutions, and agencies in proportion to the number of EPAAct credits generated by
22 each. No portion of the Fund shall be transferred to the General Fund, and any
23 appropriation made to the Fund shall not revert. The State Treasurer shall invest moneys
24 in the Fund in the same manner as other funds are invested. Interest and moneys earned
25 on such investments shall be credited to the Fund.

26 (b) The Fund shall be used to pay for the incremental cost of biodiesel fuel with a
27 minimum biodiesel concentration of B-20 for use in State vehicles, for the purchase of
28 ethanol fuel with a minimum ethanol concentration of E-85 for use in State vehicles, the
29 incremental cost of purchasing AFVs, for the development of related refueling
30 infrastructure, and for the costs of administering the Fund.

31 (c) No later than January 31 of each year, the Department shall submit an annual
32 report to the General Assembly on the expenditures from the Fund during the preceding
33 fiscal year."

34 **SECTION 2.** Article 2 of Chapter 136 of the General Statutes is amended by
35 adding a new section to read:

36 **"§ 136-28.13. Participation in the energy credit banking and selling program.**

37 The Department of Transportation shall participate in the energy credit banking and
38 selling program under G.S. 143-58.4 and is eligible to receive proceeds from the
39 Alternative Fuel Revolving Fund under G.S. 143-58.5 to purchase alternative fuel,
40 develop alternative fuel refueling infrastructure, or purchase AFVs as defined in
41 G.S. 143-58.4."

42 **SECTION 3.** G.S. 143-341(8)i. reads as rewritten:

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- "i. To establish and operate a central motor pool and such subsidiary related facilities as the Secretary may deem necessary, and to that end:
 - 1. To establish and operate central facilities for the maintenance, repair, and storage of state-owned passenger motor vehicles for the use of State agencies; to utilize any available State facilities for that purpose; and to establish such subsidiary facilities as the Secretary may deem necessary.
 - 2. To acquire passenger motor vehicles by transfer from other State agencies and by purchase. All motor vehicles transferred to or purchased by the Department shall become part of a central motor pool.
 - 2a. To participate in the energy credit banking and selling program under G.S. 143-58.4. The Department of Administration, Division of Motor Fleet Management, is eligible to receive proceeds from the Alternative Fuel Revolving Fund under G.S. 143-58.5 to purchase alternative fuel, develop alternative fuel refueling infrastructure, or purchase AFVs as defined in G.S. 143-58.4.
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SECTION 4. This act becomes effective January 1, 2006.