

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE DRH30319-LD-67A (03/23)

Short Title: LCR to Study Third-Party Sale of Electricity.

(Public)

Sponsors: Representative Samuelson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE FEASIBILITY AND THE DESIRABILITY OF AUTHORIZING SALES OF ELECTRICITY BY ANY THIRD PARTY THAT OWNS OR OPERATES THE EQUIPMENT OF A RENEWABLE ENERGY FACILITY WITH TWO MEGAWATTS OR LESS CAPACITY WHEN THE RENEWABLE ENERGY FACILITY IS LOCATED ON A CUSTOMER'S PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. The Legislative Research Commission may study the feasibility and the desirability of authorizing sales of electricity by any third party that owns or operates the equipment of a renewable energy facility with two megawatts or less capacity when the renewable energy facility is located on a customer's property. This study shall focus on the obstacles that currently prevent these third-party sales of electricity from renewable energy resources and the possible solutions that address these obstacles. One major obstacle the Commission shall consider is whether the third party that owns or operates the equipment of a renewable energy facility is subject to being regulated as a public utility under Chapter 62 of the General Statutes unless legislation is enacted to exclude the third-party owner or operator of the on-site generating equipment from such regulation. In its study, the Commission may consider all of the following issues:

- (1) Whether these third-party sales of electricity have the potential to substantially assist North Carolina in gaining greater energy security and energy independence through the use of indigenous resources available within the State.
- (2) Whether these third-party sales of electricity have the potential to sufficiently address on-peak demand loads to result in lowering costs for utility customers and avoiding the need to build additional generating facilities.
- (3) Whether the development of renewable energy in the State through third-party sales of electricity is likely to encourage private investment in new small scale generating facilities, thereby creating new property tax bases and creating new energy-related jobs throughout the State.
- (4) Whether these third-party sales of electricity would promote the development of renewable energy in North Carolina by allowing competition in markets that heretofore have been closed to competition and served exclusively by an energy supplier assigned to serve such market.



1 (5) Any other issue the Commission considers relevant to its study.

2 **SECTION 2.** The Legislative Research Commission may make an interim report to
3 the 2011 General Assembly when it reconvenes in 2012 and shall make its final report to the
4 2013 General Assembly. Each report shall include the findings and recommendations of the
5 study, including any legislative proposals.

6 **SECTION 3.** There is appropriated from the General Fund to the General
7 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2011-2012 fiscal year and
8 the sum of twenty-five thousand dollars (\$25,000) for the 2012-2013 fiscal year for the cost of
9 conducting the study under this act.

10 **SECTION 4.** This act becomes effective July 1, 2011.