

1 Whereas, the Legislative Research Commission's Advisory Subcommittee on
2 Offshore Energy Exploration heard comments and received a report from the Southeast Energy
3 Alliance that found production of natural gas and associated hydrocarbons offshore North
4 Carolina would create more than 6,700 new jobs and add more than \$659 million annually to
5 the State's Gross Domestic Product over three decades, during which time this energy
6 production could generate almost \$10 billion in cost-sharing of government revenues at an
7 average of \$484 million per year to the State; and

8 Whereas, the Legislative Research Commission's Advisory Subcommittee on
9 Offshore Energy Exploration recommended that production of fossil fuel and alternative energy
10 resources in North Carolina's outer continental shelf should include provisions for revenue and
11 royalty sharing directed to the State of North Carolina; and

12 Whereas, the Legislative Research Commission's Advisory Subcommittee on
13 Offshore Energy Exploration recommended that North Carolina participate cooperatively in
14 regional offshore energy endeavors with Virginia and South Carolina; and

15 Whereas, the General Assembly of South Carolina authorized an offshore energy
16 study with findings in the final report, completed in 2009, recommending that the state of South
17 Carolina should consider the development of an offshore natural gas industry with appropriate
18 federal revenue sharing; and

19 Whereas, the General Assembly of the Commonwealth of Virginia authorized an
20 offshore energy study of natural gas potential with findings in the final report, completed in
21 2006, recommending exploration and development of natural gas resources offshore Virginia as
22 well as federal revenue sharing of these resources; and

23 Whereas, during the past few years, the Governor of Virginia, the General
24 Assembly of the Commonwealth of Virginia, and the United States Congressional delegation
25 for Virginia continue to proactively support, put forth legislation in both the Commonwealth
26 and in the United States Congress, and ratify legislation in the Commonwealth to move forward
27 with energy exploration, development, and production as well as ensuring federal revenue
28 sharing of these resources; Now, therefore,

29 The General Assembly of North Carolina enacts:

30 **SECTION 1.** Royalties and revenue from offshore and onshore energy production.

31 – Any revenues and royalties paid to the State as a result of offshore or onshore leasing,
32 exploration, development, and production of all energy resources shall be appropriated and
33 used for the following purposes:

- 34 (1) Twenty-four percent (24%) of such revenues and royalties shall be credited
35 to the General Fund.
- 36 (2) Twenty percent (20%) of such revenues and royalties shall be credited to the
37 Highway Trust Fund established under G.S. 136-176.
- 38 (3) Five percent (5%) of such revenues and royalties shall be transferred to the
39 Community Colleges System Office to establish and manage a fund for
40 curriculum development and implementation as well as financial assistance
41 for students attending community college to receive vocational training
42 through this curriculum in fields directly related to energy exploration and
43 development and related energy infrastructure.
- 44 (4) Fifteen percent (15%) of such revenues and royalties shall be transferred to
45 the Board of Governors of The University of North Carolina System to
46 establish and manage research and development funds for programs directly
47 related to energy research and development.
- 48 (5) Thirty percent (30%) of such revenues and royalties shall be transferred to
49 the Department of Environment and Natural Resources for coastal
50 conservation, including, but not limited to, beach and inlet management
51 projects, channel navigation and maintenance, public beach and water

1 access, water quality management, as well as fisheries and shellfish
2 restoration.

3 (6) Five percent (5%) of such revenues and royalties shall be transferred to the
4 State Ports Authority for expansion and maintenance of State Port
5 infrastructure associated with energy-related commerce.

6 (7) One percent (1%) of such revenues and royalties shall be transferred to the
7 Department of Commerce for recruitment of energy-related industries to the
8 State.

9 **SECTION 2.(a)** Development of Governors' Regional Interstate Offshore Energy
10 Policy Compact. – The Governor is directed to commence development of a regional energy
11 compact with the governors of South Carolina and Virginia in order to develop a unified
12 regional strategy for the exploration, development, and production of all commercially viable
13 federal and state offshore energy resources within the three-state region. The Governor shall
14 develop recommendations for the General Assembly to consider for the development of a
15 statutory regional compact, and these recommendations shall reflect the collective agreement of
16 all three governors in the three-state region in order to provide common language for
17 consideration by each state's General Assembly. During the development of these compact
18 recommendations, the Governor is authorized to work directly with each of the three states'
19 Congressional delegations, the United States Department of the Interior, the United States
20 Environmental Protection Agency, and other appropriate federal agencies on behalf of the State
21 of North Carolina to develop appropriate strategies to be considered in the development of the
22 three-state compact for increasing domestic energy exploration, development, and production
23 within each state in the three-state region and their adjacent state and federal waters. The
24 compact negotiations and recommendations shall address at least all of the following:

25 (1) Ensure a timely review and consideration of permits and proposals at both
26 the state and federal level for both state and federal waters adjacent to each
27 state in the three-state region for seismic and other marine geophysical
28 exploration to identify and quantify natural gas and related hydrocarbon
29 resources along the continental margin.

30 (2) Amend the Five Year Leasing Plan of the United States Department of the
31 Interior to include leasing federal waters adjacent to the State and the
32 three-state region for the exploration, quantification, and development of
33 natural gas and related hydrocarbon energy resources.

34 (3) Advocate proactively with each state's Congressional delegation and
35 appropriate federal agencies to ensure direct sharing of royalties and
36 revenues related to energy leasing, exploration, development, and production
37 of all offshore energy resources in federal waters adjacent to the State and
38 the three-state region.

39 (4) Request the United States Department of the Interior to reinstate the federal
40 Offshore Policy Committee with new members and new alternate members
41 to be nominated by the governor of the state represented on the Offshore
42 Policy Committee and appointed by the Secretary of the Interior, six of
43 whom are to be one member and one alternate member from each of North
44 Carolina, Virginia, and South Carolina.

45 **SECTION 2.(b)** No later than three months after the effective date of this act, and
46 at least every three months thereafter, the Governor shall report to the General Assembly on the
47 progress of the Governor and others in complying with the requirements under this section, to
48 include providing copies of correspondence and other relevant materials to or from the Office
49 of the Governor when the correspondence or materials pertain to the subject under this section
50 or to any requirement under this section. The Governor shall report her final recommendations

1 for the three-state energy compact to the Joint Regulatory Reform Committee no later than May
2 1, 2012.

3 **SECTION 3.** Onshore shale gas. – The Department of Environment and Natural
4 Resources shall, in conjunction with the Energy Jobs Council, created in G.S. 113B-2, as
5 amended by Section 4 of this act, provide a comprehensive report to the Governor, the General
6 Assembly, and the Joint Regulatory Reform Committee by May 1, 2012, that outlines the
7 commercial potential of onshore shale gas resources within the State as well as the regulatory
8 framework necessary to develop this resource. As part of this report, the Department shall
9 review all existing State laws and regulations regarding natural gas and related onshore
10 hydrocarbon production specific to shale gas. The Department shall also review existing laws
11 and regulations in states currently exploring for or producing shale gas, including Texas,
12 Pennsylvania, and Alabama, as well as related federal regulations and programs. In addition,
13 the Department shall do all of the following for inclusion in its report under this section:

- 14 (1) Review State laws and regulations, including G.S. 113-393(d) and 15 NCAC
15 05D, and provide recommendations on amendments and additions to address
16 issues related to shale gas exploration, development, and production,
17 including horizontal drilling, well permitting, well spacing, maximum
18 permitted well depth, reporting requirements, bonding requirements, fees,
19 and penalties.
- 20 (2) Review State laws and regulations, including G.S. 87-88(c) and 15A NCAC
21 02C, and provide recommendations on amendments and additions to address
22 issues related to shale gas exploration, development, and production,
23 including hydraulic fracturing, reporting requirements for fracturing fluids,
24 environmental management of fracturing fluids, water use, and groundwater
25 protection. In addition, provide recommendations on the reuse, recycling,
26 and disposal requirements for waste hydraulic fluids, water, and related solid
27 waste and recommend well drilling, casing, and cementing standards for
28 wells that may be subject to hydraulic fracturing.
- 29 (3) Provide an inventory of all water supplies and evaluate the availability of
30 water supply and potential impacts on other water users in any area of shale
31 gas interest identified by either the State Geologist or the United States
32 Geological Survey.
- 33 (4) Develop a regulatory framework proposal, including agencies, staffing,
34 processes, permit requirements, penalties, fees, and reporting requirements
35 necessary to evaluate the technical and public safety merits of shale gas
36 exploration and energy production and, where appropriate, outline processes
37 for the provision of permit oversight, approval, and management.

38 **SECTION 4.(a)** Amend Energy Policy Act. – The title of Chapter 113B of the
39 General Statutes reads as rewritten:

40 "**North Carolina Energy Policy Act of 1975 and Jobs Act.**"

41 **SECTION 4.(b)** G.S. 113B-1 reads as rewritten:

42 "**§ 113B-1. Legislative findings and purpose.**

43 Upon investigation the General Assembly hereby finds that:

- 44 (1) Energy is essential to the health, safety and welfare of the people of this
45 State and to the workings of the State ~~economy;~~economy.
- 46 (2) ~~Growth in the consumption of energy resources is in some part due to~~
47 ~~wasteful, uneconomic and inefficient uses of energy and a continuation of~~
48 ~~this trend will adversely affect the future social, economic and~~
49 ~~environmental development of North Carolina;~~
- 50 (3) It is ~~the responsibility of State government to encourage~~in the State's best
51 interest to support the development of a reliable and adequate supply of

1 energy for North Carolina at a level consistent with such energy needs
2 required for the protection of public health and safety, and for the promotion
3 of the general welfare; and that is secure, stable, and predictable in order to
4 facilitate economic growth, job creation, and expansion of business and
5 industry opportunities.

6 (3a) It is in the State's best interest to support the exploration, development, and
7 production of domestic energy supplies, preferably from the resources within
8 the State or region and most certainly from within the country.

9 (3b) It is the duty of State government to protect and preserve the State's natural
10 resources, cultural heritage, and quality of life and, above all, the public
11 health and safety of its residents during the exploration, development, and
12 production of domestic energy resources.

13 (4) The State has not provided the basis for development of a long-range unified
14 energy policy to encompass comprehensive energy resource planning and
15 efficient management of the rate of consumption of existing energy
16 resources in relation to economic growth, to effectively meet an energy
17 crisis, to encourage development of alternative sources of energy, and to
18 prudently conserve energy resources in a manner consistent with assuring a
19 reliable and adequate supply of energy for North Carolina. Carolina,
20 including active support and collaboration with the federal government to
21 ensure access to the nation's energy resources located on the outer
22 continental shelf directly adjacent to the State's coastal waters.

23 (5) It is the expressed intent of this Chapter to provide for development of such
24 a unified domestic energy policy for the State of North Carolina. Carolina as
25 part of a nationwide effort for increased domestic energy production in the
26 interest of national security and economic growth and stability."

27 **SECTION 4.(c)** G.S. 113B-2 reads as rewritten:

28 **"§ 113B-2. Creation of Energy Policy Jobs Council; purpose of Council.**

29 (a) ~~There~~ The Energy Jobs Council is hereby created a council to advise and make
30 recommendations on increasing domestic energy policy exploration, development, and
31 production within the State and region to promote economic growth and job creation to the
32 Governor and the General Assembly to be known as the Energy Policy Assembly. The Energy
33 Jobs Council which shall be located within the Department of Commerce.

34 (b) Except as otherwise provided in this Chapter, the powers, duties and functions of
35 the Energy ~~Policy~~ Jobs Council shall be as prescribed by the Secretary of Commerce.

36 (c) The Energy ~~Policy~~ Jobs Council shall serve as the central energy policy planning
37 body of the State and shall communicate and cooperate with federal, State, regional and local
38 bodies and agencies to the end of effecting a coordinated energy policy."

39 **SECTION 4.(d)** G.S. 113B-3 reads as rewritten:

40 **"§ 113B-3. Composition of Council; appointments; terms of members; qualifications.**

41 (a) The Energy ~~Policy~~ Jobs Council shall consist of ~~16~~ 12 members to be appointed as
42 follows:

43 (1) ~~Two members of the North Carolina House of Representatives to be~~
44 ~~appointed by the Speaker of the House of Representatives;~~

45 (2) ~~Two members of the North Carolina Senate to be appointed by the President~~
46 ~~Pro Tempore of the Senate;~~

47 (2a) The Secretary of Commerce.

48 (3) ~~Twelve~~ Eleven public members who are citizens of the State of North
49 ~~Carolina to be appointed by the Governor. The Governor shall designate one~~
50 ~~of the public members as chair of the Council. Carolina and who are~~
51 appointed in accordance with subsection (c) of this section.

1 (b) Appointments to the Energy Policy ~~Jobs~~ Council shall be made by July 15,
2 2009, October 1, 2011, and each such appointee shall serve until January 31, 2011. Thereafter,
3 the appointed members of the General Assembly shall serve two year terms, and the appointed
4 public members shall serve four year four-year terms. A member of the Energy Policy Council
5 shall continue to serve until his successor is duly appointed, but such holdover shall not affect
6 the expiration date of such succeeding term. Appointments made by the President Pro Tempore
7 of the Senate and the Speaker of the House of Representatives shall be allowed when the
8 General Assembly is not in session.

9 (c) The public members of the Energy Policy ~~Jobs~~ Council shall have the following
10 qualifications; qualifications and shall be appointed as follows:

11 (1) One member shall be ~~experienced in the electric power industry;~~
12 representative of an investor-owned electric public utility, to be appointed by
13 the Governor.

14 (2) One member shall be ~~experienced in the natural gas industry;~~
15 experienced in offshore natural gas and associated hydrocarbon exploration, development,
16 and production, to be appointed by the Governor.

17 ~~(2a) One member shall be experienced in energy policy matters;~~

18 (3) One member shall be ~~experienced in alternative fuels and biofuels;~~
19 representative of an investor-owned natural gas public utility, to be
20 appointed by the President Pro Tempore of the Senate.

21 (4) One member shall be ~~experienced in energy efficient building design or~~
22 construction;
23 an energy economist or a person with experience in the
24 financing or business development or an energy-related business, to be
25 appointed by the President Pro Tempore of the Senate.

26 (5) One member shall be ~~experienced in environmental protection;~~
27 a geologist
28 with experience in hydrocarbon resource evaluation and geophysical data
29 acquisition, to be appointed by the President Pro Tempore of the Senate.

30 (6) One member ~~who is engaged in a business providing renewable energy or~~
31 ~~other energy services;~~
32 shall be an industrial energy consumer, to be appointed
33 by the Speaker of the House of Representatives.

34 (7) One member shall be knowledgeable of alternative and renewable sources of
35 ~~energy;~~
36 energy, other than wind energy, to be appointed by the Speaker of the
37 House of Representatives.

38 (8) One member ~~who, at the time of appointment, is a county commissioner; or~~
39 ~~elected municipal officer; provided, the member's term on the Council shall~~
40 ~~expire immediately in the event that he or she vacates office as a county~~
41 ~~commissioner or municipal officer;~~
42 who has experience in trucking, rail, or
43 shipping transportation, to be appointed by the Speaker of the House of
44 Representatives.

45 (9) Repealed by Session Laws 2009-446, s. 4, effective August 7, 2009.

46 (10) One member shall be knowledgeable in the finance, business development,
47 ~~or technology development of energy related business;~~
48 One member shall be
49 a representative with experience in wind energy, to be appointed by the
50 Governor.

51 (11) One member shall be ~~experienced in low income energy policy matters or~~
~~low income residential weatherization.~~
One member shall be a representative
with experience in environmental management, appointed by the Speaker of
the House of Representatives.

(12) One member shall be ~~experienced in the petroleum industry.~~
One member
shall be involved with the biofuels industry, to be appointed by the President
Pro Tempore of the Senate."

1 **SECTION 4.(e)** G.S. 113B-4 reads as rewritten:

2 "**§ 113B-4. Chairman of Council; replacement; reimbursement of members.**

3 (a) ~~On August 15, 2009, on January 31, 2011, and every four years thereafter, the~~
4 ~~Governor shall appoint a~~The Secretary of Commerce shall serve as chair of the Council.

5 (b) In case of a vacancy in the membership on the Energy ~~Policy~~Jobs Council prior to
6 the expiration of a member's term, a successor shall be appointed within 30 days of such
7 vacancy for the remainder of the unexpired term by the appropriate official pursuant to the
8 provisions of G.S. 113B-3.

9 (c) Members of the Energy ~~Policy~~Jobs Council shall be reimbursed for their services
10 pursuant to the provisions of G.S. 138-5."

11 **SECTION 4.(f)** G.S. 113B-6 reads as rewritten:

12 "**§ 113B-6. General duties and responsibilities.**

13 The goal of the Energy Jobs Council is to identify and utilize all domestic energy resources
14 in order to ensure a secure, stable, and predictable energy supply and to protect the economy of
15 the State, promote job creation, and expand business and industry opportunities while ensuring
16 the protection and preservation of the State's natural resources, cultural heritage, and quality of
17 life. The Energy ~~Policy~~Jobs Council ~~shall~~may delegate its duties where appropriate to the State
18 Energy Office. Provided, however, the Council shall provide oversight and approval to the
19 duties delegated to the State Energy Office. The Energy Jobs Council shall have the following
20 general duties and responsibilities:

21 (1) To develop and recommend to the Governor and the General Assembly a
22 comprehensive ~~long range~~ State energy policy that addresses requirements
23 in the short term (10 years), in the midterm (25 years), and in the long term
24 (50 years) to achieve maximum effective management and use of present
25 and future sources of energy, such policy to include but not be limited to
26 energy efficiency, renewable and alternative sources of energy, research and
27 development into alternative energy technologies, and improvements to the
28 State's energy infrastructure and energy ~~economy;~~economy including smart
29 grid and domestic energy resources that shall include at least natural gas,
30 coal, hydroelectric power, solar, wind, nuclear energy, and biomass.

31 (2) To conduct an ongoing assessment of the opportunities and constraints
32 presented by various uses of all forms of energy to facilitate the expansion of
33 the domestic energy supply and to encourage the efficient use of all such
34 energy forms in a manner consistent with State energy ~~policy;~~policy.

35 (3) To continually review and coordinate all State government research,
36 education and management programs relating to energy ~~matters and~~matters,
37 to continually educate and inform the general public regarding such energy
38 ~~matters;~~matters, and to actively engage in discussions with the federal
39 government, its agencies, and its leaders to identify opportunities to increase
40 domestic energy supply within North Carolina and its adjacent offshore
41 waters.

42 (4) To recommend to the Governor and to the General Assembly needed energy
43 legislation and to recommend for implementation such modifications of
44 energy policy, plans and programs as the Council considers necessary and
45 desirable."

46 **SECTION 4.(g)** G.S. 113B-7 reads as rewritten:

47 "**§ 113B-7. Energy Efficiency Program; components.**

48 (a) The Energy ~~Policy~~Jobs Council shall prepare a recommended Energy Efficiency
49 Program for transmittal to the Governor, the initial plan to be completed by January 30, 1976.

1 (b) The Energy Efficiency Program shall be designed to assure the public health and
2 safety of the people of North Carolina and to encourage and promote conservation of energy
3 through reducing wasteful, inefficient or uneconomical uses of energy resources.

4 (c) The Energy Efficiency Program shall include but not be limited to the following
5 recommendations:

6 (1) Recommendations to the Building Code Council for lighting, insulation,
7 climate control systems and other building design and construction standards
8 which increase the efficient use of energy and are economically feasible to
9 implement;

10 (2) Recommendations to the Building Code Council for per unit energy
11 requirement allotments based upon square footage for various classes of
12 buildings which would reduce energy consumption, yet are both technically
13 and economically feasible and not injurious to public health and safety;

14 (3) Recommendations for minimum levels of operating efficiency for all
15 appliances whose use requires a significant amount of energy based upon
16 both technical and economic feasibility considerations;

17 (4) Recommendations for State government purchases of supplies, vehicles and
18 equipment and such operating practices as will make possible more efficient
19 use of energy;

20 (5) Recommendations on energy conservation policies, programs and
21 procedures for local units of government;

22 (6) Any other recommendations which the Energy ~~Policy~~ Jobs Council
23 considers to be a significant part of a statewide conservation effort and
24 which include provisions for sufficient incentives to further energy
25 conservation;

26 (7) An economic and environmental impact analysis of the recommended
27 program.

28 (d) In addition to specific conservation recommendations, the Energy Efficiency
29 Program shall contain proposals for implementation of such recommendations as can be carried
30 out by executive order. Upon completion of a draft recommended program, the Council shall
31 arrange for its distribution to interested parties and shall make the program available to the
32 public and the Council further shall set a date for public hearing on said program.

33 (e) Upon completion of the Energy Efficiency Program, the Council shall transmit said
34 program, to be known as the State Energy Efficiency Program, to the Governor for approval or
35 disapproval. Upon approval, the Governor shall assign administrative responsibility for such
36 implementation as can be carried out by executive order to appropriate agencies of State
37 government, and submit to the General Assembly such proposals which require legislative
38 action for implementation. The Governor shall have the authority to accept, administer, and
39 enforce federal programs, program measures and permissive delegations of authority delegated
40 to the Governor by the President of the United States, Congress, or the United States
41 Department of Energy, on behalf of the State of North Carolina, which pertain to the
42 conservation of energy resources.

43 (f) The Governor shall transmit the approved Energy Efficiency Program to the
44 President Pro Tempore of the Senate, to the Speaker of the House of Representatives, to the
45 heads of all State agencies and shall further seek to publicize such plan and make it available to
46 all units of local government and to the public at large.

47 (g) At least every two years and whenever such changes take place as would
48 significantly affect energy supply or demand in North Carolina, the Energy ~~Policy~~ Jobs Council
49 shall review and, if necessary, revise the Energy Efficiency Program, transmitting such revised
50 plan to the Governor pursuant to the procedures contained in subsections (e) and (f) of this
51 section."

1 **SECTION 4.(h)** G.S. 113B-8(a) reads as rewritten:

2 "**§ 113B-8. Energy Management Plan; components.**

3 (a) The Energy ~~Policy-Jobs~~ Council shall prepare a recommended Energy Management
4 Plan for transmittal to the Governor, the initial plan to be completed by June 30, 1976."

5 **SECTION 4.(i)** G.S. 113B-9 reads as rewritten:

6 "**§ 113B-9. Emergency Energy Program; components.**

7 (a) The Energy ~~Policy-Jobs~~ Council shall, in accordance with the provisions of this
8 Article, develop contingency and emergency plans to deal with possible shortages of energy to
9 protect public health, safety and welfare, such plans to be compiled into an Emergency Energy
10 Program.

11 (b) Within four months of July 1, 1975:

12 (1) Each electric utility and natural gas utility in the State shall prepare and
13 submit to the Energy ~~Policy-Jobs~~ Council a proposed emergency curtailment
14 plan setting forth proposals for identifying priority loads or users in the event
15 of the declaration of an energy crisis pursuant to G.S. 113B-20, and
16 proposals for supply allocation to such priority loads or users.

17 (2) Each major oil producer doing business in this State as determined by the
18 Energy ~~Policy-Jobs~~ Council shall prepare and submit to the Energy ~~Policy~~
19 ~~Jobs~~ Council an analysis of how any national supply curtailment pursuant to
20 federal regulations shall affect the supply for North Carolina and how
21 priority users will be determined and available supplies allocated to such
22 users.

23 (c) The Energy ~~Policy-Jobs~~ Council shall encourage the preparation of joint emergency
24 curtailment plans and analyses. If such cooperative plans and analyses are developed between
25 two or more utilities, major producers or by an association of such companies, the joint plans or
26 analyses may be submitted to the Energy ~~Policy-Jobs~~ Council in lieu of information required
27 pursuant to subsection (b) of this section.

28 (d) The Energy ~~Policy-Jobs~~ Council shall collect from all relevant governmental
29 agencies any existing contingency plans for dealing with sudden energy shortages or
30 information related thereto.

31 (e) The Energy ~~Policy-Jobs~~ Council shall hold one or more public hearings, investigate
32 and review the plans submitted pursuant to this section, and, within nine months after July 1,
33 1975, the Energy ~~Policy-Jobs~~ Council shall approve and recommend to the Governor guidelines
34 for emergency curtailment to be known as the Emergency Energy Program and to be
35 implemented upon adoption by the Governor after the declaration of an energy crisis and
36 pursuant to G.S. 113B-20 and 113B-23. Said program shall be based upon the plans presented
37 to the Energy ~~Policy-Jobs~~ Council, upon independent analysis and study by the Council, and
38 upon information provided at the hearing or hearings, provided, however, that they are
39 consistent with such federal programs and regulations as are already in effect at that time.

40 (f) The Emergency Energy Program shall provide for the maintenance of essential
41 services, the protection of public health, safety, and welfare, and the maintenance of a sound
42 basic State economy. Provisions also shall be made in said program to differentiate curtailment
43 of energy consumption by users on the basis of ability to accommodate such curtailments, and
44 shall also include, but not be limited to, the following:

45 (1) A variety of strategies and staged conservation measures of increasing
46 intensity and authority to reduce energy use during an energy crisis, as
47 defined in G.S. 113B-20 and guidelines and criteria for allocation of energy
48 sources to priority users. The program shall contain alternative conservation
49 actions and allocation plans to reasonably meet various foreseeable shortage
50 circumstances and to allow a choice of appropriate responses;

- 1 (2) Evidence that the program is consistent with requirements of federal
2 emergency energy conservation and allocation laws and regulations;
3 (3) Proposals to assist such individuals, institutions, agriculture and businesses
4 which have engaged in energy saving measures;

5 (g) The Energy ~~Policy~~-Jobs Council shall carry out such investigations and studies as
6 are necessary to determine if and when potentially serious shortages of energy are likely to
7 affect North Carolina and the Council shall make recommendations to the Governor concerning
8 administrative and legislative actions required to avert such shortages, such recommendations
9 to be included as a section of the Emergency Energy Program.

10 (h) In addition to the above information and recommendations, the program shall
11 contain proposals for implementation of such recommendations which include procedures,
12 rules and regulations and agency administrative responsibilities for implementation, and shall
13 further contain procedures for fair and equitable review of complaints and requests for special
14 exemptions from emergency conservation measures or emergency allocations. Upon
15 completion of a draft recommended plan, the Council shall arrange for its distribution to
16 interested parties and shall make such plan available to the public and the Council further shall
17 set a date for public hearing on said plan.

18 (i) Upon completion of the Emergency Energy Allocation Program, the Council and
19 the Governor shall follow the procedures as outlined in G.S. 113B-7(e) and (f).

20 (j) The Council shall update said program upon a finding by it that an update is
21 justified and shall follow the procedures for adoption pursuant to G.S. 113B-7(e) and (f).

22 (k) The Governor shall have the authority to accept, administer and enforce federal
23 programs, program measures and permissive delegations of authority delegated to the Governor
24 by the President of the United States, Congress, or the United States Department of Energy, on
25 behalf of the State of North Carolina, which pertain to actions necessary to deal with an actual
26 or impending energy shortage."

27 **SECTION 4.(j)** G.S. 113B-12 reads as rewritten:

28 "**§ 113B-12. Annual reports; contents.**

29 (a) Beginning January 1, 1977, and every ~~year~~two years thereafter, the Energy ~~Policy~~
30 Jobs Council shall transmit to the Governor, the Speaker of the House of Representatives, the
31 President Pro Tempore of the Senate, the chairman of the Utilities Commission and the
32 appropriate chairmen of the House and Senate committees concerned with energy matters, a
33 comprehensive report providing a general overview of energy conditions in the State. ~~On~~
34 ~~January 1, 1976, the Energy Policy Council shall transmit a progress report to the public~~
35 ~~officials named above.~~

36 (b) The report shall include, but not be limited to, the following:

- 37 (1) An overview of statewide growth and development as they relate to future
38 requirements for energy, including patterns of urban and metropolitan
39 expansion, shifts in transportation modes, modifications in building types
40 and design, and other trends and factors which, as determined by the
41 Council, will significantly affect energy needs;
- 42 (2) The level of statewide and multi-county regional energy demand for a five,
43 10- and 20-year forecast period which, in the judgment of the Council, can
44 reasonably be met, with proposals as to possible energy supply sources;
- 45 (3) An assessment of growth trends in energy consumption and production and
46 an identification of potential adverse social, economic, or environmental
47 impacts which might be imposed by continuation of the present trends,
48 including energy costs to consumers, significant increases in air, water, and
49 other forms of pollution, threats to public health and safety, and loss of
50 scenic and natural areas;

- 1 (4) An analysis of the role of energy efficiency, renewable energy,
2 improvements to the State's energy infrastructure, and other means in
3 meeting the State's current and projected energy demand;
- 4 (6) Recommendations to the Governor and the General Assembly for additional
5 administrative and legislative actions on energy matters;
- 6 (7) A summary of the Council's activities since ~~its inception~~, the last report, a
7 description of major plans developed by the Council, an assessment of plan
8 implementation, and a review of Council plans and programs for the coming
9 biennium."

10 **SECTION 4.(k)** G.S. 113B-21(a) reads as rewritten:

11 "(a) ~~There is hereby created~~ Upon the declaration of an energy crisis by the Governor, a
12 Legislative Committee on Energy Crisis Management shall be created to consist of the Speaker,
13 as chairman, the Speaker pro tempore of the House of ~~Representatives and~~ Representatives, the
14 President ~~pro tempore~~ Pro Tempore of the Senate, and the majority leader of the Senate. The
15 Lieutenant Governor shall serve as a nonvoting ex officio member, provided, however, that he
16 shall vote to break a tie."

17 **SECTION 4.(l)** G.S. 113B-23 reads as rewritten:

18 "**§ 113B-23. Administration of plans and procedures.**

19 (a) Upon the declaration of an energy crisis, pursuant to G.S. 113B-20, the Energy
20 ~~Policy-Jobs~~ Council shall become the emergency energy coordinating body for the State and
21 shall carry out the following duties:

- 22 (1) Identify and determine the nature and severity of expected energy shortages;
- 23 (2) Provide for daily communications with and gather information from
24 significant energy producers, distributors, transporters and major consumers,
25 as determined by the Energy ~~Policy-Jobs~~ Council, to carry out its
26 responsibilities pursuant to this section;
- 27 (3) Provide data, carry out continuing assessments of the crisis situation, and
28 make recommendations to the Governor and to the Legislative Committee
29 for further action.

30 (b) Upon the declaration of an energy crisis, the Governor shall order the Energy ~~Policy~~
31 ~~Jobs~~ Council, the Utilities Commission, the Attorney General and other appropriate State and
32 local agencies to implement and enforce the Emergency Energy Program pursuant to
33 G.S. 113B-9 and any emergency rules, orders or regulations approved pursuant to
34 G.S. 113B-22.

35 (c) Upon the declaration of an energy crisis, the Governor may employ such measures
36 and give such direction to State and local offices and agencies as may be reasonable and
37 necessary for the purpose of securing compliance with the provisions of this Article and with
38 emergency rules, orders and regulations issued pursuant to G.S. 113B-22."

39 **SECTION 4.(m)** G.S. 113B-24(c) reads as rewritten:

40 "(c) The provisions of this Article or any rules, orders or regulations promulgated
41 pursuant to G.S. 113B-22 may be enforced by bringing an action to enjoin such acts or
42 practices as may be in violation and, upon a proper showing, a temporary restraining order or a
43 preliminary or permanent injunction shall be issued. The relief sought may include a mandatory
44 injunction commanding any person to comply with any such order, rule or regulation and
45 restitution of money received in violation of any such order, rule or regulation. The Attorney
46 General shall bring any action under this subsection upon the request of the Governor, the
47 Legislative Committee on Energy Crisis Management, the Energy ~~Policy-Jobs~~ Council, or upon
48 his direction if he deems such action advisable and in the public interest. The Attorney General
49 may institute such action in the Superior Court of Wake County, or, in his discretion, in the
50 superior court of the county in which the acts or practices constituting a violation occurred, are
51 occurring or may occur."

1 Department, accurate reports as to the stocks of coal and petroleum products and storage
2 capacities maintained by the supplier, including the supplier's current inventory and stock of
3 coal, motor gasoline, middle distillates, residual oils and propane, the expected time such
4 supplies will last under ordinary distribution demand and the schedule for receiving additional
5 or replacement stocks. The reports and the information contained therein shall be proprietary
6 information available only to regular employees of the Department of Administration, except
7 that aggregate tables or schedules consolidating information from the reports may be released if
8 they do not reveal individual report data for any named supplier. It is further the intent of this
9 section that no information shall be required from coal and petroleum suppliers, that is, at the
10 time the reports are requested, already on file with any agency, commission, or department of
11 State government.

12 It is the intent of this section that the reports be filed only at such times as the Energy
13 ~~Policy-Jobs~~ Council and the Governor determine that an energy crisis as defined in
14 G.S. 113B-20 exists or may be imminent.

15 If any petroleum or coal supplier fails to file the accurate reports as may be required by this
16 section for more than 10 days after the date on which any such report is due, the Secretary of
17 Administration is authorized and empowered to petition the district court, Division of the
18 General Court of Justice, in the county in which the principal office or place of business of the
19 supplier is located, for a mandatory injunction compelling the supplier to file the report."

20 **SECTION 6.(a)** Miscellaneous Provisions. – Notwithstanding G.S. 113B-3 or any
21 other law to the contrary, the memberships of all members of the Energy Policy Council
22 serving as of the effective date of this act shall be terminated on the effective date of this act.

23 **SECTION 6.(b)** The Revisor of Statutes shall make the conforming statutory
24 changes necessary to reflect the transfers under this section. The Revisor of Statutes may
25 correct any reference in the General Statutes to the statutes that are recodified by this section
26 and make any other conforming changes necessitated by this section.

27 **SECTION 6.(c)** Upon ratification, the Secretary of State shall furnish certified
28 copies of this act to each member of the North Carolina Congressional delegation, the
29 governors of South Carolina and Virginia, the legislative bodies of South Carolina and
30 Virginia, the Secretary of the United States Department of the Interior, and the President of the
31 United States.

32 **SECTION 6.(d)** This act is effective when it becomes law.