

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 1484

Short Title: Promote Electricity Demand Reduction. (Public)

Sponsors: Representatives Barnhart, Dickson, Glazier (Primary Sponsors); Faison, Insko, and Lucas.

Referred to: Public Utilities, if favorable, Energy and Energy Efficiency.

April 13, 2009

A BILL TO BE ENTITLED
AN ACT TO PROMOTE THE USE OF ELECTRICITY DEMAND REDUCTION TO
SATISFY RENEWABLE ENERGY PORTFOLIO STANDARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-133.8(a) is amended by adding a new subdivision to read:

"(3a) "Electricity demand reduction" means a reduction in the electricity demand of a retail electric customer that is voluntary, under the real-time control of both the electric public utility and the retail electric customer, and measured in real time, using two-way communications devices that communicate on the basis of nonproprietary standards that have been initiated, established, or approved by the Institute of Electrical and Electronics Engineers or the International Telecommunications Union."

SECTION 2. G.S. 62-133.8(b) reads as rewritten:

"(b) Renewable Energy and Energy Efficiency Standards (REPS) for Electric Public Utilities. –

(1) Each electric public utility in the State shall be subject to a Renewable Energy and Energy Efficiency Portfolio Standard (REPS) according to the following schedule:

| Calendar Year | REPS Requirement |
|---------------------|---|
| 2012 | 3% of 2011 North Carolina retail sales |
| 2015 | 6% of 2014 North Carolina retail sales |
| 2018 | 10% of 2017 North Carolina retail sales |
| 2021 and thereafter | 12.5% of 2020 North Carolina retail sales |

(2) An electric public utility may meet the requirements of this section by any one or more of the following:

- a. Generate electric power at a new renewable energy facility.
- b. Use a renewable energy resource to generate electric power at a generating facility other than the generation of electric power from waste heat derived from the combustion of fossil fuel.
- c. Reduce energy consumption through the implementation of an energy efficiency measure; provided, however, an electric public utility subject to the provisions of this subsection may meet up to twenty-five percent (25%) of the requirements of this section through savings due to implementation of energy efficiency measures. Beginning in calendar year 2021 and each year thereafter, an electric public utility may meet up to forty percent (40%) of the requirements



- 1 of this section through savings due to implementation of energy
- 2 efficiency measures.
- 3 d. Purchase electric power from a new renewable energy facility.
- 4 Electric power purchased from a new renewable energy facility
- 5 located outside the geographic boundaries of the State shall meet the
- 6 requirements of this section if the electric power is delivered to a
- 7 public utility that provides electric power to retail electric customers
- 8 in the State; provided, however, the electric public utility shall not
- 9 sell the renewable energy certificates created pursuant to this
- 10 paragraph to another electric public utility.
- 11 e. Purchase renewable energy certificates derived from in-State or
- 12 out-of-state new renewable energy facilities. Certificates derived
- 13 from out-of-state new renewable energy facilities shall not be used to
- 14 meet more than twenty-five percent (25%) of the requirements of this
- 15 section, provided that this limitation shall not apply to an electric
- 16 public utility with less than 150,000 North Carolina retail
- 17 jurisdictional customers as of December 31, 2006.
- 18 f. Use electric power that is supplied by a new renewable energy
- 19 facility or saved due to the implementation of an energy efficiency
- 20 measure that exceeds the requirements of this section for any
- 21 calendar year as a credit towards the requirements of this section in
- 22 the following calendar year or sell the associated renewable energy
- 23 certificates.

24 g. Electricity demand reduction."

25 **SECTION 3.** G.S. 62-133.8(c) reads as rewritten:

26 "(c) Renewable Energy and Energy Efficiency Standards (REPS) for Electric
27 Membership Corporations and Municipalities. –

- 28 (1) Each electric membership corporation or municipality that sells electric
- 29 power to retail electric power customers in the State shall be subject to a
- 30 Renewable Energy and Energy Efficiency Portfolio Standard (REPS)
- 31 according to the following schedule:

| 32 Calendar Year | REPS Requirement |
|------------------------|---|
| 33 2012 | 3% of 2011 North Carolina retail sales |
| 34 2015 | 6% of 2014 North Carolina retail sales |
| 35 2018 and thereafter | 10% of 2017 North Carolina retail sales |

- 36 (2) An electric membership corporation or municipality may meet the
- 37 requirements of this section by any one or more of the following:
- 38 a. Generate electric power at a new renewable energy facility.
- 39 b. Reduce energy consumption through the implementation of
- 40 demand-side management or energy efficiency measures.
- 41 c. Purchase electric power from a renewable energy facility or a
- 42 hydroelectric power facility, provided that no more than thirty
- 43 percent (30%) of the requirements of this section may be met with
- 44 hydroelectric power, including allocations made by the Southeastern
- 45 Power Administration.
- 46 d. Purchase renewable energy certificates derived from in-State or
- 47 out-of-state renewable energy facilities. An electric power supplier
- 48 subject to the requirements of this subsection may use certificates
- 49 derived from out-of-state renewable energy facilities to meet no more
- 50 than twenty-five percent (25%) of the requirements of this section.

- 1 e. Acquire all or part of its electric power through a wholesale purchase
- 2 power agreement with a wholesale supplier of electric power whose
- 3 portfolio of supply and demand options meets the requirements of
- 4 this section.
- 5 f. Use electric power that is supplied by a new renewable energy
- 6 facility or saved due to the implementation of demand-side
- 7 management or energy efficiency measures that exceeds the
- 8 requirements of this section for any calendar year as a credit towards
- 9 the requirements of this section in the following calendar year or sell
- 10 the associated renewable energy certificates.
- 11 g. Electricity demand reduction."
- 12 **SECTION 4.** This act is effective when it becomes law.