

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS75423-LDz-155A* (04/07)

Short Title: Energy Emergencies Preparedness.

(Public)

Sponsors: Senators Nesbitt, and Dorsett.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO UPDATE THE NORTH CAROLINA ENERGY EMERGENCY PLAN,
TO IMPROVE PLANNING AND COORDINATION FOR AN ENERGY
EMERGENCY OR ENERGY CRISIS AMONG ALL LEVELS OF
GOVERNMENT, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY
THE JOINT STUDY COMMITTEE ON EMERGENCY PREPAREDNESS AND
DISASTER MANAGEMENT RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly makes the following findings:

- (1) Ninety percent (90%) of the petroleum used for fuel in North Carolina reaches this State via two pipelines that originate in the Gulf coast region.
- (2) In the summer and fall of 2005, Hurricanes Katrina and Rita caused severe damage to Gulf coast refineries and to the pipelines that supply fuel to North Carolina. North Carolina experienced major disruptions in its petroleum supplies that almost reached emergency proportions.
- (3) As a result of the disruptions, the Governor curtailed all nonessential travel by State agencies. In addition, units of local government were in danger of not having sufficient fuel to supply their first responder and other vital services.
- (4) The State and units of local government purchase their fuel through the State's competitive bidding procedure under Article 3 of Chapter 143 of the General Statutes, which requires the contract to be awarded to the lowest bidder. The contracts for fuel purchases by the State and by units of local government are awarded to independent fuel distributors whose supplies were the first to be curtailed during the fuel disruptions this summer. Consequently, neither the State nor units of local

1 government had contracts with fuel distributors that ensured that their
2 most vital fuel needs would receive priority during this summer's
3 supply disruptions.

4 (5) The North Carolina Energy Emergency Plan is produced by the State
5 Energy Office as part of the North Carolina Emergency Operations
6 Plan. The North Carolina Emergency Operations Plan was developed
7 by the Department of Crime Control and Public Safety under
8 G.S. 166A-5. Under the North Carolina Emergency Operations Plan,
9 the State Energy Office of the Department of Administration is the
10 lead technical agency responsible for responding to and recovering
11 from fuel shortages in the State.

12 (6) The North Carolina Energy Emergency Plan is designed to do all of
13 the following:

- 14 a. Determine North Carolina's essential energy facilities.
- 15 b. Assess potential threats and possible consequences of energy
16 disruptions.
- 17 c. Identify response measures and options.
- 18 d. Coordinate local, State, and federal governments and their
19 agencies.

20 (7) The North Carolina Energy Emergency Plan was last revised in 2003.
21 The North Carolina Energy Emergency Plan does not adequately
22 address the type of emergency the State experienced last summer, a
23 natural disaster, or a serious terrorist attack on infrastructure.

24 (8) Better coordination and planning is needed within and among State
25 agencies, federal agencies, and units of local government to ensure that
26 public fuel supply requirements are properly prioritized during an
27 energy emergency or energy crisis and to ensure that critical and
28 emergency governmental functions can be maintained during an
29 energy emergency or energy crisis.

30 **SECTION 2.** The State Energy Office shall update the North Carolina
31 Energy Emergency Plan consistent with the findings under Section 1 of this act. In
32 order to accomplish this task, the State Energy Office shall conduct a study of the
33 State's ability to adequately respond to an energy emergency or energy crisis of a high
34 magnitude. As part of this study, the State Energy Office shall:

- 35 (1) Review and recommend the revision of existing energy emergency
36 plans of appropriate State agencies and units of local government or
37 recommend to a particular unit of government that it should develop an
38 energy emergency plan, if it currently has none.
- 39 (2) Clarify the roles and responsibilities among State and federal agencies
40 and units of local government in the event of an emergency petroleum
41 shortage.

42 **SECTION 3.** The State Energy Office shall report its findings,
43 recommendations, and its draft updated North Carolina Energy Emergency Plan to the
44 Joint Study Committee on Emergency Preparedness and Disaster Management

1 Recovery no later than November 1, 2006. All recommendations to the Committee
2 shall include a cost estimate of the recommended undertaking.

3 **SECTION 4.** The State Energy Office, in conjunction with the Office of
4 State Purchase and Contract, shall review the current contracts for fuel for State
5 purchases and purchases by units of local government and determine whether they
6 adequately assure that the State and units of local government would not experience any
7 supply disruptions for their highest fuel needs during an emergency fuel shortage.

8 **SECTION 5.** There is appropriated from the General Fund to the State
9 Energy Office of the Department of Administration the sum of forty thousand dollars
10 (\$40,000) for the 2006-2007 fiscal year for its costs to implement this act.

11 **SECTION 6.** This act becomes effective July 1, 2006.