

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1068 (Second Edition)

SHORT TITLE: Permitting of Wind Energy Facilities.

SPONSOR(S): Senator Albertson

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
General Fund	\$2,000	\$0	\$2,000	\$0	\$2,000
EXPENDITURES					
General Fund	\$500	\$0	\$500	\$0	\$500
POSITIONS (cumulative):	Department will use existing staff.				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Coastal Resources Commission, Department of Environment and Natural Resources					
EFFECTIVE DATE: January 1, 2010					

BILL SUMMARY:

S.B. 1068 creates a permitting process for wind energy facilities to be managed by the Coastal Resources Commission (CRC). The bill modifies the definition of wind energy facility in GS 113A-103 to mean the turbines, accessory buildings, transmission facilities, and any other equipment necessary for the operation of the facility that cumulatively, with any other wind energy facility whose turbines are located within one-half mile of one another, have a rated capacity of three megawatts or more (was, in excess of two megawatts) of energy. The bill states that an application for a wind energy facility permit shall include all of the following:

- a narrative description of the facility;
- a map showing the location of the facility;
- the capacity of the energy to be generated;
- a copy of the deed, purchase agreement, lease agreement, or other legal document showing the right to develop the property;

- certification that adjacent property owners were notified to the maximum extent practicable;
- a study of noise impacts of the turbines, unless the turbines will be located in waters at least 0.6 miles from a shoreline;
- a study of shadow flicker impacts, unless the turbines will be located in waters at least 1.6 miles from a shoreline;
- a study of avian and bat impacts;
- a study on viewshed impacts;
- an explanation of how the proposed facility would be in compliance with proposed GS 113A-118.3(c);
- the application fee; and
- any other information CRC may reasonably acquire.

As proposed GS 113A-118.3(c), the bill outlines several conditions under which CRC can deny a permit. The bill requires an application fee of \$2,000. The bill also allows CRC to attach conditions to a permit that the applicant mitigate adverse impacts and also that the applicant provide a plan for decommissioning and removal of the facility, as well as requiring the applicant to provide a bond, insurance or other guarantee to provide for the decommissioning and removal of the facility. S.B. 1068 requires that the Commission hold a public hearing in the county where the facility will be located.

The bill specifies that nothing in the statute is to be interpreted to limit the application of Article 7 of GS Chapter 113A to facilities, including the permitting requirements under GS 113A-118 or the ability of a city or county to plan for or regulate the siting of facilities in accordance with land use regulations. The bill further requires that any person who proposes to construct or operate a wind energy facility within the planning jurisdiction of a city or county must demonstrate compliance with any local ordinances concerning land use and any applicable permitting processes. Finally, the bill gives CRC rule-making authority to implement the bill.

ASSUMPTIONS AND METHODOLOGY:

Expenditures

As this is a new program with no historical data to draw from, estimates were obtained from the Department of Environment and Natural Resources (DENR) as to what resources would be needed to manage the program. The Division of Coastal Management (DCM) within DENR reported that they would not need additional staff and that the new program could be managed by reallocating 25% of the time of a current employee. For the purposes of this note, no new staff costs are anticipated.

DCM anticipates \$500 in costs to conduct the public hearings. These costs include travel for one CRC hearing officer and two DCM staff, as well as publishing public notices, and meeting room rental costs (although efforts will be made to obtain local meeting rooms with no costs).

Revenues

DCM anticipates receiving one application in the first year and two more applications over the next four years. The bill establishes an application fee of \$2,000; thus revenues are anticipated to be \$2,000 in the first year and \$2,000 every other year thereafter. These application fees will be credited to a General Fund account, as no new special fund is created in the bill.

SOURCES OF DATA: Department of Environment and Natural Resources

TECHNICAL CONSIDERATIONS: None

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