

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2017

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HOUSE BILL 1073
Committee Substitute Favorable 6/14/18

Short Title: Establish Econ. Dev. Energy Task Force.

(Public)

Sponsors:

Referred to:

June 1, 2018

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE BLUE RIBBON TASK FORCE ON NATURAL GAS
3 INFRASTRUCTURE AND ACCESS.

4 Whereas, the development of natural gas infrastructure is essential to economic
5 growth in North Carolina; and

6 Whereas, there are over 4,226 miles of natural gas transmission pipeline in North
7 Carolina; and

8 Whereas, there are over 30,000 miles of natural gas distribution pipeline in North
9 Carolina; and

10 Whereas, it is in the interest of rural areas to have access to natural gas across the
11 State; Now, therefore,

12 The General Assembly of North Carolina enacts:

13 **SECTION 1.(a)** There is established the Blue Ribbon Task Force on Natural Gas
14 Infrastructure and Access (Task Force). The purpose of the Task Force is to review current
15 statutorily established funds that are available for development of natural gas infrastructure to
16 enhance economic development, and to make recommendations on whether any changes to these
17 funds are needed or advisable and whether appropriations of additional funds may be needed or
18 advisable. The Task Force shall also examine any financial barriers to expansion or development
19 of natural gas infrastructure and methods to incentivize extension of natural gas service. At a
20 minimum, the Task Force shall examine the following issues:

- 21 (1) Moneys currently available under G.S. 143B-437.021 (Natural gas economic
22 development infrastructure), G.S. 143B-437.01 (Industrial Development
23 Fund Utility Account), and G.S. 62-159 (Additional funding for natural gas
24 expansion) (the Funds) and any funds or legislation relevant to natural gas
25 infrastructure expansion or incentivization.
- 26 (2) Historic funding levels for the Funds and historic expenditures from the
27 Funds.
- 28 (3) Current statutory eligibility criteria and application requirements for receipt
29 of moneys under each fund, as well as guidelines adopted by the Department
30 of Commerce pursuant to statute where relevant. In addition, the Task Force
31 shall review and examine requirements for the appropriate protection of
32 confidential and trade secret information submitted in any application or grant
33 agreement for such fund, including the relevance of the information to the
34 decision to award a grant.
- 35 (4) Current allowable uses for moneys available under each fund.



- 1 (5) Whether establishment of an additional fund is advisable and, if so, how such
2 funds should be administered, including whether a governing board should be
3 created for distribution of the funds.
- 4 (6) Provisions related to the development of natural gas infrastructure to enhance
5 economic development under G.S. 62-133.15 (Cost recovery for natural gas
6 economic development infrastructure).
- 7 (7) The current network for natural gas distribution in the State.
- 8 (8) The location of existing taps on natural gas pipelines that currently traverse
9 the State, taps slated for natural gas pipelines proposed to traverse the State,
10 and whether additional taps would be beneficial.
- 11 (9) Areas of the State in which additional natural gas infrastructure is needed to
12 promote economic development. In studying this issue, the Task Force shall
13 place particular emphasis on identifying such needs in counties of the State
14 through which natural gas pipelines traverse in order to maximize
15 opportunities for economic development that can be realized from the
16 presence of the pipeline, including rural and coastal areas through which
17 natural gas pipelines traverse.
- 18 (10) Opportunities for connecting new natural gas transmission lines into existing
19 natural gas infrastructure.
- 20 (11) Whether projects involving the delivery of liquefied natural gas (LNG) should
21 be considered infrastructure to enhance economic development eligible for
22 receipt of moneys from the Funds or eligible for receipt of moneys from any
23 additional fund that may be recommended for establishment by the Task
24 Force.
- 25 (12) Entities that may serve a role in marketing availability of funds for
26 development of natural gas infrastructure and rendering technical assistance
27 to potential applicants for such funds.
- 28 (13) Whether county governments should be given authority to issue bonds for
29 development of natural gas infrastructure to promote economic development
30 within their jurisdictions.
- 31 (14) Natural gas utilities' long-term contracts that require purchase of certain
32 volumes of natural gas relative to accounting for additional future "tap-ons"
33 for return on investment (ROI) purposes.
- 34 (15) The impact of any new or additional funds or legislation concerning the
35 expansion or development of natural gas infrastructure upon other energy
36 providers and rate-payers.
- 37 (16) Any other issue related to the development of natural gas infrastructure to
38 enhance economic development that the Task Force deems relevant.
- 39 **SECTION 1.(b)** The Task Force shall consist of 17 members, appointed as follows:
- 40 (1) Five members of the House of Representatives upon the recommendation of
41 the Speaker of the House of Representatives, one of whom shall be a member
42 of the minority party.
- 43 (2) Five members of the Senate upon the recommendation of the President Pro
44 Tempore of the Senate, one of whom shall be a member of the minority party.
- 45 (3) The Commissioner of Agriculture or the Commissioner's designee, ex officio
46 and nonvoting.
- 47 (4) Two county commissioners, who are advisory and nonvoting, one of whom is
48 appointed upon the recommendation of the Speaker of the House of
49 Representatives and one of whom is appointed upon the recommendation of
50 the President Pro Tempore of the Senate.

1 (5) Two representatives of a local or regional economic development
2 commission, who are advisory and nonvoting, one of whom is appointed upon
3 the recommendation of the Speaker of the House of Representatives and one
4 of whom is appointed upon the recommendation of the President Pro Tempore
5 of the Senate.

6 (6) Two representatives of an agricultural advocacy and outreach organization,
7 who are advisory and nonvoting, one of whom is appointed upon the
8 recommendation of the Speaker of the House of Representatives and one of
9 whom is appointed upon the recommendation of the President Pro Tempore
10 of the Senate.

11 **SECTION 1.(c)** The President Pro Tempore of the Senate and the Speaker of the
12 House of Representatives shall each appoint a cochair of the Task Force from among its
13 membership.

14 **SECTION 1.(d)** The Task Force shall meet upon the call of its cochairs. A quorum
15 of the Task Force is a majority of its members. No action may be taken except by a majority vote
16 at a meeting at which a quorum is present. The Task Force, while in the discharge of its official
17 duties, may exercise all powers provided for under G.S. 120-19 through G.S. 120-19.4. The Task
18 Force may contract for professional, clerical, or consultant services, as provided by
19 G.S. 120-32.02. If the Task Force hires a consultant, the consultant shall not be a State employee
20 or a person currently under contract with the State to provide services. Members of the Task
21 Force shall receive per diem, subsistence, and travel allowances as provided in G.S. 120-3.1. The
22 expenses of the Task Force shall be considered expenses incurred for the joint operation of the
23 General Assembly.

24 **SECTION 1.(e)** In conducting this study, the Task Force shall consult with
25 representatives of the Departments of Commerce and Transportation, the Utilities Commission,
26 the Local Government Commission, and the Golden LEAF Foundation.

27 **SECTION 1.(f)** The Legislative Services Officer shall assign professional and
28 clerical staff to assist the Task Force in its work. The Director of Legislative Assistants of the
29 House of Representatives and the Director of Legislative Assistants of the Senate shall assign
30 clerical support to the Task Force.

31 **SECTION 1.(g)** Meetings of the Task Force are authorized to begin on or after July
32 1, 2018. The Task Force shall submit a final report on the results of its study, including proposed
33 legislation, to the Joint Legislative Oversight Committee on Agriculture and Natural and
34 Economic Resources and the Joint Legislative Commission on Energy Policy on or before
35 December 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of
36 the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative
37 Oversight Committee on Agriculture and Natural and Economic Resources and the Joint
38 Legislative Commission on Energy Policy, and the Legislative Library. The Task Force shall
39 terminate on December 1, 2019, or upon the filing of its final report, whichever comes first.

40 **SECTION 1.(h)** The sum of ten thousand dollars (\$10,000) in recurring funds for
41 the 2018-2019 fiscal year is appropriated from the unappropriated balance remaining in the
42 General Fund to support the activities of the Task Force.

43 **SECTION 2.** This act is effective when it becomes law.