

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2017

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HOUSE BILL 1073  
Committee Substitute Favorable 6/14/18  
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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) Requirements, procedures, and laws concerning the acceptance of renewable  
38 natural gas that meets applicable constituency characteristics by local gas  
39 distribution companies.
- 40 (17) Any other issue related to the development of natural gas infrastructure to  
41 enhance economic development that the Task Force deems relevant.
- 42 **SECTION 1.(b)** The Task Force shall consist of 17 members, appointed as follows:
- 43 (1) Five members of the House of Representatives upon the recommendation of  
44 the Speaker of the House of Representatives, one of whom shall be a member  
45 of the minority party.
- 46 (2) Five members of the Senate upon the recommendation of the President Pro  
47 Tempore of the Senate, one of whom shall be a member of the minority party.
- 48 (3) The Commissioner of Agriculture or the Commissioner's designee, ex officio  
49 and nonvoting.
- 50 (4) Two county commissioners, who are advisory and nonvoting, one of whom is  
51 appointed upon the recommendation of the Speaker of the House of

1 Representatives and one of whom is appointed upon the recommendation of  
2 the President Pro Tempore of the Senate.

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

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

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

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

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

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

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

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

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