



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 1073: Establish Econ. Dev. Energy Task Force.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	June 14, 2018
Introduced by:	Reps. Strickland, Dixon, J. Bell, Brenden Jones	Prepared by:	Kyle Evans Staff Attorney
Analysis of:	PCS to First Edition H1073-CSBRa-4		

OVERVIEW: House Bill 1073 would establish the Blue Ribbon Task Force on Natural Gas Infrastructure and Access (Task Force). The purpose of the Task Force is to: (i) review current statutorily established funds that are available for development of natural gas infrastructure to enhance economic development, and to make recommendations on whether any changes to these funds are needed or advisable, and whether appropriations of additional funds may be needed or advisable; and (ii) examine any financial barriers to expansion or development of natural gas infrastructure and methods to incentivize extension of natural gas service. The bill would appropriate \$10,000 in recurring funds for the 2018-2019 fiscal year to support the activities of the Task Force.

The PCS to H1073 would further direct the Task Force to study the potential impact of any new or additional funds or legislation concerning the expansion or development of natural gas infrastructure upon other energy providers and rate-payers, and makes a technical change.

CURRENT LAW: Current statutorily established funds available for development of natural gas infrastructure (the Funds) include:

- G.S. 143B-437.021 (Natural gas economic development infrastructure): This fund allows natural gas local distribution companies to recover the infeasible portion of natural gas infrastructure to eligible projects in rates through an annual rider. Eligible projects are determined by the Department of Commerce based on criteria set forth in the statute. The act became effective July 28, 2016, and expires July 1, 2021.
- G.S. 143B-437.01 (Industrial Development Fund Utility Account): This fund provides moneys to local governments from the most economically distressed counties in the State for various projects designed to create jobs, which includes construction of or improvements to new or existing gas lines or equipment.
- G.S. 62-159 (Additional funding for natural gas expansion): This fund allows the Utilities Commission to provide funding through appropriations from the General Assembly to certain entities for the construction of natural gas facilities that otherwise would not be economically feasible for the company, person, or gas district to construct. In determining whether to approve the use of funds for a particular project, the Commission must consider, among other things, the number of unserved counties and the number of anticipated customers that would be served, and other relevant factors affecting the public interest.

BILL ANALYSIS: The bill would establish the Task Force to: (i) review current statutorily established funds that are available for development of natural gas infrastructure to enhance economic development, and to make recommendations on whether any changes to these funds are needed or advisable, and

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whether appropriations of additional funds may be needed or advisable; and (ii) examine any financial barriers to expansion or development of natural gas infrastructure and methods to incentivize extension of natural gas service. The bill details a number of specific issues that the Task Force must examine in the conduct of the study, and requires the Task Force to consult with representatives of the Departments of Commerce and Transportation, the Utilities Commission, the Local Government Commission, and the Golden LEAF Foundation through the process.

The Task Force would consist of 17 members, including

- Five members of the House of Representatives, one of whom shall be a member of the minority party.
- Five members of the Senate, one of whom shall be a member of the minority party.
- The Commissioner of Agriculture or the Commissioner's designee, ex officio and nonvoting.
- Two county commissioners, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.
- Two representatives of a local or regional economic development commission, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker, and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.
- Two representatives of an agricultural advocacy and outreach organization, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker, and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.

The Task Force would be authorized to begin meeting on or after July 1, 2018.

The bill would appropriate \$10,000 in recurring funds for the 2018-2019 fiscal year to support the activities of the Task Force.

EFFECTIVE DATE: This bill would be effective when it becomes law.