

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 847

Short Title: Energy Savings Incentives/State Agencies. (Public)

Sponsors: Representatives Cervania, Prather, Harrison, and von Haefen (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

April 26, 2023

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT ANY ENERGY SAVINGS REALIZED BY STATE AGENCIES MAY REMAIN AVAILABLE TO THE AGENCY FOR OTHER FACILITY UPGRADES RELATED TO REDUCING ENERGY AND WATER CONSUMPTION.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 2 of Article 3B of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-64.17N. Energy conservation savings nonreversion.**

(a) The General Fund current operations appropriations credit balance remaining at the end of each fiscal year for utilities of a State governmental unit (other than the Board of Governors of The University of North Carolina and its constituent institutions), to the extent that credit balance represents energy savings realized from implementing an energy conservation measure, shall be carried forward by the unit to the next fiscal year and is appropriated for energy conservation measures by that unit. The use of funds appropriated under this section shall be limited to one-time capital and operating expenditures that will not impose additional financial obligations on the State. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code of each unit.

(b) The Director of the Budget shall not decrease the recommended continuation budget requirements for utilities for State governmental units carrying forward a credit balance under subsection (a) of this section by the amount of energy savings realized from implementing energy conservation measures, including savings achieved through a guaranteed energy savings contract.

(c) State governmental units shall submit annual reports on the use of funds authorized pursuant to this section as required under G.S. 143-64.12."

**SECTION 2.** G.S. 143-64.12(a) reads as rewritten:

"(a) The Department of Environmental Quality through the State Energy Office shall develop a comprehensive program to manage energy, water, and other utility use for State agencies and State institutions of higher learning and shall update this program annually. Each State agency and State institution of higher learning shall develop and implement a management plan that is consistent with the State's comprehensive program under this subsection to manage energy, water, and other utility use, and that addresses any findings or recommendations resulting from the energy audit required by subsection (b1) of this section. The energy consumption per gross square foot for all State buildings in total shall be reduced by twenty percent (20%) by



1 2010 and thirty percent (30%) by 2015 based on energy consumption for the 2002-2003 fiscal  
2 year. Each State agency and State institution of higher learning shall update its management plan  
3 biennially and include strategies for supporting the energy consumption reduction requirements  
4 under this subsection. Each community college shall submit to the State Energy Office a biennial  
5 written report of utility consumption and costs. Management plans submitted biennially by State  
6 agencies and institutions of higher learning shall include all of the following:

- 7 (1) Estimates of all costs associated with implementing energy conservation  
8 measures, including pre-installation and post-installation costs.
- 9 (2) The cost of analyzing the projected energy savings.
- 10 (3) Design costs, engineering costs, pre-installation costs, post-installation costs,  
11 debt service, and any costs for converting to an alternative energy source.
- 12 (4) An analysis that identifies projected annual energy savings and estimated  
13 payback periods."

14 **SECTION 3.(a)** The sum of one hundred thousand dollars (\$100,000) in recurring  
15 funds for the 2023-2024 fiscal year is appropriated from the General Fund to the Department of  
16 Environmental Quality for the State Energy Office to provide support to State agencies and State  
17 institutions of higher learning for the energy consumption planning requirements imposed by  
18 Section 2 of this act.

19 **SECTION 3.(b)** This section becomes effective July 1, 2023.

20 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes law  
21 and applies to fiscal years ending on or after June 30, 2024.