

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 906

Short Title: LRC to Study Third-Party Sale of Electricity. (Public)

Sponsors: Representatives Samuelson and Avila (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

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

May 5, 2011

A BILL TO BE ENTITLED

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2 AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY
3 THE FEASIBILITY AND THE DESIRABILITY OF AUTHORIZING SALES OF
4 ELECTRICITY BY ANY THIRD PARTY THAT OWNS OR OPERATES THE
5 EQUIPMENT OF A RENEWABLE ENERGY FACILITY WITH TWO MEGAWATTS
6 OR LESS CAPACITY WHEN THE RENEWABLE ENERGY FACILITY IS LOCATED
7 ON A CUSTOMER'S PROPERTY.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The Legislative Research Commission may study the feasibility and
10 the desirability of authorizing sales of electricity by any third party that owns or operates the
11 equipment of a renewable energy facility with two megawatts or less capacity when the
12 renewable energy facility is located on a customer's property. This study shall focus on the
13 obstacles that currently prevent these third-party sales of electricity from renewable energy
14 resources and the possible solutions that address these obstacles. One major obstacle the
15 Commission shall consider is whether the third party that owns or operates the equipment of a
16 renewable energy facility is subject to being regulated as a public utility under Chapter 62 of
17 the General Statutes unless legislation is enacted to exclude the third-party owner or operator of
18 the on-site generating equipment from such regulation. In its study, the Commission may
19 consider all of the following issues:

- 20 (1) Whether these third-party sales of electricity have the potential to
21 substantially assist North Carolina in gaining greater energy security and
22 energy independence through the use of indigenous resources available
23 within the State.
- 24 (2) Whether these third-party sales of electricity have the potential to
25 sufficiently address on-peak demand loads to result in lowering costs for
26 utility customers and avoiding the need to build additional generating
27 facilities.
- 28 (3) Whether the development of renewable energy in the State through
29 third-party sales of electricity is likely to encourage private investment in
30 new small scale generating facilities, thereby creating new property tax
31 bases and creating new energy-related jobs throughout the State.
- 32 (4) Whether these third-party sales of electricity would promote the
33 development of renewable energy in North Carolina by allowing
34 competition in markets that heretofore have been closed to competition and
35 served exclusively by an energy supplier assigned to serve such market.



1 (5) Any other issue the Commission considers relevant to its study.

2 **SECTION 2.** The Legislative Research Commission may make an interim report to
3 the 2011 General Assembly when it reconvenes in 2012 and shall make its final report to the
4 2013 General Assembly. Each report shall include the findings and recommendations of the
5 study, including any legislative proposals.

6 **SECTION 3.** There is appropriated from the General Fund to the General
7 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2011-2012 fiscal year and
8 the sum of twenty-five thousand dollars (\$25,000) for the 2012-2013 fiscal year for the cost of
9 conducting the study under this act.

10 **SECTION 4.** This act becomes effective July 1, 2011.