

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE DRH50890-LD-152A (05/12)

Short Title: Wood/Crop Biomass Strategic Working Group.

(Public)

Sponsors: Representative Harrison.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE NORTH CAROLINA WOOD AND CROP BIOMASS STRATEGIC WORKING GROUP TO IDENTIFY, STUDY, AND RECOMMEND A COMPREHENSIVE PACKAGE OF APPROPRIATE AND TARGETED POLICIES AND FINANCIAL INCENTIVES TO: (1) ENSURE A RELIABLE SUPPLY OF SUSTAINABLY MANAGED WOOD AND CROP BIOMASS FOR ENERGY PURPOSES AND OTHER SECTORS; (2) DEVELOP ECONOMIC OPPORTUNITIES FOR RURAL COMMUNITIES; AND (3) INTEGRATE WOOD AND CROP BIOMASS UTILIZATION INTO THE STATE'S COMPREHENSIVE ENERGY PLAN.

Whereas, in 2006 a legislatively mandated report prepared for the North Carolina Utilities Commission stated that biomass resources would likely be the biggest contributor to renewable energy generation in North Carolina; and

Whereas, in 2007 the General Assembly enacted G.S. 62-133.8, which established a Renewable Energy and Energy Efficiency Portfolio Standard to promote the development of renewable energy generation in North Carolina; and

Whereas, in 2007 as directed by the General Assembly, the North Carolina's Strategic Plan for Biofuels Leadership established a goal that by 2017, ten percent (10%) of liquid fuels sold in North Carolina will come from biofuels grown and produced within the State; and

Whereas, the State's renewable electricity and biofuels initiatives must be strategically implemented to meet critical needs of North Carolina for job creation, energy security, improved air quality, economic development in rural communities, natural resource conservation and development of a comprehensive State energy plan; and

Whereas, the State's renewable electricity and biofuels initiatives will require substantial quantities of wood and crop biomass for successful implementation; and

Whereas, multiple State regulatory and advisory agencies, including the North Carolina Utilities Commission, the Environmental Management Commission, the Energy Policy Council, and the Forestry Council, are engaged in policy discussions and actions related to the utilization of wood and crop biomass for the State's renewable electricity and biofuels initiatives; and

Whereas, long-term and coordinated policies that integrate the State's renewable electricity and biofuels initiatives are needed to ensure a reliable supply of sustainably managed wood and crop biomass for energy purposes and other sectors; and



1 Whereas, in its annual report under G.S. 113B-12, the Energy Policy Council
2 recommends that the General Assembly establish the Wood and Crop Biomass Strategic
3 Working Group as provided in this act; Now, therefore,
4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** The Wood and Crop Biomass Strategic Working Group is
6 established. The Working Group shall identify, study, and recommend a comprehensive
7 package of appropriate and targeted policies and financial incentives in order to do all of the
8 following:

- 9 (1) Ensure a reliable supply of sustainably managed wood and crop biomass for
10 energy purposes and other sectors.
- 11 (2) Develop economic opportunities for rural communities.
- 12 (3) Integrate wood and crop biomass into the State's comprehensive energy plan.

13 **SECTION 1.(b)** The Wood and Crop Biomass Strategic Working Group shall be
14 convened jointly by the Biofuels Center of North Carolina, the Department of Commerce, the
15 Department of Environment and Natural Resources, and the North Carolina Solar Center at
16 North Carolina State University. The Working Group shall consist of 15 members as follows:

- 17 (1) The President of the Biofuels Center of North Carolina or the President's
18 designee.
- 19 (2) The Secretary of Commerce or the Secretary's designee.
- 20 (3) The Secretary of Environment and Natural Resources or the Secretary's
21 designee.
- 22 (4) The Executive Director of the North Carolina Solar Center at North Carolina
23 State University or the Executive Director's designee.
- 24 (5) The Commissioner of Agriculture or the Commissioner's designee.
- 25 (6) The President of the North Carolina Biotechnology Center or the President's
26 designee.
- 27 (7) The President of Duke Power or the President's designee.
- 28 (8) The President of Progress Energy or the President's designee.
- 29 (9) The Executive Director of the North Carolina Office of Environmental
30 Defense or the Director's designee.
- 31 (10) The President of the North Carolina Farm Bureau Federation or the
32 President's designee.
- 33 (11) The President of the North Carolina Forestry Association or the President's
34 designee.
- 35 (12) The Executive Director of The Nature Conservancy North Carolina Chapter
36 or the Executive Director's designee.
- 37 (13) The President of Novozymes North America or the President's designee.
- 38 (14) The Executive Director of the North Carolina Chapter of the Sierra Club or
39 the Executive Director's designee.
- 40 (15) The Executive Director of the North Carolina Sustainable Energy
41 Association or the Executive Director's designee.

42 **SECTION 1.(c)** The Wood and Crop Biomass Strategic Working Group may seek
43 the assistance and expertise of any State agency or any other entity with respect to its areas of
44 responsibility regarding wood and crop biomass utilization. Any State agency shall cooperate
45 with the Working Group and, upon request, shall assist the Working Group in fulfilling its
46 responsibilities. The authority granted to the Working Group shall be advisory in nature and in
47 no way shall the Working Group be construed to have any regulatory authority.

48 **SECTION 1.(d)** The Wood and Crop Biomass Strategic Working Group shall
49 specifically consider all of the following:

- 50 (1) The recommendations of the Energy Policy Council related to wood and
51 crop biomass utilization for energy purposes, including clarifying the

1 definition of "renewable energy resource" in G.S. 62-133.8, implementing
2 sustainability standards, and establishing guidelines for the siting of
3 bio-energy facilities and methods for monitoring and data collection.

4 (2) The total amount of wood and crop biomass required to meet the projected
5 demand for both the State's renewable electricity and biofuels initiatives and
6 other sectors; and the anticipated economic and environmental impacts
7 arising from this demand.

8 (3) The incentives currently available, and needed in the future, for the purposes
9 of improving forestry, agricultural, and conservation practices to ensure a
10 reliable and sustainably managed supply of wood and crop biomass.

11 (4) The incentives currently available, and needed in the future, for biomass
12 production facilities for electricity generation and transportation fuels.

13 (5) The current local, State, and federal guidelines, rules, and regulations
14 governing the utilization of wood and crop biomass for the production of
15 electricity, transportation fuels, and other sectors.

16 (6) The sufficiency of existing State guidelines and rules to ensure sustainable
17 management of farm and forest lands for energy production, including the
18 sufficiency of guidelines and rules regarding: water supply and quality;
19 wildlife and biodiversity; soil quality; forest health improvements; natural
20 community protection; ecological functions maintenance, and carbon
21 balance.

22 (7) The community impacts of biomass production facilities for electricity
23 generation and transportation fuels.

24 (8) Any other matter identified as necessary by the Working Group.

25 **SECTION 1.(e)** The Wood and Crop Biomass Strategic Working Group shall
26 select any officers it considers necessary. The Working Group shall meet monthly or upon the
27 call of the conveners beginning no later than August 1, 2010. Members of the Working Group
28 shall receive no salary. Members of the Working Group shall not receive per diem and travel
29 expenses for their service on the Working Group. Staff and administrative assistance shall be
30 provided by the Biofuels Center of North Carolina. Additional staff may be hired or contracted
31 by the Working Group through funds available to the Center under Section 2 of this act.

32 **SECTION 1.(f)** The Wood and Crop Biomass Strategic Working Group shall
33 submit an interim report of its findings and recommendations to the Environmental Review
34 Commission, the Senate and the House of Representatives Appropriations Subcommittees on
35 Natural and Economic Resources, and the Energy Policy Council no later than February 1,
36 2011. A final report containing findings, recommendations, and any legislative proposals shall
37 be submitted by the Working Group no later than May 1, 2011.

38 **SECTION 2.** There is appropriated from the General Fund to the Biofuels Center
39 of North Carolina the sum of ten thousand dollars (\$10,000) for the 2010-2011 fiscal year to be
40 used by the Center to hire or contract for additional staff in accordance with Section 1 of this
41 act.

42 **SECTION 3.** This act becomes effective July 1, 2010.