

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 695

Short Title: University/Community College Energy Savings. (Public)

Sponsors: Representatives Fisher, Justice, Harrison, Samuelson (Primary Sponsors);
M. Alexander, Bell, Bordsen, Cotham, Faison, Farmer-Butterfield, E. Floyd,
Glazier, Insko, Lucas, Luebke, Martin, Parmon, Rapp, Tarleton, and Wray.

Referred to: Education, if favorable, Energy and Energy Efficiency, if favorable,
Appropriations.

March 23, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT ANY ENERGY SAVINGS REALIZED BY CONSTITUENT
INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA AND BY
COMMUNITY COLLEGES WITHIN THE NORTH CAROLINA COMMUNITY
COLLEGE SYSTEM MAY REMAIN AVAILABLE TO THE INSTITUTION OR
COMMUNITY COLLEGE FOR OTHER FACILITY UPGRADES RELATED TO
REDUCING ENERGY AND WATER CONSUMPTION AT THE INSTITUTION OR
COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

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

"Part 3. Energy Conservation Encouraged at State Universities and Community Colleges.

**"§ 143-64.30. Energy conservation encouraged at universities and community colleges;
energy savings available for further energy conservation.**

(a) State Policy. – It is the policy of this State to include in its State plans for energy use
the financial tools for The University of North Carolina and the North Carolina Community
College System to be able to upgrade existing facilities so that energy conservation measures
can be implemented in order to reduce energy and water consumption. Accordingly, the utility
budget of a constituent institution of The University of North Carolina or a community college
within the North Carolina Community College System shall not be decreased by the amount
that represents energy savings, but shall be made available for implementing further energy
conservation measures at the university as provided in G.S. 116-35.1 and at the community
college as provided in G.S. 115D-58.16, so long as the university or community college
complies with the requirements of this Part.

(b) Establish Baseline. – Each constituent institution college seeking to use energy
savings for further energy conservation under G.S. 116-35.1 and each community college
seeking to use energy savings for further energy conservation under G.S. 115D-58.16 shall
conduct an energy consumption analysis of its facilities in order to establish a baseline for
energy and water consumption for a facility before an energy conservation measure is
implemented. Each constituent institution and each community college shall monitor and
calculate energy and water use for each of its facilities.

(c) Proposal Required. – Prior to a constituent institution or a community college
implementing an energy conservation measure under this Part, the institution or community
college shall submit to the Energy Office a proposal that provides an estimate of all costs



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1 associated with implementing the energy conservation measure, including preinstallation costs;
2 the cost of analyzing the projected energy savings; design costs, engineering costs, installation
3 costs, debt service, and any costs for converting to an alternative energy source; and
4 post-installation costs. The proposal shall include an analysis that identifies projected annual
5 energy savings and the estimated payback period. The proposal under this section shall be
6 approved by a licensed architect or professional engineer prior to being submitted to the Energy
7 Office.

8 (d) Calculate Energy Savings and Payback Period. – After a constituent institution or a
9 community college implements an energy conservation measure under this Part, the institution
10 or the community college shall monitor and calculate actual energy savings from the energy
11 conservation measure for the remainder of the life of the facility and shall calculate the actual
12 payback period for each energy conservation measure implemented.

13 (e) Report Required. – Once the energy conservation measure is implemented, the
14 constituent institution shall report to the Energy Office and the Director of the Budget or the
15 community college shall report to the Energy Office, whichever applies. The report shall
16 include all the information that is required to be included in the proposal under subsection (c)
17 of this section.

18 (f) Guaranteed Energy Savings Contracts. – Subsections (b) through (d) of this section
19 do not apply to energy conservation measures that are subject to guaranteed energy savings
20 contracts under Part 2 of this Article.

21 (g) The Department of Administration may adopt rules to implement this Part.

22 (h) Definitions. – As used in this section, the following definitions apply:

23 (1) Energy conservation measure. – Defined in G.S. 143-64.17.

24 (2) Energy consuming system. – Defined in G.S. 143-64.11.

25 (3) Energy consumption analysis. – Defined in G.S. 143-64.11.

26 (4) Energy Office. – Defined in G.S. 143-64.11.

27 (5) Energy savings. – Defined in G.S. 143-64.17.

28 (6) Facility. – Defined in G.S. 143-64.11."

29 **SECTION 2.** Article 1 of Chapter 116 of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 116-35.1. Energy savings credited to nonreverting account.**

32 (a) The General Fund current operations appropriations credit balance remaining at the
33 end of each fiscal year in the budget code for utilities of a constituent institution that is energy
34 savings realized from implementing an energy conservation measure under Part 3 of Article 3B
35 of Chapter 143 of the General Statutes shall be credited to a nonreverting account for the
36 institution to be used for only energy conservation measures for that institution. The Director of
37 the Budget, under the authority set forth in G.S. 143C-6-2, with the assistance of the State
38 Energy Office of the Department of Administration, shall establish the General Fund current
39 operations credit balance in the budget code for utilities that are energy savings at an institution
40 under this section.

41 (b) The General Fund current operations appropriations credit balance remaining at the
42 end of each fiscal year in the budget code for utilities of a constituent institution that is energy
43 savings under this section shall not be carried forward and shall not be used for one-time
44 expenditures under G.S. 116-30.3.

45 (c) As used in this section, 'energy savings' and 'energy conservation measure' have the
46 same meaning as in G.S. 143-64.17."

47 **SECTION 3.** Article 5 of Chapter 115D of the General Statutes is amended by
48 adding a new section to read:

49 **"§ 115D-58.16. Energy budget savings carried forward.**

50 The County Current Fund current operating expenses year-end credit balance in the account
51 for utilities for a community college that is energy savings realized from implementing an

1 energy conservation measure under Part 3 of Article 3B of Chapter 143 of the General Statutes
2 shall be transferred by the community college to a restricted Institutional Fund account and
3 shall remain available for only energy conservation measures for that community college. As
4 used in this section, 'energy savings' and 'energy conservation measure' have the same meaning
5 as in G.S. 143-64.17."

6 **SECTION 4.** This act becomes effective July 1, 2009, and applies to contracts
7 entered into on or after that date.