

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 874

Short Title: Independent Energy Efficiency Administrator. (Public)

Sponsors: Representatives Luebke, Fisher, Harrison, and Womble (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Public Utilities, if favorable, Finance.

May 3, 2011

A BILL TO BE ENTITLED

AN ACT TO CREATE NC SAVE\$ ENERGY AS AN INDEPENDENTLY ADMINISTERED STATEWIDE ENERGY, ELECTRICITY, AND GAS EFFICIENCY PROGRAM IN ORDER TO PROTECT RESIDENTIAL CUSTOMERS FROM RAPIDLY RISING ENERGY COSTS, TO CREATE JOBS, TO IMPROVE THE OLDER HOUSING STOCK, AND TO REDUCE ENERGY DEMAND THROUGH ENERGY EFFICIENCY AND ENERGY CONSERVATION.

Whereas, the best way to ensure the ability to provide an "adequate and reliable" supply of electricity and natural gas and the "least cost mix" of energy supply consistent with G.S. 62-2, the State's policy statement regarding public utilities, is to reduce current and future energy needs without the need to construct expensive new baseload power plants; and

Whereas, North Carolina needs to create more locally based "green collar" jobs; and

Whereas, North Carolina needs to improve the State's aging housing stock to make it more efficient and affordable for residents and competitive in the national housing market; and

Whereas, North Carolina needs to protect its vulnerable low- and middle-income residents from rapidly rising energy costs; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 62 of the General Statutes is amended by adding a new Article to read:

"Article 6B.

"Independent Energy Efficiency Administrator.

**"§ 62-126. Purpose, findings, legislative intent.**

(a) The purpose of this Article is to create an independent energy efficiency administrator for the State, to be known as NC SAVE\$ ENERGY, for the administration and use of moneys to support energy efficiency and conservation programs and services in North Carolina.

(b) The General Assembly finds that there remain in North Carolina significant, cost-effective opportunities to acquire energy efficiency savings that can lower residential customers' energy bills, create and maintain jobs in the residential efficiency sector after the end of funding provided under the American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5), and reduce the environmental impact of energy production, delivery, and use. North Carolina has a significant opportunity to create and sustain markets for energy efficiency measures that will help create jobs in North Carolina, improve our national and local security, strengthen the local economy through freeing up funds otherwise spent on utility bills,



1 improve energy reliability, reduce home energy bills, and protect North Carolinians from the  
2 damaging effects of recurrent energy price spikes.

3 (c) It is the intent of the General Assembly that moneys from the NC SAVE\$ ENERGY  
4 Fund be allocated as follows:

5 (1) A minimum percentage of moneys from the NC SAVE\$ ENERGY Fund  
6 created under this Article shall be used to contract with programs that  
7 address the unmet needs for cost-effective improvements to homes  
8 constructed prior to 1990 when building energy efficiency codes were first  
9 implemented, to reduce energy costs for low- and fixed-income families; to  
10 provide a public education and outreach program, including incentives and  
11 home energy audits; and to provide loans through a revolving loan fund that  
12 offers submarket interest rates to homeowners and to those owners of rental  
13 property and multifamily housing that do not increase rental rates for five  
14 years or more for the costs of improvements that are designed to increase  
15 energy efficiency by at least twenty percent (20%).

16 (2) A maximum percentage of moneys from the NC SAVE\$ ENERGY Fund  
17 shall be used for energy efficiency projects for buildings owned or operated  
18 by local governments, nonprofit hospitals, schools, or other public services.

19 (3) A maximum percentage of moneys from the NC SAVE\$ ENERGY Fund  
20 shall be used to train the State's workforce, local chambers of commerce,  
21 local governments, and nongovernmental organizations to optimize inclusion  
22 of households that would benefit from home weatherization projects; to  
23 provide continuing education regarding the benefits of energy efficiency and  
24 improving compliance with energy standards under building codes to  
25 builders, general contractors, mechanical contractors, and other building  
26 industry professionals required to receive continuing education.

27 (4) A maximum percentage of moneys from the NC SAVE\$ ENERGY Fund  
28 shall be used to create "green jobs" in our communities and to train the  
29 State's workforce in the skills needed to become employed in new "green  
30 jobs" created by the energy efficiency markets, including home energy  
31 auditors and conservation consultants, efficiency services loan specialists,  
32 installers, and materials manufacturing as well as technical support in  
33 increasing in-State production of efficiency-related materials, equipment,  
34 and supplies.

35 **"§ 62-126.1. Definitions.**

36 The definitions in G.S. 62-133.8 shall apply to this Article. The following definitions also  
37 shall apply to this Article:

38 (1) Contract Administrator. – A person or entity contracted by the NC SAVE\$  
39 ENERGY Oversight Board to be assigned the duties and functions of the  
40 independent third-party administrator of NC SAVE\$ ENERGY.

41 (2) Economically distressed local government unit. – An economically  
42 distressed county, as defined in G.S. 143B-437.01, or a local government  
43 unit located in that county.

44 (3) Energy efficiency. – Conservation, equipment, physical, or program changes  
45 that result in less energy consumption. Energy efficiency does not include  
46 demand-side management programs that have as their primary purpose the  
47 reduction of peak demand through load shifting or curtailment programs.

48 (4) Fund. – The NC SAVE\$ ENERGY Fund created under G.S. 62-126.5.

49 (5) Institutional buildings. – Buildings owned or operated by local government  
50 units, nonprofit hospitals, schools, and other public service entities.

- 1           (6) Local government unit. – A city as defined in G.S. 160A-1, a county, or a  
2           consolidated city-county as defined in G.S. 160B-2.
- 3 **§ 62-126.2. NC SAVE\$ ENERGY Oversight Board established; membership**  
4 **qualifications; vacancies; meetings and meeting facilities.**
- 5           (a) Oversight Board Established. – The NC SAVE\$ ENERGY Oversight Board is  
6 created to oversee energy efficiency and conservation program planning, implementation, and  
7 monitoring and to establish and revise the scope of activities of NC SAVE\$ ENERGY and its  
8 budget performance targets.
- 9           (b) Membership. – The Oversight Board shall be composed of 11 members as follows:
- 10           (1) A person with experience and expertise in energy efficiency technologies  
11 and methods, to be appointed by the Chairman of the North Carolina  
12 Utilities Commission.
- 13           (2) A person with experience and expertise in providing financial services to  
14 low-income families and persons with fixed incomes, to be appointed by the  
15 Chairman of the North Carolina Utilities Commission.
- 16           (3) A person with experience and expertise in identifying, developing,  
17 administering, and implementing energy efficiency programs, to be  
18 appointed by the Chairman of the North Carolina Utilities Commission.
- 19           (4) A person with experience and expertise in providing social services to  
20 low-income families and persons with fixed incomes, to be appointed by the  
21 Governor.
- 22           (5) A person with experience and expertise in providing housing services to  
23 low-income families and persons with fixed incomes, to be appointed by the  
24 Governor.
- 25           (6) A person with experience and expertise in community development  
26 corporations, to be appointed by the Speaker of the House of  
27 Representatives.
- 28           (7) A person with experience and expertise in home construction or renovation,  
29 to be appointed by the Speaker of the House of Representatives.
- 30           (8) A person with experience and expertise in nonprofit corporations that  
31 provide services to communities across North Carolina, to be appointed by  
32 the President Pro Tempore of the Senate.
- 33           (9) A person with experience and expertise in local government units, to be  
34 appointed by the President Pro Tempore of the Senate.
- 35           (10) A person with experience and expertise in community colleges or vocational  
36 training and certification programs, to be appointed by the Governor.
- 37           (11) A person with experience and expertise in establishing or managing small  
38 businesses, to be appointed by the Governor.
- 39           (c) Additional Criteria for Membership. – At least three of the members of the  
40 Oversight Board shall be women or members of a minority population. All appointees shall  
41 maximize geographic, gender, and racial diversity to the extent possible.
- 42           (d) Nominations. – Any interested person may nominate himself or herself or another  
43 person for appointment to the Oversight Board. Initial nominations shall be made to the  
44 appointing entities. Following its establishment, the Oversight Board shall provide notice of the  
45 opportunity for nomination to the Oversight Board through notice in the North Carolina  
46 Register and its Internet Web site. The Oversight Board shall keep a list of interested persons  
47 and notify them of the opportunity for nominations.
- 48           (e) Concurrent Office. – Any member of the Oversight Board may serve as a member  
49 and concurrently hold any other executive or appointive office, under the authority of Article  
50 VI, Section 9 of the North Carolina Constitution.

1       (f) Terms. – The initial appointments by the Chairman of the North Carolina Utilities  
2 Commission shall be for four-year terms, and the initial appointments by the Speaker of the  
3 House of Representatives, the President Pro Tempore of the Senate, and the Governor shall be  
4 for two years. As the initial terms expire, the terms for each board member shall be for four  
5 years. No member of the Oversight Board may serve more than two terms consecutively,  
6 except that initial members who were appointed to two-year terms may serve three terms but no  
7 longer than 10 years.

8       (g) Restrictions on Members. – An employee, agent, or attorney of a public utility  
9 regulated by the Utilities Commission or provider of energy shall not be eligible to serve as a  
10 member of the Oversight Board. No member of the Oversight Board shall have been an  
11 employee, agent, or attorney of a public utility within two years of being appointed as a  
12 member of the Oversight Board. No member of the Oversight Board shall become an  
13 employee, agent, or attorney of a regulated gas or electric utility within two years of serving as  
14 a member of the Oversight Board.

15       (h) Oath of Office. – Each member of the Oversight Board shall take the oath of office  
16 in G.S. 62-11, except the phrase "utility commissioner" shall be replaced with "member of the  
17 NC SAVE\$ ENERGY Oversight Board."

18       (i) Financial Disclosures. – The members of the Oversight Board shall comply with the  
19 public disclosure of economic and other provisions of the State Government Ethics Act,  
20 Chapter 138A of the General Statutes. All members of the Oversight Board shall disclose any  
21 actual or potential conflicts of interest, including, but not limited to, investments in any energy  
22 provider company or public utility.

23       (j) Chair. – The members of the Oversight Board shall select one of its members to  
24 serve as Chair of the Oversight Board.

25       (k) Treasurer. – The members of the Oversight Board shall select one of its members to  
26 serve as Treasurer of the Oversight Board. The Treasurer shall assist the Oversight Board with  
27 the financial management of NC SAVE\$ ENERGY. The Treasurer may designate NC SAVE\$  
28 ENERGY staff members or Contract Administrators as assistant treasurers. The primary  
29 responsibilities of the Treasurer are to do the following:

30           (1) Receive funds for NC SAVE\$ ENERGY activities from the NC SAVE\$  
31 ENERGY Fund and other funding sources, disburse these funds under  
32 direction of the Oversight Board, and keep accurate records of these  
33 transactions.

34           (2) Communicate with revenue authorities.

35           (3) Pay NC SAVE\$ ENERGY invoices.

36       (l) Vacancies. – An appointment to fill a vacancy on the Oversight Board created by  
37 the resignation, removal, disability, or death of a member shall be for the balance of the  
38 unexpired term.

39       (m) Frequency of Meetings. – The Oversight Board shall meet at least once every  
40 quarter each year and may hold special meetings at the call of the Chair or a majority of the  
41 members.

42       (n) Quorum. – A majority of the membership of the Oversight Board at a regularly  
43 called meeting constitutes a quorum for the transaction of business.

44       (o) Per Diem and Expenses. – No member of the Oversight Board shall receive  
45 financial gain from service on the Oversight Board. Members of the Oversight Board shall  
46 serve without compensation, except each member of the Oversight Board may receive per diem  
47 up to one hundred dollars (\$100.00) per day and necessary travel and subsistence expenses in  
48 accordance with the provisions of G.S. 138-5.

49 **"§ 62-126.3. NC SAVE\$ ENERGY established as independent energy efficiency**  
50 **administrator.**

1        (a) NC SAVE\$ ENERGY shall be established under North Carolina law as an entity  
2 that manages the planning, implementation, delivery, and administration of programs to reduce  
3 the electricity and natural gas consumed in our State and to promote the sustainable use of  
4 energy in North Carolina. NC SAVE\$ ENERGY, through its NC SAVE\$ ENERGY Oversight  
5 Board, shall design and deliver comprehensive energy efficiency and conservation programs  
6 and services for North Carolina's residential customers and State entities. NC SAVE\$  
7 ENERGY shall be unaffiliated with any of the State's electric or gas utilities, public or private.

8        (b) The NC SAVE\$ ENERGY Oversight Board may arrange for administration of the  
9 Public Benefit Fund and statewide program activities by the State Energy Office, or it may  
10 contract for administrative and technical services with a Contract Administrator to be assigned  
11 the functions and duties of NC SAVE\$ ENERGY under this Article.

12        (c) In addition, the Oversight Board may, in accordance with G.S. 62-126.6, contract  
13 competitively with other entities to act as administrators to implement, operate, and manage  
14 specific programs established under this section, or delegate such contracting as needed.

15        (d) The Oversight Board shall have the following additional duties:

16            (1) Review and approve Requests for Proposals (RFPs) for the contracts for the  
17 Contract Administrator. The Oversight Board shall provide notice of the  
18 RFPs in the North Carolina Register on its Internet Web site and through  
19 other mechanisms chosen by the Oversight Board.

20            (2) Review and approve the annual performance targets of NC SAVE\$  
21 ENERGY.

22            (3) Review and approve any proposed modifications to performance targets or  
23 programs.

24            (4) Contract with an independent professional agency to monitor and verify  
25 results reported by NC SAVE\$ ENERGY in annual and contract term  
26 reports.

27            (5) Review and approve RFPs to solicit bid proposals for energy efficiency and  
28 energy conservation programs and programs that promote the sustainable  
29 use of energy.

30            (6) Ensure that State agencies and contractors handle all contracts and  
31 reimbursements in a timely manner.

32            (7) Make recommendations to the North Carolina Utilities Commission for  
33 changes in size or structure of the benefits charge under this Article and for  
34 including any other customer classes.

35        (e) The Oversight Board shall develop criteria for awarding contracts under  
36 G.S. 62-126.6. The criteria developed shall include consideration of all of the following:

37            (1) The reduction of electricity and natural gas usage and demand.

38            (2) Economic benefits to low- and moderate-income North Carolina residents,  
39 whether directly or indirectly through tax savings.

40            (3) Increases in comfort levels and in protecting health against weather extremes  
41 for vulnerable populations.

42            (4) Cost-effectiveness.

43            (5) The reduction of utility bills through stabilizing or reducing demand for new  
44 energy generation.

45            (6) The training of employees and creation of employment in furtherance with  
46 the program's goals.

47            (7) Measurement and verification of energy savings and program effectiveness.

48            (8) Geographical distribution.

49        (f) The Oversight Board may develop guidelines in addition to the contract criteria  
50 under subsection (e) of this section consistent with and as necessary to implement this Article.

51 **"§ 62-126.4. Staff of NC SAVE\$ ENERGY Oversight Board.**

1       (a)     Staff. – The NC SAVE\$ ENERGY Oversight Board, as soon as practicable after its  
2 establishment, shall select and hire an Executive Director and up to two additional staff as may  
3 be deemed necessary by the Oversight Board to provide operational liaison between the Board  
4 and either the State agency administering NC SAVE\$ ENERGY or the Contract Administrator.

5       (b)     Duties of the Executive Director. – The Executive Director shall manage the  
6 day-to-day functions and duties of NC SAVE\$ ENERGY, including overseeing any contract  
7 with any Contract Administrator. The Executive Director's primary duties shall be to conduct  
8 program research and design, administer the contracts entered into under G.S. 62-126.6, and  
9 oversee the programs funded by the NC SAVE\$ ENERGY Fund to ensure that the programs  
10 meet appropriate performance and budgetary targets. The duties of the Executive Director,  
11 other NC SAVE\$ ENERGY staff, and any Contract Administrator shall be established by the  
12 Oversight Board and shall include the following:

13           (1)     Identifying, developing, administering, promoting, implementing, and  
14 evaluating programs, methods, and technologies that support energy  
15 efficiency and energy conservation programs and programs to promote  
16 conservation and the sustainable use of energy for residential and public  
17 service institutional consumers.

18           (2)     Researching, promoting, and assisting in the continuance or improvement of  
19 the production, delivery, and use of energy efficiency programs and energy  
20 conservation programs and programs to promote the sustainable use of  
21 energy for residential and institutional consumers.

22           (3)     Using the energy efficiency expertise and capabilities that exist or may  
23 develop in the State or in other similar statewide programs, and consulting  
24 with State agency experts.

25           (4)     Promoting program initiatives, incentives, and market strategies that address  
26 the needs of persons and demographic groups facing the most significant  
27 barriers to participation in energy efficiency programs and services.

28           (5)     Promoting coordinated program and service delivery, including coordination  
29 with low-income weatherization programs such as the Weatherization  
30 Assistance Program, and with electric and gas public utilities regarding the  
31 delivery of low-income home energy assistance, other energy efficiency  
32 programs, or utility programs.

33           (6)     Promoting training programs for potential employees and certification  
34 programs for employers and contractors.

35           (7)     Coordinating loan programs with financial institutions to provide  
36 low-interest loans to homeowners and owners of rental properties for energy  
37 efficiency measures, appliances, and heating and air conditioning systems.

38           (8)     Submitting to the Oversight Board for review and approval a multiyear  
39 proposed plan for the budget and future programs that promotes program  
40 improvement, program stability, and the maturation of existing programs.

41 **"§ 62-126.5. NC SAVE\$ ENERGY Fund; public benefits fee.**

42       (a)     The NC SAVE\$ ENERGY Fund is established as a special revenue fund. The State  
43 Treasurer shall hold the Fund separate and apart from all other moneys, funds, and accounts.  
44 Investment earnings shall be credited to the Fund. Disbursements from the Fund shall be  
45 administered by the NC SAVE\$ ENERGY Oversight Board. Any balance remaining in the  
46 Fund at the end of the fiscal year shall be carried forward in the Fund. The Fund shall consist of  
47 moneys from the following sources:

48           (1)     The public benefits fee consisting of a surcharge imposed on electric and gas  
49 utility ratepayers under subsection (b) of this section.

50           (2)     Appropriations and other State grants, including bond receipts.

51           (3)     Any other grants, including federal grants or block grants.

1           (4) Any contributions or donations.

2           (b) The Utilities Commission shall collect as a public benefits fee a surcharge for  
3 electric and gas utilities that is imposed on their respective ratepayers and transferred and  
4 credited to the Fund. The surcharge shall be equal to eight hundredths of one cent (\$.0008) per  
5 kilowatt hour on residential electric customers and one cent (1¢) per therm for residential  
6 natural gas customers.

7           (c) The NC SAVE\$ ENERGY Fund shall be used to enter into contracts to support  
8 energy efficiency and conservation programs, including services provided under such  
9 programs, subject to the review and approval of the Oversight Board and in accordance with  
10 G.S. 62-126(c) and the provisions of this Article. The Oversight Board shall give priority to  
11 contracts for energy efficiency programs that reduce residential electric and natural gas usage  
12 and that have as a purpose one or more of the following:

13           (1) To target existing housing, including rental buildings, owned or occupied by  
14 low- and moderate-income residents.

15           (2) To target reducing energy consumption of appliances, heating and cooling  
16 systems, and hot water heaters.

17           (3) Subject to subsection (d) of this section, to target institutional buildings in  
18 order to maximize energy efficiency.

19           (4) To create new jobs to carry out program activities.

20           (5) To train or certify potential workers and contractors in efficiency measures  
21 and meeting or exceeding energy efficiency standards in building codes.

22           (6) To implement innovative financial programs, including pilot projects, to  
23 provide low-interest or no-interest loans and other financing programs.

24           (7) To match federal grants or block grants, other government contributions,  
25 contributions from nonprofit corporations, and foundation grants, including  
26 in-kind contributions.

27           (d) No more than seven percent (7%) of the annual balance of the NC SAVE\$  
28 ENERGY Fund on July 1 of each year, or a smaller amount to be determined by the Utilities  
29 Commission under subsection (g) of this section, may be used each fiscal year for  
30 administrative and operating expenses of the Oversight Board, its staff, and any Contract  
31 Administrator. No more than ten percent (10%) of the annual balance of the NC SAVE\$  
32 ENERGY Fund on July 1 of each year may be used each fiscal year to fund programs that  
33 provide energy efficiency improvements for institutional buildings under subdivision (3) of  
34 subsection (c) of this section, except that funds that are raised specifically for that purpose  
35 through grants, appropriations, and federal funding are not to be included in this ten-percent  
36 (10%) limitation. Higher priority under subdivision (3) of subsection (c) of this section shall be  
37 given to programs that benefit buildings owned by State or local government. No more than  
38 eight percent (8%) of the annual balance of the NC SAVE\$ ENERGY Fund on July 1 of each  
39 year may be used each fiscal year to fund programs for public education, workforce training,  
40 and job creation. A minimum of seventy-five percent (75%) of the NC SAVE\$ ENERGY Fund  
41 on July 1 of each year shall be used to fund residential efficiency programs, with a strong  
42 emphasis on continuing to fund low-income weatherization at a level as close as practicable to  
43 or above that which received funding under ARRA.

44           (e) Payments from the NC SAVE\$ ENERGY Fund shall be made on the approval of  
45 the Chair of the Oversight Board.

46           (f) Any residential customer shall be exempt from the surcharge under subsection (b) of  
47 this section if the customer demonstrates to the relevant utility or the Oversight Board that the  
48 customer has a State taxable income of less than thirty thousand dollars (\$30,000) for the  
49 preceding tax year. All electric and gas utility providers shall notify ratepayers on monthly  
50 statements no less than twice each year of the exemptions that apply under this subsection.

1       (g) The Utilities Commission shall review the NC SAVE\$ ENERGY Fund annually  
2 and determine whether the surcharge under subsection (b) of this section should be increased  
3 for residential customers in order to carry out the purpose of this Article and to meet utility  
4 integrated resource planning requirements pursuant to G.S. 62-110.1. As part of its annual  
5 review, the Utilities Commission may also determine whether a surcharge should be imposed  
6 upon other classes of customers and credited to the Fund for the purposes of providing similar  
7 services and, if so, establish such a surcharge for those classes. As part of its annual review, the  
8 Utilities Commission may consider the advisability of establishing a tiered rate system for any  
9 surcharge imposed under this section so that those who use greater amounts of electricity or  
10 natural gas pay a higher rate. As part of its annual review, the Commission may establish a  
11 lower surcharge for persons with low incomes and those on fixed incomes who do not  
12 otherwise receive an exemption under subsection (f) of this section.

13       (h) The NC SAVE\$ ENERGY Fund shall not be available to meet any current or past  
14 general obligations of the State, provided that the State may participate in any energy efficiency  
15 programs or services on the same basis as any other electric or gas customer.

16       (i) Nothing in this Article shall create or be construed to cause the public benefits fee  
17 under this section and any other funding source of the NC SAVE\$ ENERGY Fund to be  
18 considered State or public moneys subject to appropriation by the General Assembly or be  
19 required to be deposited into the State treasury.

20 **"§ 62-126.6. Implementation of specific energy efficiency or energy conservation**  
21 **programs and programs to promote the sustainable use of energy.**

22       (a) The NC SAVE\$ ENERGY Oversight Board may contract with any of the following  
23 entities for the purpose of implementing an energy efficiency or energy conservation program  
24 or a program that promotes sustainable energy use in North Carolina:

25           (1) A State agency.

26           (2) A local government unit.

27           (3) An owner or operator of an institutional building.

28           (4) A commercial business that provides energy efficiency and conservation  
29 services.

30           (5) A utility regulated by the Utilities Commission.

31           (6) A bank, credit union, or other financial institution.

32           (7) A nonprofit corporation.

33           (8) A combination of two or more of the entities under subdivision (1) through  
34 (7) of this subsection under a joint proposal.

35       (b) Each entity, except any governmental body, that contracts with the Oversight Board  
36 under this section shall be required by the Oversight Board to have an annual audit.

37       (c) A contract may be awarded under this section only for a program that satisfies the  
38 criteria and furthers the purposes of this Article.

39 **"§ 62-126.7. Existing energy efficiency programs operated by the utilities.**

40       Upon motion by any utility currently operating any energy efficiency program, or by any  
41 other interested person, or on its own motion, the Utilities Commission may authorize the  
42 utility to transfer an energy efficiency program to NC SAVE\$ ENERGY if the Commission  
43 determines that it is in the public interest to do so. Reasons why a transfer is in the public  
44 interest are to eliminate duplication, reduce either rates or customer bills, or to provide for a  
45 more effective program. As part of the transfer, the Commission may require the utility to  
46 provide the operating funds for the program to NC SAVE\$ ENERGY for up to three years.

47 **"§ 62-126.8. Affordable energy.**

48       NC SAVE\$ ENERGY shall assess strategies and funding mechanisms to weatherize  
49 residential units in addition to those households currently served with Weatherization  
50 Assistance Program funding. NC SAVE\$ ENERGY may target services to households living in  
51 single-family owner-occupied units and mobile homes, single-family rental units, rental



1 buildings with five units or fewer, and large multifamily buildings with more than five units.  
2 To meet this specific mandate, NC SAVE\$ ENERGY shall target homes and rental units within  
3 economically distressed local government units.

4 **"§ 62-126.9. Reporting requirements.**

5 (a) No later than October 1 of each year, the Chair of the NC SAVE\$ ENERGY  
6 Oversight Board shall report to the Joint Legislative Utility Review Commission and the Fiscal  
7 Research Division regarding the implementation of this Article. The report shall include a list  
8 of the programs awarded contracts from the NC SAVE\$ ENERGY Fund for the previous  
9 12-month period. The list shall include for each program a description of the program, the  
10 amount of the contract awarded for the program, and the total cost of the program, including  
11 the cost of providing any services that are included in such program. The report shall also  
12 include findings regarding the impact of the initial surcharge structure on low- and  
13 moderate-income electric and natural gas customers and compare this structure to projected  
14 impacts of a flat fee structure or tiered fee structure to achieve the same surcharge revenues for  
15 the NC SAVE\$ ENERGY Fund.

16 (b) In addition to the report under subsection (a) of this section, the Chair of the  
17 Oversight Board shall no later than July 1 of each year report to the Utilities Commission the  
18 results of the monitoring and verification of energy savings, decreases in demand, and load  
19 forecasts to be included by the utilities in their annual integrated resource plan filings pursuant  
20 to G.S. 62-110.1. The Utilities Commission may adopt rules to establish a procedure for filing  
21 and describe the required contents of the annual report under this subsection.

22 **"§ 62-126.10. Advisory Council.**

23 (a) There is established the NC SAVE\$ ENERGY Advisory Council. The Advisory  
24 Council shall advise the NC SAVE\$ ENERGY Oversight Board with regard to allocations  
25 made from the NC SAVE\$ ENERGY Fund on energy efficiency programs, shall serve as a  
26 liaison to energy and energy service providers to ensure good information sharing, and shall  
27 advise the NC SAVE\$ ENERGY Oversight Board with regard to other issues as requested by  
28 the Oversight Board.

29 (b) The Oversight Board shall select members of the Advisory Council under  
30 subsection (c) of this section and shall establish the terms of service of these members.

31 (c) The Council shall consist of six members from the investor-owned public utilities  
32 and energy service providers, six members from the nonprofit sector involved in home  
33 weatherization, human services, or housing, and up to five additional members with specified  
34 expertise the Oversight Board determines would be of benefit to the Advisory Council.

35 (d) All appointees to the Advisory Council shall maximize geographic, gender, and  
36 racial diversity to the extent possible."

37 **SECTION 2.** The initial report due under G.S. 162-126(a), as enacted by Section 1  
38 of this act, is to be submitted no later than October 1, 2012, and the initial report due under  
39 G.S. 162-126(b), as enacted by Section 1 of this act, is to be submitted no later than July 1,  
40 2014.

41 **SECTION 3.** Nominations for initial appointments to the NC SAVE\$ ENERGY  
42 Oversight Board, established under G.S. 62-126.2, as enacted by Section 1 of this act, may be  
43 made within 90 days of the effective date of this act, and the North Carolina Utilities  
44 Commission shall, notwithstanding G.S. 62-126.2(d), as enacted by Section 1 of this act,  
45 provide notice of the opportunity for nomination to the NC SAVE\$ ENERGY Oversight Board  
46 through notice provided in the North Carolina Register and its Internet Web site and shall  
47 oversee the nomination and selection process in compliance with Article 6B of Chapter 62 of  
48 the General Statutes, as enacted by Section 1 of this act, notwithstanding G.S. 62-126.2(d). Any  
49 interested person may nominate himself, herself, or another person for an initial appointment to  
50 the NC SAVE\$ ENERGY Oversight Board. Notwithstanding G.S. 62-126.2(d), the North  
51 Carolina Utilities Commission shall keep a list of interested persons and notify them of the

1 opportunity for nominations under this section. Within 120 days of the effective date of this act,  
2 the members of the NC SAVE\$ ENERGY Oversight Board shall be appointed, and the NC  
3 SAVE\$ ENERGY Oversight Board shall hold its first meeting.

4           **SECTION 4.** This act becomes effective October 1, 2011, and collection of the  
5 public benefits fee imposed under G.S. 62-126.5, as enacted by Section 1 of this act, shall  
6 commence within 180 days of this effective date.