



Representative McLawhorn's News from Raleigh

August 27, 2007

As our state and nation grow, the amount of energy we consume grows with it. The fuels we traditionally use to power our homes and offices are finite, however. To support the tremendous growth we expect in North Carolina over the next 20 years, we have to work now to make better use of renewable energy, find alternative fuels and to find more and better ways to conserve energy. My colleagues and I in the General Assembly made several important improvements in this area this past session.

We became the first state in the Southeast to set a renewable energy standard for power companies. We resolved to cut energy use in state buildings, and we agreed to make it more affordable for people to use and produce biofuels and bioenergy.

In the years ahead, these types of initiatives will become increasingly important to maintaining our strong economy and our quality of life.

Thank you for your support in these efforts, and I hope you will contact me if you have any questions or concerns.

Renewable Energy

> North Carolina took a major step forward this year in environmental policy by establishing a requirement that North Carolina power utilities get at least 12.5 percent of their power from renewable sources (such as wind, water and solar energy) and energy efficiency by 2021. A utility could meet the standard, for example, by getting 10 percent of its energy from windmills and showing that it has improved the efficiency of its customers by 2.5 percent. The bill (S3) is expected to help cut pollution and our dependence on foreign oil while also creating more of a market for renewable energy. North Carolina is the first state in the Southeast to adopt such a standard, and it came after months of negotiations between lawmakers, utility company representatives and environmentalists. Gov. Easley signed the bill into law this past week.

> Our budget ensures the future of the State Energy Office, the state's lead agency for energy programs and services, by appropriating nearly \$2.7 million from the general fund for operating costs. Nearly \$2 million of the money will be used for a utility savings initiative and to support the operation of energy centers at North Carolina State University, North Carolina A&T State University and Appalachian State University. The state also gave the office \$5 million for a reserve fund to support energy efficiency in state buildings.

Conservation

> The state continues to try to be a model for responsible energy use, and a bill we approved this year backs up our commitment. The bill (S668) requires existing state buildings to reduce energy consumption 20 percent by 2010 and 30 percent by 2015, based on 2003-04 levels. New buildings are designed and constructed to use 30 percent less energy. It also requires state agencies and institutions to file annual energy management plans, strategies, and reports on consumption.

Bioenergy

> We showed our support for alternative energy sources this year by expanding a bioenergy initiative at North Carolina State University. The \$1.5 million in additional money will help researchers find new technologies for efficient and clean use of traditional energy sources; alternative, environmentally safe, and renewable energy sources; and research of energy technologies and their impact on the North Carolina's rural economy. The Southeastern Energy Field Laboratory in Duplin County will be the focal point of much of the work and will also serve as a demonstration site for bioenergy, wind, thermal and solar projects.

> A new law prevents municipalities or neighborhood associations from banning the use of solar panels. The panels use the heat of the sun to produce energy. They are sometimes banned because they are considered unsightly, but a bill (S670) signed into law last month prohibits outright bans while still allowing reasonable rules about where the panels can be located.

Fuel

> Biodiesel fuel produced by an individual for their personal use in a private vehicle is no longer subject to the motor fuel excise tax under a bill (S1272) we approved. Such fuel is sometimes made from discarded cooking oil or similar products, and supporters of the measure argued the materials shouldn't be taxed twice.

> School buses that use diesel fuel must be able to operate with B20, fuel that contains at least 20 percent of biodiesel. The bill (S1452) also requires that beginning June 1, 2008, at least 2 percent of the fuel purchased annually by local school districts for school buses must be a minimum blend of B20. Another bill (S1277) requires that new state-owned vehicles that run on diesel fuel must carry a warranty that assures they are capable of running on B20.

> As part of the state budget, we improved the tax credit we have given since 2004 to companies that build renewable fuel production plants. The changes allow more flexibility in the credits and are expected to attract more such plants to the state.

Miscellaneous

> Developers in five cities who take significant energy conservation measures in their building projects will now be eligible for incentives such as higher density allowances. The cities are Asheville, Carrboro, Chapel Hill, Charlotte and Wilmington.

> Counties and cities can now reduce building permit fees or give partial rebates to encourage construction of buildings designed to conserve energy.

> The North Carolina Building Code Council has been given authority to study how much hot water lines should be insulated to achieve greater energy efficiency and will amend the North Carolina State Building Code if necessary. The council has until April 2008 to report its findings to the state Environmental Review Commission and the General Assembly.