



HOUSE BILL 266: Wake Local Energy Efficiency

2011-2012 General Assembly

Committee:	House Finance	Date:	April 20, 2011
Introduced by:	Reps. Weiss, Dollar, Jackson, Martin	Prepared by:	Greg Roney
Analysis of:	Second Edition		Committee Counsel

SUMMARY: *House Bill 266 exempts Wake County and eleven towns from competitive bidding requirements for materials used in pilot programs aimed at increasing energy efficiency and from certain requirements for long-term leases for renewable energy facilities.*

CURRENT LAW:

Exemption from Competitive Bidding for Local Energy Efficiency Pilot Programs: G.S. 143-129, 143-131, and 143-132 set out the competitive bidding requirements for construction contracts and contracts for the purchase of apparatus, supplies, equipment, and materials. Various Session Laws¹ exempted certain municipalities or counties from the requirements of G.S. 143-129, 143-131, and 143-132 when contracting for materials used as part of any pilot program authorized by the governing board aimed at increasing energy efficiency. This authority currently applies to the Cities of Asheville and Raleigh, and the Towns of Chapel Hill and Carrboro and expires June 30, 2015. Catawba County received a broader exemption for the purchase of materials for any program aimed at increasing energy efficiency.²

Exemption for Long-Term Lease for the Siting and Operation of a Renewable Energy Facility: G.S. 160A-272 requires a lease in excess of ten years to be treated as a sale of real property. Various Session Laws³ have amended G.S. 160A-272 to allow local governments to approve a lease for the siting and operation of a renewable energy facility, for a term up to 20 years without treating the lease as a sale of property and without giving notice by publication of the intended lease. This authorization currently applies to Catawba County, the Cities of Asheville, Raleigh, and Winston-Salem and the Towns of Chapel Hill and Carrboro.

Renewable energy facility is defined by G.S. 62-133.8(a)(7) as a facility, other than a hydroelectric power facility with a generation capacity of more than 10 megawatts, that either: (1) generates electric power by the use of a renewable energy resource; (2) generates useful, measurable combined heat and power derived from a renewable energy resource; or (3) is a solar thermal energy facility.

BILL ANALYSIS: House Bill 266 would add Wake County and the Towns of Apex, Cary, Fuquay-Varina, Garner, Holly Springs, Knightdale, Morrisville, Rolesville, Wake Forest, Wendell, and Zebulon to the list of units of local governments exempt from competitive bidding requirements for local pilot programs aimed at increasing energy efficiency and also exempt from the requirements of G.S. 160A-272 (treating a long-term lease as a sale) for the siting and operation of a renewable energy facility.

BACKGROUND: The Town of Cary plans to use this authority to participate in a pilot project to use underutilized land at a water plant to install solar panels to generate renewable energy. The Town intends to use a public private partnership using the flexibility in contracting to work with the private partner to negotiate bids on materials.

¹ Section 1 of S.L. 2007-333, as rewritten by S.L. 2009-149, and S.L. 2010-57.

² Section 1 of S.L. 2010-63.

³ Section 3 of S.L. 2009-149, as rewritten by S.L. 2010-57, and S.L. 2010-63.

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EFFECTIVE DATE: House Bill 266 would become effective when it becomes law, and the exemption to competitive bidding requirements for local pilot programs aimed at increasing energy efficiency sunsets June 30, 2015.

Theresa Matula, counsel to House Government, substantially contributed to this summary.

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