



2021-2022 General Assembly

SENATE BILL 105: 2021 Appropriations Act, Secs. 11.19(f1) and (f2): Modify Renewable Energy Procurement Program for Major Military Installations, Public Universities, and Large Customers

Committee:		Date:	February 22, 2022
Introduced by:		Prepared by:	Jennifer McGinnis
Analysis of:	Secs. 11.19(f1) and (f2) of S.L. 2021-180		Staff Attorney

OVERVIEW: Secs. 11.19(f1) and (f2) of S.L. 2021-180 modify the "Green Source Advantage Program" (Program), which is a renewable energy procurement program for large energy users, the military, and The University of North Carolina system. The sections provide that 350 megawatts (MW) of new renewable energy facility capacity that had been reserved for participation by major military installations and The University of North Carolina under the Program that remain unsubscribed by August 5, 2022, must be made available to a customer of an electric public utility that locates a new manufacturing facility at a project site that is subject to an agreement with the Department of Commerce for a qualifying project in Randolph County.

These sections became effective November 18, 2021.

CURRENT LAW/BACKGROUND: House Bill 589 (2017) enacted the Program, which is a renewable energy procurement program for large energy users, the military, and The University of North Carolina. Large energy users are defined as those with a contract demand for 1 MW or more, or 5 MWs or more at multiple service locations when combined in aggregate. Under the [governing statute](#):

- The Program must be offered by certain electric public utilities¹ for a period of five years or until December 31, 2022, whichever is later, and must not exceed a combined 600 MW AC of total capacity.
- At least 100 MW of new renewable energy facility capacity must be reserved for participation by major military installations, and at least 250 MW of new renewable energy facility capacity must be reserved for participation by The University of North Carolina.
- Major military installations and The University of North Carolina are required to fully subscribe to all their allocations prior to August 5, 2022 (the statute specifically states December 31, 2020, or a period of no more than three years after Commission approval of the program (which was August 5, 2019), whichever is later). If any portion of total capacity set aside to major military installations or The University of North Carolina remains unsubscribed after that date, it must be reallocated for use by any eligible Program participant.

¹ Electric public utilities providing retail electric service to more than 150,000 North Carolina retail jurisdictional customers as of January 1, 2017.

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BILL ANALYSIS:

Secs. 11.19(f1) and (f2) of S.L. 2021-180 modify the Program to provide that the 350 megawatts MW of new renewable energy facility capacity that are reserved under the governing statute for participation by major military installations and The University of North Carolina, which remain unsubscribed by August 5, 2022, must be solely reserved for an “eligible customer” through January 1, 2028. Absent Secs. 11.19(f1) and (f2) of S.L. 2021-180, under the governing statute, any reserved capacity that remains unsubscribed by August 5, 2022, would have been reallocated to any eligible Program participant. Under Secs. 11.19(b), (d), (f1), and (f2) of S.L. 2021-180, an "eligible customer" is, in summary, a customer of an electric public utility that locates a new manufacturing facility at a project site that is subject to an agreement with the Department of Commerce for a qualifying project in Randolph County.

In addition, Secs. 11.19(f1) and (f2) provide that an eligible customer is entitled to subscribe to a capacity amount sufficient to produce 100% of the eligible customer's actual annual electricity usage on an annual basis (or reasonably projected annual electricity usage over the immediately subsequent annual period) at the project site (up to the remainder of the 350 MW left unsubscribed by major military installations and The University of North Carolina after August 5, 2022). Absent Secs. 11.19(f1) and (f2) of S.L. 2021-180, the governing statute would limit contracted capacity to no more than 125% of the maximum annual peak demand of the premises of an eligible Program participant.

EFFECTIVE DATE: These sections became effective November 18, 2021.