

Fifty-ninth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1308

Introduced by

Representatives Nelson, Gulleeson, S. Kelsh, Nicholas

Senators Brown, Triplett

1 A BILL for an Act to create and enact a new section to chapter 4-14.1, three new sections to  
2 chapter 54-44.4, and three new sections to chapter 54-44.5 of the North Dakota Century Code,  
3 relating to duties of the agricultural products utilization commission, state purchasing of energy,  
4 and establishment of the renewable energy and conservation office within the division of  
5 community services; to provide an appropriation; to provide a continuing appropriation; and to  
6 provide an effective date.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1.** A new section to chapter 4-14.1 of the North Dakota Century Code is  
9 created and enacted as follows:

10 **Agricultural products utilization commission - Duties.** The agricultural products  
11 utilization commission shall:

- 12 1. Administer and use the renewable energy trust fund to carry out the renewable  
13 energy policy of this state.
- 14 2. Provide feasibility studies, applied research and demonstrations, venture capital  
15 investments, grants and matching grants, and low-interest loans and loan  
16 buydowns to foster the development of renewable energy, including wind, biofuels,  
17 biomass, solar, hydroelectric, geothermal, and hydrogen, that is produced from the  
18 foregoing renewable energy sources.

19 **SECTION 2. Renewable energy trust fund - Funding - Continuing appropriation.**

20 The renewable energy trust fund is a special fund in the state treasury. All funds in the  
21 renewable energy trust fund are appropriated to the agricultural products utilization commission  
22 on a continuing basis for the purpose of carrying out the purposes of the commission. Any  
23 interest earned by the fund must be credited to the fund.

1           **SECTION 3.** Three new sections to chapter 54-44.4 of the North Dakota Century Code  
2 are created and enacted as follows:

3           **Purchase of electricity - Requirements.** The office of management and budget, and  
4 any state agency or institution that has authority to purchase electricity, shall attempt to ensure  
5 that beginning on the effective date of this Act, at least ten percent of the total of all electricity  
6 purchased for state agencies and institutions be obtained from wind energy, with preference  
7 given to wind energy generated within this state. The electricity may be obtained from wind  
8 turbine generation installed after July 1, 2005. In fulfillment of this goal, a generator or utility  
9 supplying power to the state may provide evidence of the retirement of verified renewable  
10 energy credits, commonly known as green tags, in lieu of an actual transfer of wind-generated  
11 electricity, as the economics and practicalities of power generation and transmission warrant.  
12 The office of management and budget and any state agency or institution purchasing electricity  
13 shall report to the agricultural products utilization commission the efforts of the office of  
14 management and budget or the state agency to comply with this section.

15           **Purchase of motor vehicles and diesel-powered or gasoline-powered equipment.**  
16 The office of management and budget, and any state agency or institution that has authority to  
17 purchase products, shall attempt to ensure that beginning on the effective date of this Act, all  
18 state-owned vehicles and equipment powered by diesel or gasoline utilize renewable fuels as  
19 provided in this section. Gasoline engines should, but are not required to, operate on gasoline  
20 containing at least a ten percent ethanol blend and diesel engines should, but are not required  
21 to, operate on diesel fuel containing at least a five percent biodiesel blend. The office of  
22 management and budget and any state agency or institution purchasing motor vehicles and  
23 diesel-powered or gasoline-powered equipment shall report to the agricultural products  
24 utilization commission the efforts of the office of management and budget or the state agency  
25 to comply with this section.

26           **Request for proposals for construction contracts and projects utilizing motor**  
27 **fuel.** All requests for proposals for construction contracts and projects in an amount of one  
28 hundred thousand dollars or more utilizing motor fuel should, but are not required to, include a  
29 renewable fuel use requirement. Gasoline engines used in construction projects utilizing motor  
30 fuel as provided in this section should, but are not required to, operate on gasoline containing  
31 at least a ten percent ethanol blend. Diesel engines used in construction projects utilizing

1 motor fuel as provided in this section should, but are not required to, operate on diesel fuel  
2 containing at least a five percent biodiesel blend. A state agency or institution issuing a request  
3 for proposal for construction contracts or projects under this section shall report to the  
4 agricultural products utilization commission the efforts of that agency or institution to comply  
5 with this section.

6 **SECTION 4.** Three new sections to chapter 54-44.5 of the North Dakota Century Code  
7 are created and enacted as follows:

8 **Renewable energy policy.** It is the public policy of this state to stimulate the  
9 development of renewable energy within the state to provide secure, diverse, sustainable, and  
10 competitive renewable energy supplies and to promote the conservation of energy and wise  
11 use of energy resources. It is the public policy of this state to promote the development of new  
12 technologies, provide innovative opportunities for farmers, and create additional employment  
13 and wealth that contributes to rural economic development, decreases dependence on foreign  
14 energy supplies, improves the environment, and encourages a renewable energy industry  
15 within this state which is competitive for domestic and export markets.

16 **Renewable energy and conservation office created.** The renewable energy and  
17 conservation office is created within the division of community services of the department of  
18 commerce.

19 **Duties of renewable energy and conservation office.** The renewable energy and  
20 conservation office shall develop and administer energy conservation and efficiency programs,  
21 including the home weatherization grant program under section 54-17-27 and the state facility  
22 energy improvement program under section 54-44.5-08. The office also is responsible for  
23 promoting and administering programs to research, develop, and market renewable energy  
24 from wind, solar, hydropower, geothermal, biomass, ethanol, biodiesel, and other renewable  
25 energy sources.

26 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the  
27 general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so  
28 much of the sum as may be necessary, to the agricultural products utilization commission, to be  
29 matched in a two-to-one ratio by grants, gifts, and other funds received by the commission with  
30 each two dollars of general fund moneys being matched by one dollar of gifts, grants, or other

1 funds, for the purpose of carrying out renewable energy projects, for the biennium beginning  
2 July 1, 2005, and ending June 30, 2007.

3 **SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the  
4 ethanol production incentive fund in the state treasury, not otherwise appropriated, the sum of  
5 \$2,000,000, or so much of the sum as may be necessary, to the renewable energy trust fund  
6 for the purpose of carrying out renewable energy projects, for the biennium beginning July 1,  
7 2005, and ending June 30, 2007.

8 **SECTION 7. EFFECTIVE DATE.** Section 3 of this Act becomes effective on July 1,  
9 2006.