

**HOUSE BILL NO. 1308**

Introduced by

Representatives Nelson, Gulleason, S. Kelsh, Nicholas

Senators Brown, Triplett

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

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

7 **SECTION 1. Renewable energy commission - Composition - Continuing**  
8 **appropriation.**

- 9 1. The renewable energy commission consists of:
- 10 a. The commissioner of commerce or the commissioner's designee.
  - 11 b. The agriculture commissioner or the commissioner's designee.
  - 12 c. A member appointed by the agriculture commissioner.
  - 13 d. A member with a substantial interest in the biodiesel industry appointed by the  
14 governor representing biodiesel interests.
  - 15 e. A member with a substantial interest in the biomass industry appointed by the  
16 governor representing biomass interests.
  - 17 f. A member with a substantial interest in the wind industry appointed by the  
18 governor representing wind interests.
  - 19 g. A member with a substantial interest in the ethanol industry appointed by the  
20 governor representing ethanol interests.
  - 21 h. Two additional members appointed by the governor.
- 22 2. The commission shall elect one of its members as chairman.
- 23 3. If not otherwise employed by the state of North Dakota, members of the  
24 commission are entitled to receive as compensation one hundred dollars for each

1 day devoted to attending meetings and performing other duties relating to the  
2 official business of the commission and are entitled to receive reimbursement for  
3 travel, lodging, and meals at the rate provided for state employees.

4 4. Administrative expenses of the commission, including expenses of members of the  
5 commission, employment of needed personnel, hiring of consultants, and  
6 contracting with public or private entities for services, are appropriated to the  
7 commission on a continuing basis.

8 5. The division of community services shall provide staff and technical assistance to  
9 the commission. The division of community services is authorized one additional  
10 full-time equivalent position for purposes of this subsection.

11 **SECTION 2. Renewable energy commission - Duties.** The 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 3. 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 renewable energy commission on a  
22 continuing basis for the purpose of carrying out the purposes of the commission. Any interest  
23 earned by the fund must be credited to the fund.

24 **SECTION 4.** Three new sections to chapter 54-44.4 of the North Dakota Century Code  
25 are created and enacted as follows:

26 **Purchase of electricity - Requirements.** The office of management and budget, and  
27 any state agency or institution that has authority to purchase electricity, shall ensure that  
28 beginning on the effective date of this Act, at least ten percent of the total of all electricity  
29 purchased for state agencies and institutions be obtained from wind energy, with preference  
30 given to wind energy generated within this state. The electricity may be obtained from wind  
31 turbine generation installed after July 1, 2005. In fulfillment of this requirement, a generator or

1 utility supplying power to the state may provide evidence of the retirement of verified renewable  
2 energy credits, commonly known as green tags, in lieu of an actual transfer of wind-generated  
3 electricity, as the economics and practicalities of power generation and transmission warrant.

4 **Purchase of motor vehicles and diesel-powered or gasoline-powered equipment.**

5 The office of management and budget, and any state agency or institution that has authority to  
6 purchase products, shall ensure that beginning on the effective date of this Act, all state-owned  
7 vehicles and equipment powered by diesel or gasoline utilize renewable fuels as provided in  
8 this section. Gasoline engines must operate on gasoline containing at least a ten percent  
9 ethanol blend and diesel engines must operate on diesel fuel containing at least a five percent  
10 biodiesel blend.

11 **Request for proposals for construction contracts and projects utilizing motor**  
12 **fuel.** All requests for proposals for construction contracts and projects in an amount of one  
13 hundred thousand dollars or more utilizing motor fuel must include a renewable fuel use  
14 requirement. Gasoline engines used in construction projects utilizing motor fuel as provided in  
15 this section must operate on gasoline containing at least a ten percent ethanol blend. Diesel  
16 engines used in construction projects utilizing motor fuel as provided in this section must  
17 operate on diesel fuel containing at least a five percent biodiesel blend.

18 **SECTION 5.** Three new sections to chapter 54-44.5 of the North Dakota Century Code  
19 are created and enacted as follows:

20 **Renewable energy policy.** It is the public policy of this state to stimulate the  
21 development of renewable energy within the state to provide secure, diverse, sustainable, and  
22 competitive renewable energy supplies and to promote the conservation of energy and wise  
23 use of energy resources. It is the public policy of this state to promote the development of new  
24 technologies, provide innovative opportunities for farmers, and create additional employment  
25 and wealth that contributes to rural economic development, decreases dependence on foreign  
26 energy supplies, improves the environment, and encourages a renewable energy industry  
27 within this state which is competitive for domestic and export markets.

28 **Renewable energy and conservation office created.** The renewable energy and  
29 conservation office is created within the division of community services of the department of  
30 commerce. The office consists of a director and any other professional, technical, and clerical  
31 personnel as may be necessary to carry out the duties prescribed for the office.

1           **Duties of renewable energy and conservation office.** The renewable energy and  
2 conservation office shall develop and administer energy conservation and efficiency programs,  
3 including the home weatherization grant program under section 54-17-27 and the state facility  
4 energy improvement program under section 54-44.5-08. The office also is responsible for  
5 promoting and administering programs to research, develop, and market renewable energy  
6 from wind, solar, hydropower, geothermal, biomass, ethanol, biodiesel, and other renewable  
7 energy sources.

8           **SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the  
9 general fund in the state treasury, not otherwise appropriated, the sum of \$12,000,000, or so  
10 much of the sum as may be necessary, to the renewable energy trust fund for the purpose of  
11 carrying out renewable energy projects, for the biennium beginning July 1, 2005, and ending  
12 June 30, 2007.

13           **SECTION 8. EFFECTIVE DATE.** Section 4 of this Act becomes effective on July 1,  
14 2006.