



**NORTH CAROLINA ENERGY POLICY COUNCIL
MEETING MINUTES
10:00 a.m., Wednesday, February 17, 2021
Virtual Via WebEx**

Energy Policy Council Members Present:

Lt. Governor Mark Robinson	Rachel Estes	Sushma Masemore
Bruce Barkley	Ryan Gragg	Gus Simmons
Paollo Carollo	John Hardin	Scott Tew
Diane Denton	Jenny Kelvington	Paul Worley

CALL TO ORDER

Lt. Governor Mark Robinson called the Energy Policy Council (EPC) meeting to order at 10:00 a.m. on Wednesday, February 17, 2021. After welcoming the Council members, staff and the public to the virtual meeting, he then asked the council members to introduce themselves. After the introductions, Lt. Governor Robinson asked for approval of the August 19, 2020 EPC meeting minutes. Mr. John Hardin moved for approval of the minutes, Mr. Scott Tew seconded the motion, and the minutes were unanimously approved by the EPC. Lt. Governor Robinson then reviewed the agenda and introduced the first presenter, Mrs. Sushma Masemore to give an overview of the EPC statutory requirements.

OVERVIEW OF EPC STATUTORY REQUIREMENTS

Mrs. Sushma Masemore, State Energy Office Director

Mrs. Masemore gave an overview of the Energy Policy Council's statutory requirements. She shared that the legislative authority for the EPC is under Chapter 113B of the North Carolina General Statutes and in the North Carolina Energy Policy Act of 1975. Chapter 113B outlines the Energy Policy Council's purpose, its composition, general duties, and responsibilities. The General Statute also states that the EPC is to provide an Energy Efficiency Program recommendation to the Governor every five years for his review, and to develop a comprehensive report for the General Assembly every 2 years.

PRESENTATION: UPDATE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) PROGRAM DESIGN

Mrs. Lori Collins, SEO Environmental Program Consultant

Mrs. Collins gave an overview of Commercial Property Assessed Clean Energy (C-PACE) program. C-PACE was a recommendation in both the NC Clean Energy Plan and the EPC Biennial Report. Mrs. Collins shared that the current program is not just a reauthorization of the previous PACE program, but a comprehensive revision of it. She then defined C-PACE as a program which allows property owners to extend the repayment of energy efficient (EE) improvements and to attach them to the tax bill of the property, not to the owner's taxes. Since the EE improvements will transfer to the new owner, rather than resulting in accelerated depreciation, it becomes a source of low cost financing. She also presented the national monetary and jobs benefits. Next, she provided various models used by other states that NC is considering. She discussed the work group established for NC, including several problems and barriers, experience of members in other states, and the members of the committee. She then presented the recommendation that includes a state-wide program with a third-party administrator, property liens that "run with the land", and private, rather than local government financing. She is now working on drafting a bill and



identifying legislative support. During her presentation, there were questions on the next steps, how it works with a mortgage, and whether banks were involved. Mrs. Collins said that a waiver would be signed as part of the mortgage process, and that banks were involved.

During and after the presentation, the EPC members asked questions of Mrs. Collins. Mr. Bruce Barkley asked about the timing of the C-PACE legislations, to which Mrs. Collins said that it was currently moving forward in legislation. Mr. Barkley then asked if we were building this initiative from the ground up, and she shared that we are building it from the ground up, but there are companies that have experience with C-PACE programs that are helping. Mrs. Sushma Masemore shared that existing statutes that allowed counties to establish financing mechanisms were not targeted for commercial, but what Mrs. Collins discussed is very targeted. Mrs. Jenny Kelvington then asked if this would be like a first mortgage and asked if there were lenders involved. Mrs. Collins stated that this is not like a first mortgage, but yes, there would be banks involved with the program.

SUB-COMMITTEE REPORTS

Energy Assurance (EA) Committee, Mr. Paul Worley, EA Committee Chair

Mr. Worley discussed the two EA recommendations and summarized the Committee's meeting held on the previous week. He said that the Committee discussed having a Statewide Petroleum Disruption table top exercise (TTX) via WebEx. Although the Emergency Management Division is heavily involved with the COVID-19 pandemic, they are interested in holding the exercise. Mr. Worley also mentioned the issue of electric generation's transitioning from coal to gas and other clean resources, a resilience and reliability study which could be shared with the Interagency Council, and considering power reliability at NC's Co-Ops and Muni's.

Energy Efficiency (EE) Committee, Mr. Scott Tew, EE Committee Chair

Mr. Tew gave an overview of the EE Committee's activities. He shared that the Committee was in the process of reviewing their 37 recommendations to prioritize them based on their impact and whether or not the State already has momentum toward their implementation. He suggested that this information may be presented at the next full EPC meeting.

Energy Infrastructure (EI) Committee, Mr. Gus Simmons, EI Committee Chair

Mr. Simmons provided an EI Committee overview and discussed implementation of the Committee's recommendations. He presented the scope of the Committee's work along with its five recommendations. He shared that several groups were gathering data and information on recommendations, especially the bioenergy resources mentioned in the report.

CLOSING COMMENTS

Lt. Governor Robinson asked for public comments and there were none. He thanked the EPC members for their work and shared that he is looking forward to working with the EPC members. A motion to adjourn was made by Mr. Gus Simmons and seconded by Mr. Paul Worley. The meeting adjourned at 11:15 a.m.

Approved by Energy Policy Council
Members on May 19, 2021.