



NORTH CAROLINA
DEPARTMENT of
COMMERCE

2024 Climate Strategy Report

North Carolina Department of Commerce

Submitted October 1, 2024; Covers July 1, 2023 – June 30, 2024

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Introduction

About the North Carolina Department of Commerce

The mission of the North Carolina Department of Commerce (Department or NCDOC) is to improve the economic well-being and quality of life for all North Carolinians. To do that, the North Carolina Department of Commerce works closely with local, regional, national, and international organizations to propel economic, community and workforce development for the state.

The Department connects businesses with the site locations, workforce, and infrastructure they need to succeed in one of the nation's top states for business. We also connect local communities with the grants and funding they need to attract, start, and grow new business and ensure future prosperity.

Additionally, our executive branch agency administers the state's economic incentives program and publishes data, statistics, information, and reports for those interested in our state's economy. The Department's Division of Employment Security administers the state's unemployment insurance program, including Disaster Unemployment Assistance which may be made available in the aftermath of declared federal emergencies, many of which may be more severe due to climate change.

Marketing North Carolina as a business and visitor destination is another function of the Department, and to handle this work we contract services from the Economic Development Partnership of North Carolina (EDPNC), a public-private organization established by the North Carolina General Assembly in 2014.

North Carolina Department of Commerce's Vulnerabilities to Climate Change

NCDOC recognizes the importance of resiliency; a resilient state economy can "bounce back" more quickly from hazards and therefore have less business interruption.

Climate change poses significant risks to the Department's mission: to improve the economic well-being and quality of life for all North Carolinians. Businesses choose to relocate and expand in North Carolina thanks to our world-class workforce, top tier education system, and high quality of life. In recent years, firms in North Carolina have seen significant impacts from natural disasters that have direct effects on their ability to operate and those risks will increase in the coming years.

These climate risks, in turn, pose risks to the Department's programs: increasing the likelihood that grant recipients may not be able to achieve their capital investment and job commitments; increasing the instances federally declared disasters which would trigger of Disaster Unemployment Assistance (DUA) administered by the Division of Employment Security; and stressing the workforce delivery system to prepare dislocated workers for new employment opportunities. Climate stressors, such as hurricanes, floods, high winds, and winter storms affect NCDOC offices across the state.

These stressors and hazards impede human resources and services provided to constituents and general business operations. Heat waves are anticipated to become more common, which may also cause power outages and infrastructure impacts, as well as health concerns for employees and residents. The agency

assets that are most important and most at risk are our employees. The risk stems from their locations and ability to travel to an office, along with the confidential information and equipment located in offices. Any weather event has the potential to affect any Commerce office and staff. As such, each weather event is evaluated on an event-by-event basis to determine potential impacts.

The Department's resiliency initiatives will educate stakeholders about climate mitigation strategies, promote resilience, advance climate justice, and provide community assistance. The Department will continue and expand these activities in subsequent years. The Department is also increasingly focused on job development and creation to improve North Carolina's workforce and businesses specifically in emerging resiliency fields.

North Carolina Department of Commerce's Approach to Fulfilling the Strategies in the Climate Risk Assessment and Resilience Plan

NCDOC continues to support the resiliency of the state and its citizens through strong partnerships with national, regional and local organizations. Due to the structure of NCDOC and our presence across the state, the department can interact with North Carolinians at both the local and regional level with timely and appropriate information.

NCDOC has also worked diligently to address the needs of citizens and businesses. With grant programs, the department works with local leaders to address business needs as well as the resiliency of those businesses and projects. Applications of the Rural Grants program and the Industrial Development Fund-Utilities require all applicants to follow local, state and federal regulations as part of grant agreements. The Division of Workforce Solutions leads a statewide team of diverse workforce partners who are developing strategies to fulfill employer demands for talent in the clean energy and electric vehicle (EV) space.

Reducing Energy Use

The Department does not own any buildings or offices, nor does it have a designated energy manager.

North Carolina Clean Transportation Plan

The Assistant Secretary for Clean Energy Economic Development served on the NCCTP Advisory Committee. The Assistant Secretary has provided ongoing feedback, comment, and advice to the Project Management Team in its work to develop and publish and implement the Plan.

Addressing Environmental Injustices and Inequities

Pursuant to Section 7 of EO 246, NCDOC named the Assistant Secretary for Clean Energy Economic Development as Commerce's EJ Lead. Since EO 246 was signed, the Commerce Executive Leadership Team (ELT) has worked to identify and advance opportunities for equitable access, particularly in underserved communities, to the economic benefits that accompany the transition to a clean energy

economy. To increase awareness about EJ, the Commerce EJ Lead and members of the ELT have drafted a proposed three-part webinar series on Environmental Justice in North Carolina intended for broad audiences around the state. In addition, Commerce engages with the Governor's Office on all aspects of the Administration's EJ efforts. In June 2023, the Department published an annual update, according to Section 8 of EO 246, of the required [Public Access and Participation Plan](#). Finally, several members of the ELT have participated in conversations with stakeholders and advocates about how EJ is considered in economic development decisions.

NCDOC has a Business Relationship Manager who serves as the agency's strategic business partner responsible for promoting active corporate responsibility in alignment with Commerce's First-In-Talent Plan. The Business Relationship Manager is a member of the ELT whose focus is to work with companies to promote and develop projects in three key areas: environmental sustainability, work-based learning and diversity, equity and inclusion—areas selected because of their importance both to the state and its employers. The Business Relationship Manager also provides businesses with the resources and support they need to make a positive economic and social impact on our State and local communities.

Governor Cooper signed Executive Order 292, *Advancing Environmental Justice for North Carolina*, on October 23, 2023. Among its many directives, EO 292 required each agency secretary to designate an individual to represent the agency alongside gubernatorial appointees on a new, whole of government, EJ Advisory Council. The Assistant Secretary for Clean Energy Economic Development was designated to represent Commerce and led the Council's Subcommittee to prepare and publish its annual report as well as served on the Mapping Tool Subcommittee. Pursuant to other EO directives, Commerce has developed and worked towards EJ goals and measurable outcomes, will work with the Department of Environmental Quality to jointly deliver a report regarding businesses who have been awarded Job Development Investment Grant ("JDIG") incentives since January 1, 2017, and have also been issued notice of violations from DEQ, and the Economic Investment Committee will include in its statutorily-required reports, information related to any environmental violations committed by businesses receiving grants administered by the Committee.

Public Participation Plan

NCDOC published the annual update to its Public Access and Public Participation Plan in June 2023 and will update it again in 2025. NCDOC recognizes that all residents of North Carolina have the right to access government services, to meaningfully contribute to government decisions, and to share equitably in the benefits of a prosperous North Carolina. To that end, we are committed to conducting and communicating the business of North Carolina openly and transparently—and in an equitable and inclusive manner. We prioritize public awareness, two-way public engagement and communication, and value public involvement and input in developing policies and programs that best serve the people of North Carolina. We understand that the people's business should continuously expand to reflect and represent the collective diversity of the State's growing population and the evolving needs of each community.

To facilitate receipt of comments from the public, the Department created a [feedback form](#) by which individuals can submit comments and other information pertaining to the Plan at any time for our consideration. The formal establishment of this “Public Access and Participation Plan” will help support our ongoing efforts to serve all people of North Carolina and serve as a guide to ensure continued open communication, public participation, and engagement. The Plan is available here: <https://www.commerce.nc.gov/guidelines-public-access-and-participation-plan/download?attachment>.

Climate Council Updates

Governor Cooper’s Executive Order 246 to advance an equitable and just clean energy economy in the state calls for the creation of a workgroup to develop a report with strategies to diversify the occupations and industries related to climate change. The [NC Department of Commerce published the Climate Change Workforce Diversity Report](#) in December 2022, which includes recommendations to grow a diverse and talented workforce to address the impacts of climate change. Since the report was released, Commerce divisions and programs have aligned programming to further advance the recommendations in the report.

Members of the NC Taskforce for Offshore Wind Economic Resource Strategies (NC TOWERS) visited several K-12 schools in FY23-24 to raise awareness of offshore wind energy and clean energy careers, a direct recommendation from the Climate Change Workforce Diversity Report, and one visit which during which Governor Cooper participated. Additionally, the [NC TOWERS FY22-23 Annual Report](#) to the Governor and the General Assembly referenced the Climate Change Workforce Report. The Division of Workforce Solutions and the NCWorks Commission formed an Electric Vehicle Advanced Manufacturing and Clean Technologies Governance Workgroup to increase awareness of EV production and advanced manufacturing jobs in underserved communities and from populations that are underrepresented in careers related to climate change. This aligned with the recommendations in the Climate Change Workforce Report. The EV Governance Workgroup developed the following six goals to advance their mission:

- Goal 1: Increase awareness and recruitment of individuals into EV production and advanced manufacturing jobs.
- Goal 2: Increase implementation of promising practices to support this initiative.
- Goal 3: Streamline and enhance education and job training opportunities.
- Goal 4: Develop policy recommendations to enhance employer engagement and workforce development.
- Goal 5: Enhance employer partnerships to promote hiring of individuals from the priority populations.
- Goal 6: Build locally driven regional collaborations economic developers, local workforce development boards, community colleges, K12 school district, and other education and training partners within each county (or multi-county region).

In addition, the Department is involved in two clean energy workforce studies. The first, will be an update to the [Clean Energy and Clean Transportation Workforce Assessment](#) published in 2019 (per EO 80) that incorporates the significantly-changed universe of clean energy and transportation workforce opportunities and demands in North Carolina. The Labor and Economic Analysis Division will lead this work and results are expected in the fall 2024. For the second study, the Department (on behalf of the State) is partnering with the State of Maryland and the Commonwealth of Virginia, with participation from the State of Delaware, in an effort led by the National Renewable Energy Labs to understand the SMART-POWER (Southeast and Mid-Atlantic Regional Transformative Partnership for Offshore Wind Energy Resources) region's existing offshore wind capabilities and identify supply chain investments that could most effectively leverage these resources and provide the greatest benefits to both the member states and the offshore wind industry. This effort is expected to be complete in late-fall 2024, with a report summarizing the research and its findings to be released soon thereafter.

1.0. Reduce greenhouse gas emissions

1.1 Reduce energy consumption per square foot in state-owned buildings by at least 40% from fiscal year 2002-2003 levels

This section is not applicable to this mission of the North Carolina Department of Commerce.

1.2 Support the use and expansion of energy efficient and clean energy resources

1.2.1 Development of solar, wind, energy storage and other innovative technologies in public and private sectors.

Status: Underway

Expected Completion Date: Ongoing

The Assistant Secretary for Clean Energy Economic Development and the Executive Director of the Office of Science, Technology & Innovation continue to regularly meet and talk with companies, both inside and outside North Carolina, who are interested in developing clean energy technologies in the state. When appropriate, these companies are referred to the Economic Development Partnership of North Carolina (EDPNC) for more detailed discussions and assistance regarding their technology development needs.

Additionally, the Assistant Secretary for Clean Energy Economic Development and the Executive Director of the Office of Science, Technology & Innovation serve on the Governance Committee of [CLEANcarolinas](#), a National Science Foundation (NSF)-funded team focused on establishing the Carolinas (North Carolina and South Carolina) as a hub for clean energy innovation, accelerating use-inspired research, and advancing groundbreaking technologies. The NSF support provides the crucial seed funding to lay the groundwork for this ambitious initiative. Through a blend of research and development, investment, education, and multi-stakeholder collaboration, CLEANcarolinas aims to catalyze an innovation ecosystem specific to clean energy, thereby fostering innovation, driving economic growth, and enhancing the region's competitiveness.

Because of these activities and others, company interest in the development of clean energy in North Carolina continues to increase rapidly. As a result, the Department will continue to enhance its procedures and information related to clean energy technologies, so that it can respond more effectively and efficiently to meet the increasing demand.

1.3 Increase the number of registered Zero Emission Vehicles to at least 1,250,000 by 2030 so that 50% of in-state sales of new vehicles are zero-emission by 2030

This section is not applicable to this mission of the North Carolina Department of Commerce.

1.4 Prioritize Zero Emission Vehicles (ZEVs) in the purchase or lease of new vehicles and for agency business travel

1.4.1 Follow through with Motor Fleet ZEV Plan

Status: Underway

Expected Completion Date: N/A

The Department has not had an opportunity to purchase or lease a new vehicle since the last report, but it plans to make progress on this front when opportunities present. A small but growing number of Department employees have ZEVs and prioritize them for agency business travel whenever possible.

The Department will continue to prioritize ZEVs in the purchase or lease of new vehicles and for agency business travel.

1.5 Initiate other initiatives to decarbonize the transportation sector

1.5.1 Reduced vehicle miles traveled

Status: Ongoing

Expected Completion Date: Ongoing

As the pandemic restrictions lifted, hybridized methods of online and in person delivery of trainings, meetings, and workshops for staff and the public were created. Continued use of use of MS Teams platform and other online platforms have made this possible. This has increased the range of services offered to a wider audience as well as reduced staff mileage. While there is online fatigue, this method of communication is effective in reducing the miles driven to provide services.

As stated previously, members of the department's executive leadership team (ELT) served in an advisory role in NCDOT's work to issue its Clean Transportation Plan. In addition, NCDOC staff explored opportunities to apply for Volkswagen Settlement funding to install public electric vehicle charging stations at locations around the state. This effort was limited by the ownership/long-term lease requirement. NCDOC will continue to pursue opportunities that support the transition to clean transportation.

2.0. Increase statewide resilience to the impacts of climate change

2.1 Evaluate the impacts of climate change on the North Carolina Department of Commerce's programs and operations

2.1.1 Commerce Disaster Recovery Programs

Status: Ongoing

Expected Completion Date: Ongoing

NCDOC's Rural Economic Development Division (REDD) has several disaster recovery programs. While primarily active when hurricanes strike, the pandemic caused REDD to provide additional programs. Currently, the Division of Workforce Solutions (DWS) is coordinating the Dislocated Worker Grants awarded by the US Department of Labor. DWS is working with 14 Workforce Development Board that serve 59 counties.

The Dislocated Worker Grants program is scheduled to end. DWS can also apply for National Dislocated Worker Grants to assist jobseekers impacted by natural disasters.

2.2 Integrate climate change adaptation practices and resiliency planning into North Carolina Department of Commerce's policies and operations

This section is not applicable to this mission of the North Carolina Department of Commerce.

2.3 Assist the communities served by North Carolina Department of Commerce to implement climate change adaptation practices and resiliency planning

2.2.1 Support communities and sectors of the economy vulnerable to climate change and protect human life and health, natural and built property, natural and built infrastructure, public and private assets.

Status: Underway

Expected Completion Date: December 2026

The Rural Economic Development Division is coordinating American Rescue Plan Act (ARPA) Funds as the Rural Transformation Grant Fund (RTGF). These funds assist communities to improve economic vitality and overcome the unique challenges many rural communities face. Categories are:

- **Downtown Revitalization** – help local governments grow and leverage their Main Street and downtown districts as assets for economic growth, economic development, and prosperity.
- **Resilient Neighborhoods** – create resilient neighborhoods through community development, neighborhood revitalization, economic investments, and quality of life improvements.
- **Community Enhancements for Economic Growth** – support acquisition of land and buildings, the preparation/development of neighborhood properties and business sites, and the removal of structural and physical barriers for the purpose of enhancing community growth and economic development opportunities.

The third round of funding closed in May 2023, and 29 local governments from around the state were awarded funds. All funds must be spent by 2026.

2.4 Help complete initiatives in the Natural and Working Lands Action Plan and Executive Order 305, An Order to Protect and Restore North Carolina’s Critical Natural and Working Lands

This section is not applicable to this mission of the North Carolina Department of Commerce.

3.0. Address the public health impacts of climate change

3.1 Increase understanding and awareness of the health impacts of climate change

This section is not applicable to this mission of the North Carolina Department of Commerce.

3.2 Advance health equity

This section is not applicable to this mission of the North Carolina Department of Commerce.

4.0. Invest in historically underserved communities

4.1 Increase affordability for low- and moderate-income households

4.1.1 Community Development Block Grant Neighborhood Revitalization - Federal

Status: Ongoing

Expected Completion Date: Ongoing

Approximately **\$15 million** was made available for the 2022 Community Development Block Grant (CDBG) Neighborhood Revitalization Program. CDBG-NR will support equitable, affordable housing and benefit low/moderate income level people.

4.2 Create jobs and economic growth

4.2.1 NCDOC Office of Science Technology Innovation (OSTI) Job Creation

Status: Ongoing

Expected Completion Date: Ongoing

The OSTI develops and administers policies and programs that accelerate both the development of next-generation technology companies and the adoption of technologies across existing industries. The OSTI released its biennial innovation index report, *Tracking Innovation*, in July 2024. Widely recognized as the state's barometer on the innovation economy, this report assesses North Carolina's innovation landscape across 42 different macroeconomic measures. The volume informs Board of Science, Technology & Innovation (BSTI) programs, as well as policy makers and state leaders, in advancing targeted policies to aid in early stage, small businesses development, technological development and adoption, and inclusive growth (particularly in rural areas) across all industries, including energy innovation sectors.

The OSTI continued their advancement of reaching technological companies for a fourth year in a row in rural parts of the state. the latest cohort of the One North Carolina Small Business Program (managed by OSTI), made 84 grant awards to 79 companies in 23 counties. The cohort also featured the most first-time grant awards ever made in the Program's history since it was established in 2005.

4.2.2 Sub-awardee for National Science Foundation Type I Innovation Engine Grant

Status: Underway

Expected Completion Date: August 1, 2025

As discussed in section 1.2.1 above, NCDOC, in partnership with entities across North and South Carolina, was notified in May 2023 that it was a recipient as a sub-awardee on an application for a National Science Foundation Type I Innovation Engine grant to seed clean energy innovations in the economically distressed, systemically underserved eastern regions of both states. The work to implement this Award will build upon the efforts of STEPs4GROWTH and lay pathway for a clean energy innovation leadership in the Southeast through focus on technology acceleration, R&D on disruptive technologies, workforce development, and diversity, equity, inclusiveness, and accessibility that recognizes community priorities for energy economic development and achieves upward economic mobility through clean energy transformation.

4.2.3 HUB purchasing plan

Status: Ongoing

Expected Completion Date: Ongoing

Commerce spending with Historically Underutilized Businesses (HUB) has grown steadily over the years. In FY23, the Department exceeded \$3.3 million in HUB spending—the highest amount since 2008. Commerce achieved 12.46% HUB spending in FY23, with many divisions and commissions doubling the 10% goal. The Department Increased HUB dollars spent by 18% over FY 2022 (+\$520,006).

The Department's procurement procedures have changed as the result of adjustments to statewide administrative rules. This has allowed for the implementation of a strong Department-wide HUB plan requiring participation from staff at all levels, including a requirement for quotes from HUB vendors for most purchases under \$25,000. This, along with management attention to deficient areas, will ensure that HUB spending continues to grow.

4.3 Alert residents and businesses, particularly those in underserved communities, of state and federal grant opportunities

4.3.1 NCDOC Broadcast of Opportunities

Status: Ongoing

Expected Completion Date: Ongoing

NCDOC has a robust system to inform citizens and businesses of grant opportunities. The system includes press releases, social media accounts, distribution lists, and website updates.

NCDOC will continue to expand its outreach to all communities for funding opportunities. Specific outreach and conferences have disseminated this type of information.