

**NORTH CAROLINA ENERGY POLICY COUNCIL
MEETING MINUTES**

10:00 a.m., Wednesday, November 16, 2022

Archdale Building

Ground Floor Hearing Room

512 N. Salisbury Street, Raleigh, NC 27604

Energy Policy Council Members Present

Brian LiVecchi Lt. Governor Mark
Robinson's designee
Bruce Barkley
John Hardin

Kendal Bowman
Paul Worley
Scott Tew
Sushma Masemore

Energy Policy Council Members Not Present

Herbert Eckerlin
Paolo Carollo

Gus Simmons

CALL TO ORDER

Mr. Brian LiVecchi, Lt. Governor Mark Robinson's designee, called the Energy Policy Council (EPC) meeting to order at 10:05 a.m. on Wednesday, November 16, 2022. He opened the meeting and welcomed the members and participants. After establishing the purpose for the meeting, he asked for a motion to approve the EPC's August 31, 2022, meeting minutes. Mr. Paul Worley moved for approval of the minutes and Mr. John Hardin seconded the motion. The motion was unanimously approved. Mr. Brian LiVecchi then stated that the public comments be presented as well as the finalization and approval of the 2022 Biennial report.

Discussion of Public Comments, Finalization, and Approval of 2022 EPC Biennial Report

Ms. Starlette Hodge opened the discussion by providing a brief presentation on the public comments composed since the last EPC meeting. Comments were received from five different organizations. As advised by Mr. LiVecchi, the open discussion would be after all public comments were read. The first entity recommended came from NC Utilities Commission. In summary, the public comment requested that EE#6 say that the commission "should rather than shall" establish a policy regarding customer access to usage data. Secondly, they commented on the issue of customer access to usage data and how it's currently pending before the commission and that comments have been received from numerous parties and the replies are due to be filed on or before December 6th. The following recommendation came from Carolina's Natural Gas Coalition. The comment spoke briefly on urging the council to recognize the value of natural gas while also supporting the recommendation for the expansion of renewable natural gas. Additional comments were provided concerning how natural gas has been affordable, safe, and reliable over the last seventy years. However, for EI#2, it is recommended to add the language, "Legislators and policy makers should streamline permitting and cost-recovery programs for infrastructure development while protecting and reaffirming access to all sources of energy for consumers." The remaining recommendation would remain the same. Mrs. Hodge then provided a summary of the public comments from the American Petroleum Institute. They firstly

commended the EPC's work concerning the report and the recommendations. API shared support for nine recommendations from the EA, EE, and EI committees and the suggestion of adding language to 2. In agreeance with the last public comment, API also mentioned the same added language to EI#2. For EI#3, the API requested the language "while recognizing both physical and regulatory barriers to buildout of low-carbon hydrogen infrastructure and proposing direct incentives for low-carbon utilization for diverse end-use segments." The remaining recommendation would stay the same. While there were no changes to EI#4 and EI#5, API believes that rewarding renewable natural gas and not others with similar benefits can form unfair competition in the market. Mr. LiVecchi asked for clarification of the recommendation. After a brief discussion, Ms. Hodge reviewed API's comments on EI#8, in which public policy should equally support all public transportation technology. API provided similar comments to EE#20, 22, and 23. Ms. Kendall Bowman asked what differential natural gas means within API's public comment. From research, Mr. Worley found that differential gas is also referred to as certified gas and it is responsibly sourced gas. It has been produced in a manner to reduce methane commissions. The next public comment was received from the Southeast Propane Alliance, LLC. From their summary, they have requested an additional recommendation for renewable propane. The recommendation asked to be included as follows:

EI#9 Expansion of Renewable Propane. In light of the opportunity to turn renewable feedstocks and other underutilized energy sources into consumable energy, the amount of propane currently being consumed by the citizens of the State, and the need for diverse and reliable gas supplies and the environmental benefits of utilizing these resources, the State should enact legislation and adopt policies that promote the development and usage of renewable propane.

After a brief review of the suggested recommendation, Ms. Sushma Masemore asked what SPA means by "usage of renewable propane." From the discussion, Mr. Brian LiVecchi then wondered about the differentiation between renewable natural gas and renewable propane. Next, EPC discussed their thoughts on the matter. Lastly, Ms. Hodge summarized the public comments submitted by the Consumer Energy Alliance in which they supported the recommendations. CEA also provided research and encouraged the committee to further invest in electricity and natural gas transportation and distribution infrastructure. With all public comments presented, the council will now discuss the public comments in detail. The first comment discussed focuses on changing the wording from "shall to should" in EE#6. Ms. Elizabeth Schrader mentioned that when the original discussion was taking place the language was should because there is a big gap in our ability to deliver services and to effectively monitor how much energy efficiency and affordability are being provided to our citizens. Ms. Kendal Bowman stated that some data is considered confidential and customer consent is needed. Mr. Bruce Barkley motioned to change the word in EE#6, which Mr. John Hardin seconded. The motion was carried. Following the consideration of the EPC discussions, the following recommendation was revised:

EE#6 The NCUC should establish a policy to ensure that all North Carolina utilities provide a secure and reliable manner to transfer to its customer or designees upon request utility usage data in a timely and non-cost prohibitive manner. This policy will allow all customers to leverage tools or systems such as the United States Environmental Protection Agency (USEPA) Portfolio Manager Program. This policy will assist utility customers to potentially manage energy and water use and costs as well as work with utilities to identify the best opportunities for utility

service efficiency programs. Any policy shall appropriately ensure that a specific customer utility usage data is not disclosed to any other party without the specific customer's knowledge and consent.

Recommendation, EI#2 was the next discussion regarding added language. Ms. Masemore suggested changing the suggested language to say, "access to all sources of affordable and environmentally sound energy for consumers." Mr. LiVecchi then asked, "who determines if it is environmentally sound?" After a brief discussion amongst the council concerning the question, Ms. Bowman asked for further clarity on the term cost-recovery programs. With no direct understanding of the term, Mr. Paul Worley, and Mr. Scott Tew offered suggestions for striking cost-recovery programs from the statement., "Legislators and policy makers should streamline permitting for infrastructure development while protecting and reaffirming access to all sources of energy for consumers." Mr. Worley motioned to make the change, and Mr. Barkley seconded. The motion was carried. Following the consideration of the EPC discussions, the following recommendation was revised:

EI#2 Expansion of Natural Gas Infrastructure. Natural Gas distribution companies in North Carolina should further invest in the transmission and distribution infrastructure to support future load and economic growth in the State, with specific focus on infrastructure that supports the addition and incorporation of renewable natural gas and the cost-effective expansion of natural gas service to unserved customers; while endeavoring to provide the highest levels of reliability and customer service in a safe, cost-prudent manner. The State's elected leadership needs to provide supporting policies and legislation that increase the availability of interstate supplies and intrastate infrastructure to meet this growing demand. Legislators and policy makers should streamline permitting for infrastructure development while protecting and reaffirming access to all sources of energy for consumers, The State's natural gas supply and delivery infrastructure can support the transition to an overall carbon emission reduction solution that properly includes cost and reliability considerations.

The discussion of the public comments continued as they began discussing the added language in Recommendation EI#3. Mr. LiVecchi mentioned that change is not needed because the recommendation is a study. Breaks out and makes a specific recommendation that the study effort should estimate the cost of direct incentives. Ms. Masemore additionally added that the language suggested predefines the outcome of the study. With that, the Energy Policy Council chose to keep the EI#3 Recommendation as is. For reference the recommendation is as follows:

EI#3 Hydrogen Energy Production Appraisal. North Carolina should invest in the evaluation of potential sources of hydrogen energy that may be developed from within North Carolina, as well as the needed transmission and distribution infrastructure to support the incorporation of hydrogen-based fuels into our energy portfolio; while North Carolina Legislature should commission and fund a study effort to assess North Carolina's hydrogen energy production capabilities and the infrastructure improvements needed to support the incorporation, distribution, storage, and use of hydrogen energy fuels. Such a study effort should estimate the costs and prioritization for such infrastructure improvements. We recommend this study be accomplished and published in advance of the 2024 Biennial Report of the Energy Policy Council so that additional policy recommendations may be informed by the findings of the study.

Mr. LiVecchi then began the discussion on Southeast Propane Alliance's new recommendation in which it speaks on the expansion of Renewable Propane. He mentioned it is logical to speak on Renewable Propane since Renewable Gas is being discussed. Mr. Barkley wondered if it can be folded into an existing recommendation without creating an additional recommendation. Suggests the title to be EI#5A or add the recommendation to EI#5 rather than as a standalone. Mr. LiVecchi asked if it was possible to change the title of EI#5 to add Propane Usage. Motion was made to add the wording to the title along with the recommended paragraph at the end. Ms. Bowman seconded the motion. Motion carried. Following the consideration of the EPC discussions, the following recommendation was revised:

EI#5 Expansion of Renewable Natural Gas and Propane Usage. In light of the opportunity to turn excess methane into new revenue streams for North Carolina's farmers and municipalities, the amount of natural gas currently being consumed by the citizens of the State, and the environmental benefits of utilizing these resources, the State should enact legislation and adopt policies in 2023 that promote the usage of renewable natural by customers of the natural gas local distribution companies. Renewable natural gas resources should be broadly defined to include biomass, biogas and biomethane from agricultural waste, landfill gas, and gas produced from wastewater treatment facilities. Support should be provided in the form of legislation that allows the North Carolina Utilities Commission (NCUC) to authorize cost recovery for infrastructure investments associated with renewable natural gas and any capital or operating costs incurred by the local distribution companies related to processing, pipeline interconnection, storage, and distribution of renewable natural gas.

In light of the opportunity to turn renewable feedstocks and other underutilized energy sources into consumable energy, the amount of propane currently being consumed by the citizens of the State, and the need for diverse and reliable gas supplies and the environmental benefits of utilizing these resources, the State should enact legislation and adopt policies that promote the development and usage of renewable propane.

With all recommendations have been discussed, final votes on the proposed changes for the report were made by the EPC. John Hardin motioned to move to the approving of the 2022 Biennial Report, Mr. Scott Tew seconded. Motion carried. The current timeline for publishing and placing the final report would be by COB Friday. Mr. LiVecchi mentioned to table the question until after he receives an update concerning the Executive Summary.

Prior to discussion of approving the proposed meeting dates for next year, Mr. LiVecchi brought up NC General Statute 113B-3 (d) which states, "A Council member shall be automatically removed from the Council if he or she fails to attend three successive Council meetings without just cause as determined by the remainder of the Council." With having a few council members up for automatic removal, Mr. LiVecchi recommends reaching out to the specific council members to see if they are still interested in being a part of the council and if so, some form of justification for why they are not attending the meetings. Ms. Bowman motioned for the suggestion to be made, seconded by Mr. Worley. Motion carried.

Mr. LiVecchi had a question concerning General Statute 113B-9, which speaks on the Emergency Energy Program being updated. Ms. Hodge stated that the program is called Energy Assurance/Emergency Plan and was last updated in July of 2019 and was submitted to USDOE.

However, it is currently being updated with funds from IJJA for our Energy Security Plan. Ms. Elizabeth Schrader further explained that as we have emergencies, petroleum data is monitored daily to see what is happening in the markets in terms of production, supply, pricing, and expectations. Emergency Support Function (ESF12) meets to discuss the plans. Not a single plan each entity has created, due to the constant change event by event. While plans exist, they are not static which is why tabletop exercises are conducted. A few EPC members such as Mr. LiVecchi, Mr. Tew, and Mr. Barkley had questions concerning the matter. Mr. Worley suggested that the EPC crosswalk the exercises being done, to help guide decision making.

Finalization/Approval of Proposed Calendar of FY22-23 Meetings

Ms. Hodge explained the proposed meeting times with the Energy Policy Council. No known conflicts were made with the proposed dates. For the Energy Innovation meetings, Mr. Hardin proposed Thursday, the week before each EPC meeting. The proposed date for the Energy Innovation meetings will be Thursday at 11:00 a.m. With at least three people needing to be on the committee, Ms. Bowman volunteered to join Energy Innovation. Mr. Tew motioned to have Ms. Bowman on the committee, and Mr. Worley seconded.

Mr. Tew spoke on behalf of the Energy Efficiency committee regarding seven topics that can be discussed for next year's meetings. The topics consist of: Presentational savings to date from public buildings, an update from Duke Energy for a status of their Carbon Plan, Presentation on the future of hydrogen (as it relates to the recommendations on hydrogen and infrastructure), an update on the status of Clean Energy and the Energy Efficiency Apprenticeship program (council may be interested in the expansion), Presentation of the building codes council on pros and cons of a three-year coding cycle vs. a six-year cycle, and an update on the Clean Transportation Plan. Mr. Worley then began sharing the potential topics for discussion as prepared by the Energy Assurance committee. The topics consists of: Overall understanding on storage and batteries (future for the ability of storage) as it relates to a lithium mine in Charlotte, Hydrogen (interest within State) and Transportation, future of the grid, and offshore winds along with the opportunity and challenges related to transportation for being able to develop through the highway system. Mr. Barkley mentioned that for the Energy Infrastructure meeting the recommendations were similar to those provided by other committees (would be within the meetings minutes).

Presentation

Ms. Schrader began her presentation on the IJJA and IRA Funding Opportunities. Firstly, she provided context regarding the Utilities Commission that it will not be applying for any IJJA money on the state's behalf unless there is no other state agency that can do it. Next, Ms. Schrader plans to discuss what funds are allocated, what competitive ones are being planned, and how the IRA program is evolving daily. She briefly describes what the State Energy Office does, and the approach taken to produce the appropriate project by layering, braiding, blending, and bundling. Every year for the next five years, the SEO is receiving (through IJJA) \$10.4 million under preventing outages and enhancing grid resilience (40101D Program). The State Match portion has already been budgeted. Ms. Schrader with through each program, discussing what the program provides and how the funds are being allocated. Some of the programs mentioned include the Energy Efficiency Conservation Block Grant, Energy Auditor Training Grant,

Weatherization of Homes, and High-Efficiency Electric Rebate. From her review of the programs, Mr. LiVecchi asked if there were any questions amongst the EPC. Mr. Hardin wanted to know to what extent staffing must be implemented and how it would be accomplished. In summary, Ms. Schrader responded that five new employees have recently been hired, with many more currently being interviewed for the needed positions. However, the goal rather than building an empire is to look at the core competencies, see where value can be added and outsource everything else. Mr. Hardin additionally wanted to know if there is a carve-out for administrative expenses. Ms. Schrader responded yes and further added that part of the carve-out is being able to outsource. Mr. Bruce Barkley then asked if we could utilize all the funds coming in and take advantage of the opportunities. Although it is a lot of funds, Ms. Schrader stated that our goal is to ensure that it is spent smartly, efficiently, and quickly. Mr. Worley added that when competing for the grants, the private share risk is much more substantial than any public chair. Ms. Schrader ended her presentation by providing recent success through the program.

CLOSING COMMENTS

Mr. LiVecchi thanked the EPC members for their work on all the recommendations and asked if there were any additional comments. There were no additional or public comments. Mr. LiVecchi stated that the next meeting would be held on February 15, 2023, at 10:00 a.m. in the training room at Green Square. A motion to adjourn was made by Mr. Tew and seconded by Mr. Barkley. The meeting adjourned at 11:34 a.m.

Approved by Energy Policy Council Members on **02-21-2024.**