

**NORTH CAROLINA ENERGY POLICY COUNCIL
MEETING MINUTES
10:00 a.m., Wednesday, February 16, 2022
Virtual Via WebEx**

Energy Policy Council Members Present:

Brian LiVecchi Lt. Governor Mark Robinson's designee

Rachel Estes
Gus Simmons
John Hardin
Ryan Gragg
Paul Worley
Scott Tew
Kendal Bowman
Bruce Barkley
Sushma Masemore
Jenny Kelvington
Paolo Carollo

Energy Policy Council Members Not-Present:

Herbert Eckerlin

CALL TO ORDER

Mr. Brian LiVecchi, Lt. Governor Mark Robinson's designee, called the Energy Policy Council (EPC) meeting to order at 10:00 a.m. on Wednesday, February 16, 2022. He opened the meeting and welcomed the members and participants. After establishing a quorum for the meeting, he asked for a motion to approve the EPC's November meeting minutes. Mr. Paul Worley moved for approval of the minutes and Mr. Gus Simmons seconded the motion. The motion was unanimously approved. Mr. Brian LiVecchi then asked for the Sub-Committee reports.

SUB-COMMITTEE REPORTS

No updates were given.

PRESENTATION: Basics of Ratemaking and HB951

Heather J. Hildebrandt, Statewide Initiatives Supervisor, NC Department of Transportation (DOT)

Ms. Hildebrandt covered the following topics:

- North Carolina transportation sector's greenhouse gas (GHG) emissions
The transportation sector's GHG emissions are now the largest sector, surpassing the electricity sector in 2018.
- Executive Orders 246
 - Executive Orders 246's expansion of EO 80 for the transportation sector includes a goal of 1.25 million resisted EVs by 2030 in both light and heavy-duty vehicles. ZEV registration continues to increase, and the state is about halfway to the 80,000 ZEV target.

- NC Clean Transportation Plan (NCCTP) Objectives
 - o Share best practices and raise awareness.
 - o Opportunities and challenges around equitable transition to clean transportation
 - o Actionable strategies for adoption
 - o Development of metrics to track progress.
- NCCTP Workgroups
 - o Light duty vehicles
 - o Medium and heavy-duty vehicles
 - o Fleet transitions.
 - o VMT reduction
 - o Infrastructure
 - o Crosscutting themes within workgroups
- Timeline
- Stakeholder
 - o Workshops starting March 2022
 - o Final Report April 7, 2023

Paul Worley asked about whether NCCTP can benefit from IIJA funding, and that state is more competitive with this plan.

Guidance released for IIJA DOE EV corridors. DOT must develop EV deployment plan for these corridors that are recognized by FHWA. NCCTP will feed into this. Other grants are asking what the GHG impacts are of any projects.

Paul noticed that this funding is focused on highway side and EVs. Heather responded that other groups within DOT are handling non-road sectors within the NCCTP, and grants associated with those subsectors.

PRESENTATION: Volkswagen Settlement Program

Brian Phillips, Mobile Sources Compliance Branch Supervisor, NC Department of Environmental Quality

Mr. Phillips covered the following topics:

- Current status of the grant program, including site visits for Phase I projects, submission of Phase II Plan to VW Mitigation Trustee and posting of Phase II RFP timeline to DEQ website
- Mr. Phillips noted supply chain issues associated with the funding awards.
- Phase I awards chart with type, number, and funding level
- Air emissions benefits from project implementation
- VW Settlement Phase 2 program types, funding allocations, and timelines
- Plans for RFP stakeholder informational meetings
- Phase II funding priorities are electrification, both vehicles and charging stations
- Eligible applicants include both public and private entities.
- Additional support for specific counties identified as under-resourced/rural counties.

Bruce Barkley: What happens after the end of Phase II

Brian Philipps: If North Carolina does not spend the Phase II money, it will go back to the federal government. If the federal government has unspent funds after Phase II, North Carolina can apply for those funds. DEQ is work on additional funding for transit buses if there is additional funding.

Bruce: Focus on electric school buses in Phase II. What is mix for Phase I school buses?

Brian: Majority diesel buses, 20 propane buses, 5 electric buses. LEAs were asked what type of bus. With outreach efforts, DEQ hopes to get lots of requests for electric buses.

SUB-COMMITTEE REPORTS

Energy Assurance Committee, Paul Worley, EA Committee Chair

Mr. Worley provided the following EA Committee updates.

- There was a discussion on the natural gas tabletop exercise. Emergency Management is designing an exercise for mid-year. The Committee members will participate and provide comments on the exercise.
- The Committee also discussed the timeline for the EPC Biennial Report and the recommendations in the report.
- New business included a discussion of natural gas curtailments that have recently occurred. The Committee is looking at how to investigate impacts and forecasting of curtailments. There was also a discussion of the Mountain Valley Pipeline.

Energy Efficiency Committee

Scott Tew provided the following EE Committee updates.

- There was a presentation on EE Apprenticeship program which was a successful pilot program between community colleges, universities, and industry partners. There is a goal to expand the program to 10 counties and have 100 apprenticeships this summer.
- The Committee also received a status on the EO 80 energy efficiency goal for state owned buildings. Since the baseline year, building area has increased by 46% while energy usage per square foot has decreased by 31%. This is a good example of how having a goal can drive change in the state.
- Lastly, the committee has asked to receive an update on the status of the C-PACE legislation.
- The committee plans to meet quarterly for the remainder of the year to facilitate their work.

Energy Infrastructure Committee

Mr. Simmons provided the following EI Committee updates.

- The SEO staff presented on the IJA bill infrastructure funding opportunities, including grant and revolving loan fund programs, which are still in development by DOE. The EI Committee will be following the DOE IJA rollout closely as it presents opportunities for funding energy infrastructure.
- There was a short presentation on the Southeast Hydrogen Energy Alliance (SHEA), which came out of DOE's \$9 billion allocated for regional hydrogen hubs. The EI Committee recommends that the EPC host a presentation by SHEA. North Carolina could be an important participant in a southeast regional hydrogen hub, with opportunities for utilities and end users. Rebecca Dunlin of Duke Energy provided information on the Duke Energy Carbon Plan, which is under development, and may be important for the Biennial Report.
- Lastly, DEQ provided an overview of Executive Order 246, which may also be important to developing recommendations for the 2022 EPC Biennial Report.

Biennial Report Development

Star Hodge, SEO staff, presented a draft timeline for the 2022 EPC Biennial Report development, with milestones. The Committees have until the end of May to update existing recommendations. The

Committees are given until the end of June to develop new recommendations. A draft report would be developed by the end of July for the EPC members to review. Changes would be implemented by the end of August and the report would go out for a 30-day public comment period. SEO staff would develop responses to the public comments and send those out for review to the EPC members. A draft final report would go out at the end of October for review and a final report for design and printing at the end of November.

Sushma Masemore stated that this timeline is based on a streamlined approach so that the Committees could focus on recommendations while staff wrote the background sections. Gus Simmons asked for an outline of the report for comment, especially in light of the new activity around hydrogen and communicating new information and data. Ms. Masemore stated that staff would send out a draft report outline. Bruce Barkley stated that the report process was better in 2020 and if the process is based on that, it should be a better process. Brian LiVecchi asked the Chairmen if the end of May was sufficient time and the Chairmen responded that time allotted was sufficient.

Mr. LiVecchi noted that much of the policy development is coming from the Governor's Office and other entities and is not being brought forward by the EPC. This report could review and provide analysis of existing policy proposals. He stated that the EPC should focus on this current policy landscape and provide analysis on those policy decisions.

Mr. LiVecchi stated that there is potential for another committee on more nascent technologies since the state is a center for technology innovation. Scott Tew asked what constitutes an energy innovation. Mr. LiVecchi responded that small modular reactors, hydrogen, and other unknown technologies as well as biodiesel.

John Hardin from the Commerce Department, who is the Executive Officer for Science and Innovation, stated that his agency works on energy innovation including offshore wind and a report titled Pathways to Energy Innovation. He stated there was a need for this committee not only to address energy but also economic development. He added a new position was created at Commerce, the Assistant Secretary for Clean Energy Economic Development filled by Jennifer Mundt, and she may be interested in this committee. Sushma Masemore stated the DOE has competitive funding for energy innovation and there are existing university centers to support this work. Gus Simmons stated he supports this initiative. Mr. Simmons stated that there will be overlap with existing committee work so there is not overlap.

Paul Worley made a motion to create a new energy innovation committee develop and to develop a charter and mission statement to ensure there is no overlap with other committees. Scott Tew seconded the motion. The motion carried. Mr. LiVecchi stated he would work with staff to bring more information on the committee to the EPC at the next meeting.

PUBLIC COMMENT

Mr. Brian LiVecchi asked for public comments.

Jessica Buchanan from E4 Carolinas was supportive of an energy innovation committee.

No other commenters came forward.

CLOSING COMMENTS

Mr. Brian LiVecchi stated the next meeting is scheduled for May 18th and he would reach out to staff and committee chairs about drafting materials for the energy innovation committee and the biennial report.

A motion to adjourn was made by Mr. Whorley and seconded by Mr. Simmons. The meeting adjourned at 11:10 a.m.

Approved by Energy Policy Council Members on 05-18-2022.