

**NORTH CAROLINA ENERGY POLICY COUNCIL
MEETING MINUTES
2:00 p.m., Wednesday, August 31, 2022
Archdale Building
Ground Floor Hearing Room
512 N. Salisbury Street, Raleigh, NC 27604**

Energy Policy Council Members Present

Brian LiVecchi
Bruce Barkley
Gus Simmons
Jenny Kelvington
John Hardin

Layla Cummings for Kendal Bowman
Paul Worley (via WebEx)
Scott Tew
Sushma Masemore

Energy Policy Council Members Not Present

Herbert Eckerlin

Paolo Carollo

CALL TO ORDER

Mr. Brian LiVecchi, Lt. Governor Mark Robinson's designee, called the Energy Policy Council (EPC) meeting to order at 2:04 p.m. on Wednesday, August 31, 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 May 18, 2022, meeting minutes. Mr. Scott Tew moved for approval of the minutes and Mr. Gus Simmons seconded the motion. The motion was unanimously approved. Mr. Brian LiVecchi then stated that the recommendations be presented for any final comments concerning the 2022 Energy Policy Council Biennial Report.

COMMITTEE DISCUSSION ON THE 2022 Biennial Report

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

Mr. Gus Simmons provided an overview of the EI committee's work efforts in constructing the eight recommendations. Prior to discussing the recommendations, he asked if there were any initial comments. With no initial comments from the council members, Mr. Simmons began discussing the recommendations provided. Mr. Simmons took a moment after each recommendation to ensure that any comments or questions could be answered. After the first recommendation, Jenny Kelvington asked if the EI committee looked at the potential challenges regarding energy supply and cost as we move on similar to those of Europe for example. Following the comment, Mr. Simmons addressed their plans to generate stronger planning strategies. Mr. Scott Tew then asked a question concerning whether the committee looked at a latent opportunity that should be pursued as it pertains to recommendation five. Mr. Simmons then briefly answered the question during the summary of recommendation four. Ms. Sushma Masemore provided a suggestion of revising the recommendation 4 to address community concerns and recently raised environmental justice issues in relation to biogas production. Mr. Simmons provided a brief response to the suggestions. From review of recommendation #7, many of the committee members commented regarding the funding process in which everything was answered by Mr. Simmons accordingly. After other comments have been made following each recommendation, Mr. Simmons thanked the committee members for their helpful input.

Following the consideration of the EPC discussions, the following recommendations were revised:

EI#4 Renewable Natural Gas Production Appraisal. North Carolina holds significant bioenergy production potential, nationally recognized as having the third-richest bioenergy resources in the U.S. External demand for renewable natural gas (RNG), through policies such as the federal Renewable Fuel Standard and state Low Carbon Fuel Standards, has bolstered the economic value of RNG production, given the determination that RNG from agricultural waste-derived biogas has a very beneficial impact to offset existing carbon emissions from the agricultural power, and transportation sectors. RNG has been determined to be an alternative to natural gas, and thus, can be used to create electricity, satisfy thermal needs, and as a transportation fuel in a manner that both reduces emissions from the use of fossil fuels and from the production of food, feed, and fiber.

Several analyses of the economic, social, and environmental costs associated with the development of biogas resources within North Carolina have been conducted through various private and public initiatives over the past decade, yet there has been no effort to culminate the information available into a cohesive evaluation of the benefits of, associated emissions impacts of, and plan to use this rich resource for North Carolina. There is limited data available associated with health, social, and environmental impacts on the surrounding community. North Carolina's legislative and regulatory bodies should review and revise existing policies and regulations necessary to support the greater incorporation of renewable natural gas into our energy fuel portfolio, and develop additional supporting legislation, regulation, and policies that support investments in the development of North Carolina's RNG production capabilities to achieve further reduction of carbon emissions from the energy sector

EI#6 Development of the North Carolina Energy Innovation Grant Program. North Carolina's elected leaders should develop financial support programs, such as grant and loan programs, to further foster North Carolina's energy resource development and innovation. Grant programs should be developed to assist small municipalities and smaller farming operations implement innovative systems and processes to produce renewable energy fuels and renewable electricity. Loan programs should be established to provide bridge funding to aid public sector organizations in implementing innovative renewable energy technologies and provide gap funding loans to small private sector organizations in implementing innovative renewable energy technologies. The loan program should be established as a revolving loan program that provides for the replenishment and continuation of the program. Specific focus should be given to energy innovation projects that have potential to prompt broader application to additional end users. This funding program should be administered by the North Carolina Department of Commerce in a manner similar to existing programs for other types of critical infrastructure. The program should be funded at a minimum of \$30 million initially, with half of the funds directed to energy innovation grants.

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

Mr. Paul Worley provided an overview of the EA committee and presented their three recommendations. After his statements, he asked if there were any comments on the

recommendations provided. Ms. Sushma Masemore had suggestions for recommendations #1 and #3, which are reviewed after all committee recommendations are presented. Following the consideration of EPC discussion, the following recommendations were revised:

EA #1 Encourage redundancy in North Carolina's fossil fuel supply chain to mitigate long-term outages (3+ days) by conducting a statewide tabletop exercise for natural gas and petroleum that addresses fuel supply disruptions, curtailment actions, and adequate storage. We recommended that the North Carolina Department of Environmental Quality's Energy Office collaborate with the North Carolina Department of Public Safety's Division of Emergency Management to develop and execute the exercise. Participants in the tabletop exercise should include energy suppliers, Federal, State, and local officials, and other stakeholders. The tabletop exercise (held during calendar year 2020) should help to identify potential fuel redundancy improvement options for North Carolina, including the development of in-state fuel resources.

EA #3 Development of the North Carolina Energy Security Plan. The Infrastructure Investment and Jobs Act requires North Carolina to create an energy security plan that assesses energy resources more broadly, with specific focus given to critical end users. A Stakeholder process to the Energy Security Plan is the prioritization of investments in critical infrastructure improvements and use of Infrastructure Investment and Jobs Act (IIJA) funding for infrastructure improvements, which will avail North Carolina to grant opportunities in research of new and alternative energy resource incorporation. States are required to have an energy security plan as a prerequisite to receiving federal funding through the IICA for energy infrastructure. North Carolina should financially support and direct the State Energy Office staff to facilitate the creation and development of a state Energy Security Plan which focuses on hardening our existing energy infrastructure to improve energy security, as well as exploring new and emerging energy infrastructure that can further improve energy security while continuing to provide the highest levels of reliability and customer service in a safe manner.

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

Mr. Scott Tew gave an update on the committee's recommendation reduction progress. He then discussed the twenty-five recommendations organized within five sections. Ms. Layla Cummings had suggestions for advisement when discussing recommendations #6 & #16, which will be reviewed after all committees' present recommendations. The EE considered all the comments made by the council members and the following recommendations were revised:

EE#6 The NCUC shall 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 Program⁴. 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. 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.

EE#16 NCUC should continue its efforts working with utilities to understand utility efficiency cost-effectiveness testing and leverage insights gained from any existing or future utility workstreams to determine valuation of non-utility benefits derived from utility efficiency investments including methodologies to estimate benefits to public health (via air and water quality), economic development, environmental health (GHG emission reduction, air and water quality), resiliency measures, and increased property value and reduced tenant turnover for utility efficiency investments at the utility-scale and at the building level.

EE #20 Support the burgeoning electric vehicle (EV) industry in the transportation sector of the North Carolina economy. The Council encourages the state to adopt measures and implement programs that (i) promote electric vehicle adoption, (ii) increase the availability and public's knowledge of electric vehicles, and (iii) ease the transition to an electrified transportation economy for all North Carolinians.

CLOSING COMMENTS

Mr. Brian LiVecchi thanked the EPC members for their work on all the recommendations and asked if there were any additional comments. There were no additional comments. He then provided a recommendation to discuss conflict of interest within the meeting agenda prior to approving minutes. Mr. LiVecchi stated that the next meeting would be held on November 16, 2022. A motion to adjourn was made by Mr. Scott Tew and seconded by Bruce Barkley. The meeting adjourned at 3:48 p.m.

Approved by Energy Policy Council Members on 11-16-2022.