Energy Policy Council

NORTH CAROLINA ENERGY POLICY COUNCIL
MEETING MINUTES
10:00 a.m., Wednesday, August 19, 2020
Virtual Via WebEx

Energy Policy Council Members Present:

Steven Walker	Rachel Estes	Sushma Masemore
Bruce Barkley	Rick Feathers	Gus Simmons
Diane Denton	John Hardin	Scott Tew
Herb Eckerlin	Jenny Kelvington	Paul Worley

CALL TO ORDER

Mr. Steven Walker called the Energy Policy Council (EPC) meeting to order at 10:00 a.m. on Wednesday, August 19, 2020. After welcoming the Council members, staff and the public to the virtual meeting, he asked for approval of the February 20, 2020 EPC meeting minutes. Mr. Paul Worley moved for approval of the minutes, Mr. Gus Simmons seconded the motion, and the minutes were unanimously approved by the EPC. Mr. Walker then stated that the meeting's purpose was to provide final comments for the 2020 Energy Policy Council Biennial Report.

COMMITTEE DISCUSSION ON THE 2020 BIENNIAL REPORT

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

Mr. Paul Worley provided an overview of the EA committee and presented their two recommendations. After his statements, he asked if there were any comments on the two recommendations. There were no comments from other members on the two recommendations. Mr. Worley then briefly discussed some natural gas pipeline challenges. He stated that natural gas pipelines had very few disruption issues from human and weather events, and credited the impact of NC's '811, call before you dig' program's effectiveness in reducing such disruptions. After Mr. Worley's pipeline remarks, Mr. Steven Walker commented that as we move toward greater reliance on solar and wind, we need to make sure that we are doing it the right way by incorporating energy redundancy and reliability in the beginning. Following comments from Mr. Walker, Mr. Worley moved for EPC approval of the EA Committee recommendations. The EA recommendations were approved unanimously.

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

Mr. Scott Tew gave an overview of the EE committee goals and shared that the EE committee's recommendations were aligned with the NC Clean Energy Plan and the NC Energy Efficiency Roadmap. He then discussed the thirty-seven EE recommendations and the public comments that were made on some of them. The EE committee considered all of the public comments and the following five recommendations were revised to incorporate them:

EE #14 Assess the costs and benefits of measures intended to encourage builders or owners to exceed code standards, including programs such as Duke Energy Carolina's pending NCUC filing to expand Duke Energy Progress's incentive for new construction built to or above the Energy Conservation Code's High Efficiency Residential Option ("HERO"), or programs offered by electric and natural gas utilities that provide discounts for Energy Star rated homes.

EE #15 Consider the value of initiatives designed to promote the competitive advantage of energy efficient homes, including educating consumers and realtors about metrics to assess residential EE, such as the Home Energy Rating System ("HERS") Index or other energy efficiency ratings.

EE #18 Monitor developments at the NCBCC, particularly those that consider balancing issues of cost and policy in advancing energy efficient residential construction because of the benefits to homeowners and renters.

EE #20 Improve the NCBCC by adding energy efficiency expertise to the Council's makeup, increasing the EE education of all existing members and establishing new actionable goals that prioritize EE in North Carolina's current and future building codes. One additional energy expert to represent the EE, RE and EV markets should be added to the Council's makeup.

EE #22 Support the burgeoning electric vehicle (EV) industry in the transportation sector of the North Carolina economy. The additional energy expert referred to in Recommendation #EE 20 will also represent the EV market. 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.[1] The Council recommends consideration, by elected officials and regulatory agencies, of measures intended to address perceived barriers to EV deployment, including examples such as:

a. Residential building codes for the feasibility of required or recommended pre-wiring for Level 2 EV charging.
b. Commercial building codes for the feasibility of requiring or recommending that parking lot construction is EV Ready, and identification of what constitutes "EV Ready."
c. Americans with Disabilities Act guidelines for EV charging stations.
d. A standardized and streamlined processing for permitting new construction that incorporates EV Ready infrastructure.
e. Local government authorization to establish codes that encourage EV ready construction.

With the public comment revisions incorporated into these five EE recommendations, there was unanimous approval from the EPC of all thirty-seven EE recommendations.

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

Mr. Gus Simmons provided an EI committee overview and its focus prior to presenting their five recommendations. Their recommendations received more discussion than those of the other two committees. Following the consideration of public comments and EPC discussions about EI #1 and EI #4, they were revised as follows:

[1] During the August EPC meeting, a Council member noted that battery EVs do not appear to be more fuel efficient over their lifecycle than modern Internal Combustion Engine (ICE) vehicles that are similarly equipped and asked the EE Committee Chair to evaluate the efficiency of battery EVs. The Committee Chair agreed to look into the matter.

EI #1 Energy providers in North Carolina should continue to invest in their generation, transmission, and distribution infrastructure in order to support future load and economic growth in the State, while providing the highest levels of reliability and customer service in a safe, cost effective manner. North Carolina's legislative and regulatory bodies should provide legislation and policies that support these investments.

EI #4 Develop North Carolina's Bioenergy Resources Related to Biogas/Biomethane/Renewable Natural Gas Production. North Carolina holds significant bioenergy production potential to generate biogas. External demand for renewable natural gas (RNG), through policies such as the federal Renewable Fuel Standard and state Low Carbon Fuel Standards, has placed a premium on RNG production, with livestock waste-derived biogas being some of the most valuable. RNG is methane, a potent greenhouse gas same as natural gas. As such, the venting of RNG to the environment through routine operation and transportation activities will pose the similar climate risk as the venting of natural gas. The use of biogas as an energy resource offers a way to achieve state carbon emission reduction targets while simultaneously offering advanced and alternative ways of managing the organic wastes created within our State. The resource can fulfill thermal energy needs as well as be used to create electricity and transportation fuel, all of which offer energy supply resiliency benefits. Further efforts and leadership are needed to develop a cohesive strategy related to in-state biogas and RNG development, including but not limited to standards and policies aimed at cultivating and facilitating the ability of biogas utilization to reach its full potential. An analysis of the economic, social and environmental costs associated with the development of biogas should be conducted to assist with further efforts and leadership. The analysis should address the impact of swine waste-to-energy biogas on the state's air and water quality, a clean energy ranking for biogas as compared to other renewable energy sources, the impact of expanded biogas development on existing legal obligations borne by major biogas producers in the state, and advanced technologies that reduce concerns with existing biogas capture and distribution.[2] The following actions are recommended to further and more comprehensively develop the State's biogas resource potential. They are intended to build upon recommendations and ongoing work stemming from the EPC's 2018 recommendations related to North Carolina's biogas production potential and effects.[3]

The EPC members had a considerable amount of discussion about EI #5; some of them wanted to use language that they felt was more cautious. The EPC members voted on this recommendation's wording and voted (six to

[2] An analysis is being conducted by Research Triangle Institute (RTI) International in conjunction with Duke University and East Carolina University to quantify biogas opportunities within North Carolina. A preliminary report on the analysis to date was submitted to the Energy Policy Council on August 8, 2020. The report gives the total biogas potential and the costs for development of RNG at single site locations. The costs for multi-farm systems and the analysis of the effects of biogas use on the climate, environment, and other societal impacts will be available when the final report is released in October of 2020. It will also recommend policy measures for biogas development and best uses of biogas.

[3] The 2018 Energy Policy Council's report included the following recommendations:

1. Developing a bioenergy resource inventory and economic impact analysis related to North Carolina's biogas potential; establish goals for the capture and refining of biogas into renewable natural gas for distribution; and goals for incorporation of biogas-derived natural gas into the State's transportation fuels program for State fleets and public transportation.
2. Conducting economic impact analysis including analyses of environmental and community benefits and impacts, for the beneficial and optimum utilization of the State's bioenergy resources.
3. Creating a bioenergy resource inventory for North Carolina based on input from industry, regulatory and academic sources that are current and specific to North Carolina.
4. Completing and summarizing the results of this work in the 2020 Biennial report of the EPC.

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five*) in favor of keeping the language strong and on adding an additional sentence addressing reliability and affordability. The approved recommendation reads as follows:

EI #5 Adopt legislation requiring North Carolina's electricity generating utilities to use net-zero emissions energy resources by 2050 similar to those adopted by other states including neighboring states, such as Virginia. The General Assembly should invest in North Carolina's carbon-free future by increasing the deployment of net zero-emission clean energy sources that could provide the State with the least expense generation mix, as the levelized cost of renewables has recently dropped below those of non-renewable forms of energy, like natural gas and coal.[4] The system of the future, as we intend it to be clean, should ensure that it provides reliable power at an affordable cost to all ratepayers. According to a recent study by the Center for Environmental Policy at the University of California, Berkeley, "the United States can achieve 90% clean, carbon-free electricity nationwide by 2035, dependably, at no extra cost to consumers, and without new fossil fuel plants."[5] The EI Committee has not reviewed this study, but it is provided for reference purposes as recommended in the August EPC meeting. The use of clean energy resources has already resulted in significant job and economic growth for the state. Further expansion of homegrown clean energy resource has the potential to put North Carolinians back to work, create significant tax revenue, and invigorate economic activity in both urban and rural parts of the State while preserving our environment for future generations.

Since one EPC member had to leave before voting on the EI recommendations, the vote was six to five in favor of approving the revised EI recommendations with the changes that were discussed during this meeting. All of the suggested changes from the EPC members and public comments were incorporated into the final 2020 Energy Policy Council Biennial Report dated October 27, 2020. A copy of the full report can be found at: https://deq.nc.gov/about/divisions/energy-mineral-land-resources/energy-policy-council

CLOSING COMMENTS

Mr. Steven Walker thanked the EPC members for their work on all of the recommendations and asked if there were any additional comments. There were no additional comments. Mr. Walker provided a few remarks about the upcoming November 17 meeting, suggesting that EPC members hold the meeting date even though it may change because of the upcoming election and Thanksgiving holiday. A motion to adjourn was made by Mr. Gus Simmons and seconded by Mr. Bruce Barkley. The meeting adjourned at 11:55 a.m.

Approved by Energy Policy Council Members
February 17, 2021

[4] "Lazard's Levelized Cost of Energy Analysis – Version 12.0", Nov 2018, accessed at

https://www.lazard.com/media/450784/lazards-levelized-cost-of-energy-version-120-vfinal.pdf

[5] 2035 Report: Plummeting Solar, Wind, and Battery Costs Can Accelerate our Clean Energy Future (The 2035 Report), University of California Berkeley – Goldman School of Public Policy, June 2020, accessed at https://www.2035report.com/?utm_medium=email&_hsmi=2&_hsenc=p2ANqtz-_Fv1XU39cJTj0cTJxa4uVRUm_ma6AJoKL2btL3DayzZMcW4o935OB7agNq_O7NsYvYbgT6josa5CqpvJn7unoh5w_MFg&utm_content=2&utm_source=hs_email


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