

## Near-Term Matrix Recommendations for the EPC

EPC Member:     All Members    

Please indicate in the right-hand column whether you support, oppose or need more information on each proposed item.

NOTE: George Baldwin and Kevin Garrison are excluded from the vote because they were absent 4/23.

<u>Low Carbon Energy Supply Committee Recommendations</u>	<u>Executive Order (EO) or Short Session (SS)?</u>	<u>Support (S), Oppose (O), Need more information (NI)</u>
<p>1. Reinstate the N.C. Renewable Energy Manufacturing Tax Credit that expired in 2006 and broaden it to include other advanced energy technologies. Using the federal Advanced Energy Manufacturing Tax Credit as a guideline, eligible manufacturing facilities would include:</p> <ul style="list-style-type: none"> <li>• Technologies that create energy from renewable resources (sun, wind, geothermal and other renewable resources)</li> <li>• Advanced energy storage and production technologies (fuel cells, microturbines or other energy storage systems used in electric vehicles)</li> <li>• Advanced transmission technologies that support renewable generation (including storage)</li> <li>• Renewable fuel refining or blending technologies</li> <li>• Energy conservation technologies (advanced lighting, smart grid)</li> <li>• Plug-in electric vehicles &amp; vehicle components (motors, generators)</li> <li>• Property to capture and sequester carbon dioxide</li> <li>• Other property designed to reduce greenhouse gas emissions</li> </ul>	SS	S

<p>2. Provide more options to finance clean energy by clarifying authority granted in SB 97 and HB 1389, and specifically authorize local governments to implement *PACE-style programs, consistent with work being conducted by the School of Government. *(Property Assessment for Clean Energy).</p>	SS	S
<p>3. Revise state 'solar access law' such that homeowner associations, counties, cities, deeds or covenants from the date of enactment forward may not restrict a person's decision whether to install solar power or solar thermal hot water system on their personal or business property.</p>	SS	S
<p>4. Conduct the renewable energy studies authorized by law in 2009 by appropriating or otherwise finding funding for:</p> <p>A. \$40,000 for completion of the renewable energy certificate trading system study included as part of Senate Bill 960 in 2009, and</p> <p>B. \$100,000 for completion of the "feed in tariff" study for local and state policy approaches, which was authorized as part of the omnibus 2009 studies bill.</p>	SS &/or EO	S
<p>5. Engage in a joint Legislative/Executive effort to research and address the natural gas exploration and production issues within the state (e.g. Deep River Basin and other high potential areas identified by the N.C. Geological Survey and the Atlantic Outer Continental Shelf) by:</p> <ul style="list-style-type: none"> <li>• Developing a regulatory and permitting framework for the responsible development of natural gas resources, including consideration of social and environmental impacts as well as cost-effectiveness;</li> <li>• Updating the state's natural gas royalty laws, tracking the approach of neighboring states; and</li> <li>• Leveraging the data, information and recommendations of the Legislative Research Commission Advisory Subcommittee on Offshore Energy Exploration.</li> </ul>	SS & EO	Kinnaird – NI Rest of council – S

<p>6. WIND</p> <p>The Energy Policy Council:</p> <ul style="list-style-type: none"> <li>• Recognizes that investment in wind energy and in all associated manufacturing opportunities in N.C. is undermined by uncertainty of rules;</li> <li>• Observes that wind may be a viable energy resource in the state in some areas, subject to other considerations regarding appropriateness of siting and oversight; and</li> <li>• Understands that it is in N.C.'s energy policy and economic development interest to make firmly the decisions which: (a) strike the balance for N.C. among competing considerations; (b) maximize the development of wind as a valuable, renewable energy resource (consistent with those constraints/rules for siting), and: (c) support N.C.'s opportunity to participate in manufacturing activities associated with development of wind energy.</li> </ul> <p>Therefore, the Energy Policy Council supports identifying options to promote development of the wind energy industry and any associated manufacturing opportunities.</p>	<p>SS &amp; EO</p>	<p>S</p>
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<b><u>Energy Efficiency Committee Recommendations for the SHORT SESSION</u></b>	<b><u>Executive Order (EO) or Short Session (SS)?</u></b>	<b><u>Support (S), Oppose (O), Need more information (NI)</u></b>
<p>1. Energy Efficiency Resource Standard:</p> <ul style="list-style-type: none"> <li>• Enact a stand-alone EERS (separate from REPS) requiring utilities to meet long-term savings targets</li> <li>• Analysis medium case: 1.0% incremental electricity savings per year by 2015; 1.5% per year by 2019; 1.75% by 2022; and 2% per year by 2025</li> <li>• Peak demand reduction targets: 3% by 2012; 9% by 2015</li> <li>• Proven Residential and Commercial Building Programs: National Action Plan for Energy Efficiency’s Rapid Deployment Energy Efficiency</li> </ul> <p style="text-align: right;"><b><i>(ACEEE Recommendation)</i></b></p>	SS - EERS or STUDY?	
<p>2. The legislature make effective the approved amendments by the NC Building Codes Council to the 2012 code (there are 30% savings beyond 2006 IECC).</p>	SS	George Everett – NI Rest of council – S
<p>3. State agencies, the university system, community colleges and the K-12 system across the State must be incentivized to act on energy efficiency opportunities. We recommend that each institution or entity be able to reinvest the savings of a particular year in energy efficiency projects approved by the State Energy Office and deemed to have a simple payback of 5 years.</p>	SS	S
<p>4. State buildings, whether in the University System or in the general building stock, must be available for private investment and the associated transfer of tax credits to these investors in order to attract outside capital for energy efficiency or renewable energy projects. All energy reductions or production should accrue back to the agency or institution for purposes of meeting their mandated legislative reductions.</p>	SS	S

<b><u>Energy Efficiency Committee Recommendations for EXECUTIVE ORDER</u></b>	<b><u>Executive Order (EO) or Short Session (SS)?</u></b>	<b><u>Support (S), Oppose (O), Need more information (NI)</u></b>
5. Weatherization entrepreneurship & jobs: The governor direct the Energy Division and the Weatherization Program to implement a strategy, in conjunction with local governments and gas and electric utility providers, to ensure that at least one contractor is available in each county to provide to the general public, on a fee basis, the same services as the federally funded Weatherization Programs. These contractors should receive training by the Weatherization Program or other equivalent training and certification and the availability of those contractors and fees be advertised to the general public. (Similar to the Austin, Texas Model).	EO	S
6. The Governor, Secretary of Commerce and President of the UNC System should at every opportunity make public statements affirming their support and encouraging energy efficiency in State buildings and the University System.	EO	S
7. The State Energy Office must be given the authority and stature to follow through on current energy efficiency guidelines. They must immediately hire the 4 professionals needed to bring their staff to a level capable of meeting the needs outlined below.	EO	S
8. Require boards or supervisory bodies of the University System and Community Colleges across the State to present informational materials at meetings on the opportunities within their respective institutions to reduce energy use in their building stock.	EO	S
9. All departments and universities are currently required to submit a revised energy plan and update their consumption and cost data annually. Approximately twenty four of these institutions have utility expenses in excess of \$2 million annually. It is recommended that the State seriously assess the potential of an energy manager at each of these sites whose annual salary and burden will be covered by the reduction in energy costs. Each energy plan must be signed by the head of facilities management and the President or General Manager of that particular entity in an effort to increase communication and responsibility to the highest levels.	EO	S
10. Institutions with "receipt funded buildings" must submit a plan which creates a fund for energy efficiency reinvestment in those buildings.	EO	S

<p>11. The Department of Commerce will award significant prizes and create a prestigious award for the institution or large energy user (\$2 million energy bill) achieving the best results in a given year. Recognition should also be given to the best performing smaller energy users. Results should be based on the user's progress toward meeting the legislatively required energy reductions.</p>	<p>EO</p>	<p>S</p>
<p>12. Establish a program to train new efficiency engineers and provide audit services to manufacturers, the lack of which are the key barriers to industrial efficiency.</p>	<p>EO</p>	<p>S</p>

<u>Low Carbon Transportation Committee Recommendations for the SHORT SESSION</u>	<u>Executive Order (EO) or Short Session (SS)?</u>	<u>Support (S), Oppose (O), Need more information (NI)</u>
<p>1. Tax credits including:</p> <p><b>Senate Bill 1066 Tax Credit for Alternative Fuel Facilities/Vehicles</b> Sponsors: Senators Albertson; Atwater, Davis, Dorsett, Goss, Jenkins, Kinnaird, Purcell, Stein, and Weinstein. Referred to Finance</p> <p>Provides a 30% tax credit for refueling infrastructure for biodiesel, ethanol (E85), propane, natural gas and electricity for motor vehicles.</p> <p><b>House Bill 906 Alternative Fuel Infrastructure &amp; Vehicle Tax Credit</b> Sponsors: Representatives Bryant, Harrison, Tolson (Primary Sponsors); Faison, Fisher, Glazier, Insko, Martin, McLawhorn, and Wray.</p> <p><i>Sellers to tax exempt entities may take credit and presumably pass on benefit to purchaser.</i></p> <p>A \$2,000 tax credit is provided for vehicles that operate on natural gas, propane and electricity.</p> <p><i>Electric vehicles must be less than 14,000 pounds, charged from an external source and have a battery capacity no less than 4 kWh.</i></p>	SS	S
<p>2. The General Assembly should support the Idle Reduction Rule (15A NCAC 02D.1010) drafted by the Department of Environment and Natural Resources in 2010.</p>	SS	S
<p>3. Develop the liquid biofuels industry in North Carolina that is substantial in output, agriculturally and economically sustainable across the state.</p>	SS	S
<p>4. Fund the Biofuels Center for fiscal year 2010-2011 at \$5 million to continue the General Assembly's commitment to having 10% of NC liquid petroleum use by 2017 be biofuels.</p>	SS	S

<p><b>5.</b> A comprehensive package of appropriate and targeted incentives, credits, and tax policies for biofuels must be identified and implemented.</p> <p>These incentives should serve the needs for the growing, production, distribution, and consumption of biofuels – as well areas ranging from infrastructure development to incentives for increased biofuels use by state vehicles.</p>	<p>SS: Develop in summer and fall of 2010</p> <p>Determination of a dovetailed package should be undertaken in the coming year, for conveyance to the 2011 Legislative session.</p>	<p>S</p>
<p><b>6.</b> A constituted interagency task force should address utilization of biomass for biofuels, power generation, and other sectors, making recommendations to the 2011 Legislature.</p>	<p>SS</p>	<p>S</p>
<p><b>7.</b> Tax Credit for Alternative Fuel Production Facilities (NCGS 105-129.16D) – should be extended this year, as it is set to expire in January of 2011. This credit is 25% of plant and equipment</p>	<p>SS</p>	<p>S</p>
<p><b>8.</b> Enact H902 Up B-20 Biodiesel Purchases for School Buses: Sponsors: Representatives Harrison, Current and Glazier  Status: Referred to Energy &amp; Energy Efficiency Committee; if favorable, then Education.  Summary: Increases percentage of B20 from 2% to 5% of fuel used by NC school buses with reporting requirement to State Board of Education</p>	<p>SS</p>	<p>S</p>
<p><b>9.</b> Remove sales tax (approx. 7.75%) on heating fuel oil blended with bio-diesel. Commonly referred to as bio-heat, these blends typically range from 2-10%. Sales tax savings will offset increased costs of distribution.</p>	<p>SS</p>	<p>S</p>
<p><b>10.</b> Consideration should be given to providing a biodiesel discount allowance for biodiesel distributors, equal to the tax times the percent biodiesel.</p> <p>Funds would be transferred from General Revenue so as not to impact the Highway Trust Fund.</p>	<p>SS</p>	<p>S</p>

<p><b>11.</b> Consideration should be given to providing a producer payment of \$.20 per gallon, up to a specific cap, for biofuels produced in North Carolina using feedstocks in NC that improve air quality.</p>	SS	S
<p><b>12.</b> A feasibility study should be undertaken to determine if all off road diesel and heating oil (both red dyed fuel) sold in NC should be required to contain a minimum of 2% biodiesel.</p>	SS	S
<p><b>13.</b> Update Motor Fleet Management policies/legislation to require conservation and expanded use of AFVs and hybrid electric vehicles (HEV). Examples include allowing agencies to purchase their own HEVs and replacing older and less efficient vehicles even if they have lower mileage.</p>	SS	S
<p><b>14.</b> The General Assembly should consider Cafe' and/or Tailpipe Standards Legislation in 2010-2011 should the Federal Government regulate emission standards for GHG under the Clean Air Act in 2010.</p>	SS	S

<b><u>Low Carbon Transportation Committee Recommendations for EXECUTIVE ORDER</u></b>	<b><u>Executive Order (EO) or Short Session (SS)?</u></b>	<b>Support (S), Oppose (O), Need more information (NI)</b>
15. Establish a Governor's task force/cabinet level/interagency team to coordinate current efforts, remove barriers and accelerate clean transportation (low carbon) technologies and practices.	EO	S
16. Executive Office and Cabinet Agencies should establish an annual recognition and incentive programs to reinforce the importance of Petroleum Displacement Plan (PDP)/low carbon transportation. Compliance with the PDP's 20% reduction requirement should be emphasized.	EO	S
17. Encourage synchronization of traffic signals.	EO	S
18. Encourage replacement of traffic signals and street lighting with energy efficient lighting technologies, including LEDs.	EO	S
19. Encourage installation of solar panels on interstate right of ways to conserve energy in highway operations and maintenance activities.	EO	S
20. The Secretary of Transportation should add a Transportation and Low Carbon/Land Use Planning working group to focus on effective coordination of energy efficiency and energy conservation initiatives.	EO	S
21. Implementation and enforcement of House Bill 1079 Energy Efficient State Motor Fleet: Sponsors: Harrison, Martin, Tillison, Samuelson. Status: Ratified by 2009 General Assembly. HB 1079 requires that every request for proposals for new passenger motor vehicles to be purchased by the Department of Administration must state a preference for vehicles that have a fuel economy for the new vehicle's model year that is in the top 15% of its class of comparable. Excludes vehicles used in law enforcement, emergency medical response, and firefighting.	EO	S
22. Require E10 and B20 use for agencies that operate their own fueling sites, and require state agencies that do not operate their own sites to fuel at DOT sites when feasible (which all have E10 and B20), effective July 1, 2010.	EO	S