

Business Committee on Energy Recommendations

IEI's Business Committee on Energy (BCE) was charged with identifying specific action steps to be fed into the policymaking process at the state legislature, with a view to meaningful, long-term institutional reform in the 2009 legislative session. The following two recommendations seek to ensure an energy future that enhances North Carolina's short-term and long-term economic competitiveness and maximize the number of green jobs created and retained in our state. The realities of environmental stewardship and the opportunity to capitalize on the green economy require the implementation of the following two primary recommendations:

1. North Carolina needs energy leadership with authority and a clear mission statement for the state. This requires: a) appointment of an executive level energy official in the Governor's office; b) development and implementation of a comprehensive energy strategy; c) reform of the existing Energy Policy Council; d) redesign and relocation of the State Energy Office.

- The Energy Executive should:
 - Report directly to the Governor
 - Communicate the state's overall energy policy direction
 - Win or develop landmark projects in North Carolina
 - Identify and prioritize near-at-hand energy solutions and opportunities
- The comprehensive energy strategy will:
 - Articulate clear economic development goals in all areas, including power generation (conventional and renewable), distribution, consumption and energy-related manufacturing supply chains.
 - Design specific strategies to address the impact of any federal legislation
- The reformed Energy Policy Council will:
 - Develop a clear mission statement
 - Be composed of fewer members but with the inclusion of the Governor's Energy Executive
 - Direct the work of the State Energy Office
- The redesigned and relocated State Energy Office will:
 - Be housed in the Department of Commerce
 - Be staffed so as to maximize the impact of the resources made available through the federal stimulus package

2. North Carolina must coordinate the actions of state government in order to resolve policy and regulatory conflicts that impede development of North Carolina's green economy

- Ensure the state's policies and regulations support the implementation of a balanced energy strategy

- Update the state building codes to support energy efficiency, renewable energy and minimum performance standards (while avoiding the mistake of making it more difficult to gain necessary approval to exceed energy efficiency standards)
- Reduce constraints on distributed generation (e.g. solar) and address the aesthetics issues regarding placement within residential neighborhoods
- Develop parameters to address zoning restrictions on wind and solar generation to make it less objectionable
- Develop and implement policies and regulations that ensure adequate energy supplies to secure North Carolina's energy future

Expected Outcomes

The expected outcomes of recommendations (1) and (2) should achieve the following:

- **North Carolina as a leader in energy efficiency and conservation**
- **North Carolina as a leader in renewable energy and green technology**
- **North Carolina as home to a superior investment environment through partnerships with the financial services industry and state and federal agencies**
 - Develop a dialogue with financial institutions to identify and reduce capital constraints for green technology manufacturers and related businesses.
 - Develop a mechanism for price stability for renewable energy (in order to create parity with traditional energy sources).
 - Develop strategies to reduce energy price volatility risk and protection against the expected carbon price to emerge through federal cap-and-trade legislation.
 - Introduce subsidies/tax credits for specific technologies or energy efficiency practices. A variety of mechanisms should be pursued such as tax credits for LEED certification and/or other energy efficiency programs; accelerated depreciation for new construction which achieves an energy efficiency target; a special utility rate for LEED certified buildings, to name a few.
- **North Carolina as home to all the skill sets needed in the new energy economy**
 - Offer academic fellowships, additional R&D funds and other incentives to provide focused attention on energy within the UNC system and NC Community College System.
 - Focus on job training where needed.
- **Improved information and analysis and increased consumer awareness**
 - Leverage and consolidate information provided through entities such as Advanced Energy, the NC Biofuels Center and other NCSU energy programs.