

The Impact of National Policies on North Carolina

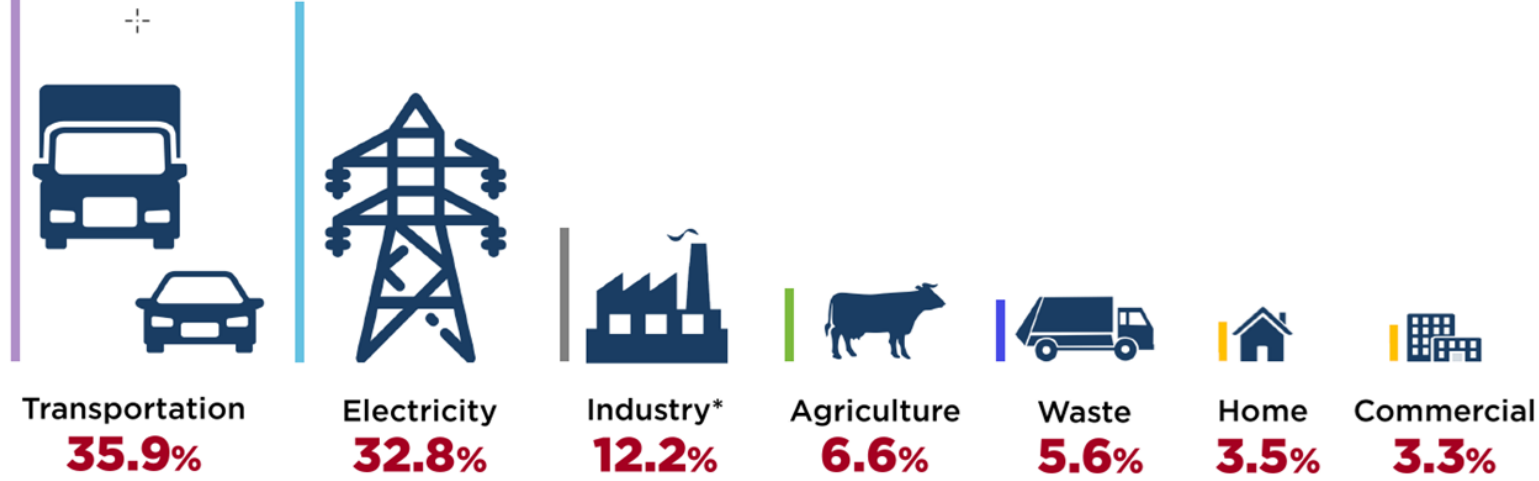
JEN WEISS, NC CLEAN ENERGY FUND

LEADERSHIP NORTH CAROLINA

APRIL 12, 2023

The Challenge: North Carolina Greenhouse Gas Emissions

Gross GHG Emissions by Economic Sector in 2018



2018 Gross GHG Emissions

159.5 million metric tons of CO₂e

CO₂ emissions from fossil fuel combustion: **81.3%** of total gross emissions

CO₂ emissions removed by forests & other lands: **26.4%** of total gross emissions

2005 - 2018 Change in Gross GHG Emissions

- ▼ **34.7%** — Electric Generation
- ▼ **16.5%** — Residential
- ▼ **3.5%** — Transportation
- ▲ **1.7%** — Industry*
- ▲ **3.3%** — Commercial

Statewide Net GHG Reductions (2005-2018)

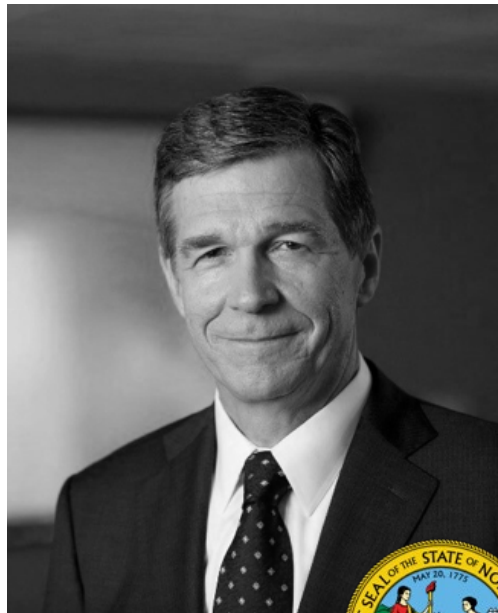
↓ **23.0%**

For full report, see deq.nc.gov/GHGInventory

*Industry includes fossil fuel combustion, natural gas and oil processes, and industrial processes.

Source: NCDEQ Greenhouse Gas Inventory, Jan 2022

Executive Orders



Gov. Roy Cooper

2018

EO 80

Reduce economy wide emissions by 40% below 2005 levels by 2025

Increase total number of registered ZEVs to at least 80,000 by 2025

Reduce energy consumption in state-owned buildings by 40% below 2002-2003 levels

2022

EO 246

Reduce economy wide emissions by **50%** below 2005 levels by **2030**

Increase total number of registered ZEVs to at least **1.25 million by 2030**

Increase the sale of ZEV so that **50% of in-state sales** are zero emission by 2030

INFLATION REDUCTION ACT

(AUGUST 2022)

\$2 billion
for domestic
manufacturing grants



\$3 billion
for zero-emissions
equipment and climate
action plans at ports



\$3 billion
for Neighborhood Access
and Equity Grants to
improve transportation
access



\$9.7 billion
for better reliability and
resilience in rural areas



\$8.6 billion
in rebates for energy
efficiency upgrades



\$27 billion
for a national climate
bank to finance green
projects in underserved
communities



INFRASTRUCTURE INVESTMENT AND JOBS ACT

(NOVEMBER 2021)

\$7.5 billion
for charging
infrastructure

\$5 billion
for clean or zero-
emission school buses

\$66 billion
for passenger
and freight rail

\$65 billion
to modernize and
expand the national grid

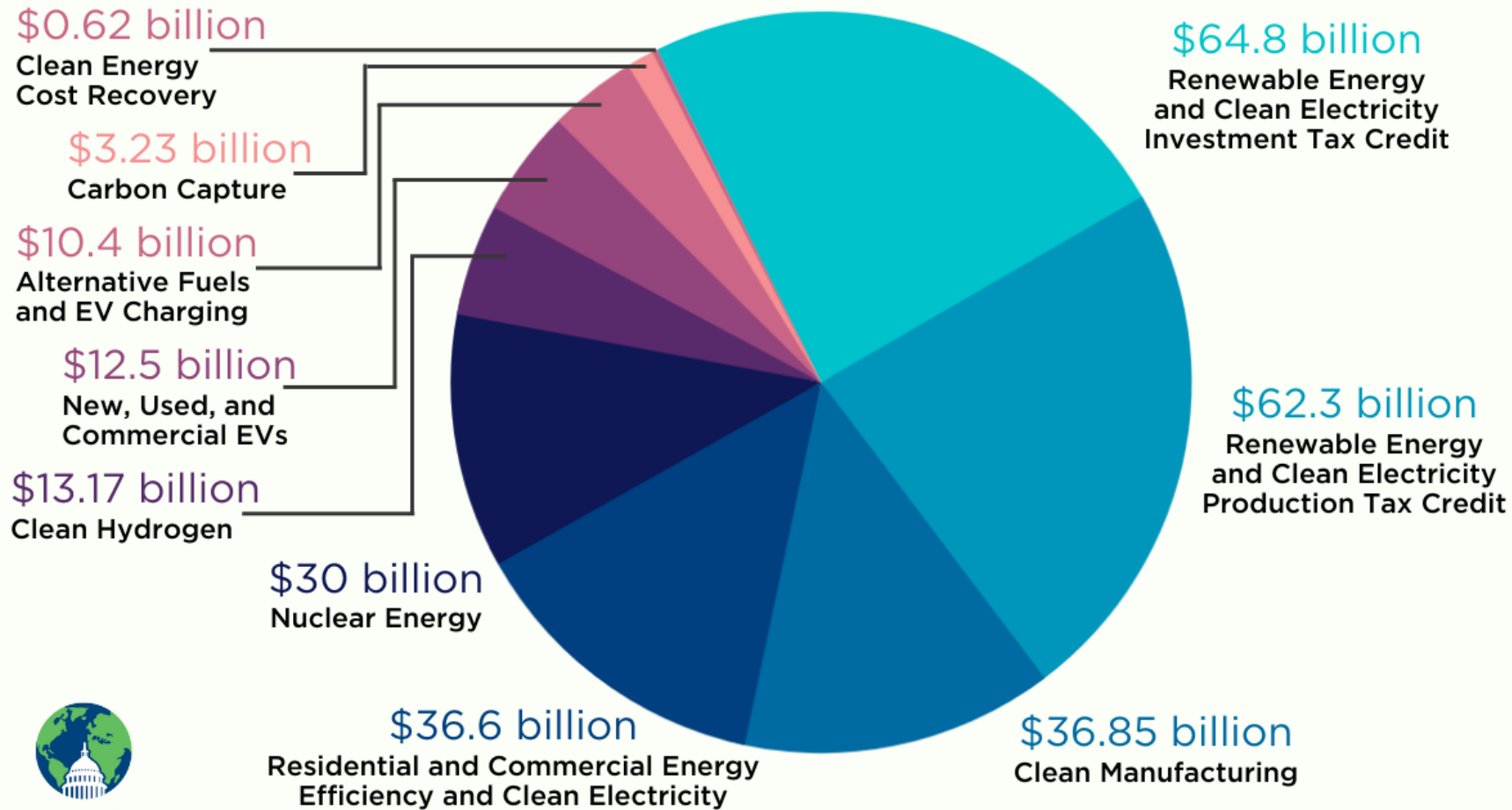
\$3.5 billion
to the Weatherization
Assistance Program

\$21 billion
in environmental
remediation funds

The National Landscape

- ▶ Infrastructure Investment and Jobs Act
 - ▶ Signed in November 2021
 - ▶ \$550 billion in new funding
- ▶ Inflation Reduction Act
 - ▶ Signed in August 2022
 - ▶ Nearly \$400 billion for clean energy
 - ▶ Tax incentives, grants, loan guarantees

Carrots Over Sticks: Green Tax Credits in the Inflation Reduction Act



Source: Congressional Budget Office

Graphic by: Alison Davis

A few examples (NC Focus)

- ▶ Federal Highway Administration (DOT)
 - ▶ National EV Infrastructure (NEVI) Formula Funding
 - ▶ Charging and Fueling Infrastructure Program (CFI) Discretionary Funding
- ▶ Environmental Protection Agency (EPA)
 - ▶ Greenhouse Gas Reduction Fund
 - ▶ Carbon Pollution Reduction Grants
- ▶ Department of Energy (DOE)
 - ▶ Energy Efficiency and Conservation Block Grants

EV Infrastructure Funding

2021 Infrastructure Investment and Jobs Act (IIJA)

also known as Bipartisan Infrastructure Law (BIL)

National Electric Vehicle Infrastructure (NEVI) Program

NEVI Formula Funds

North Carolina's Share - \$109M
\$5.0 Billion Nationally

NEVI Discretionary Grant Funds

Competitive Grants
\$2.5B Available Nationally

NEVI Fund Deployment

PHASE I NEVI (or with exceptions)

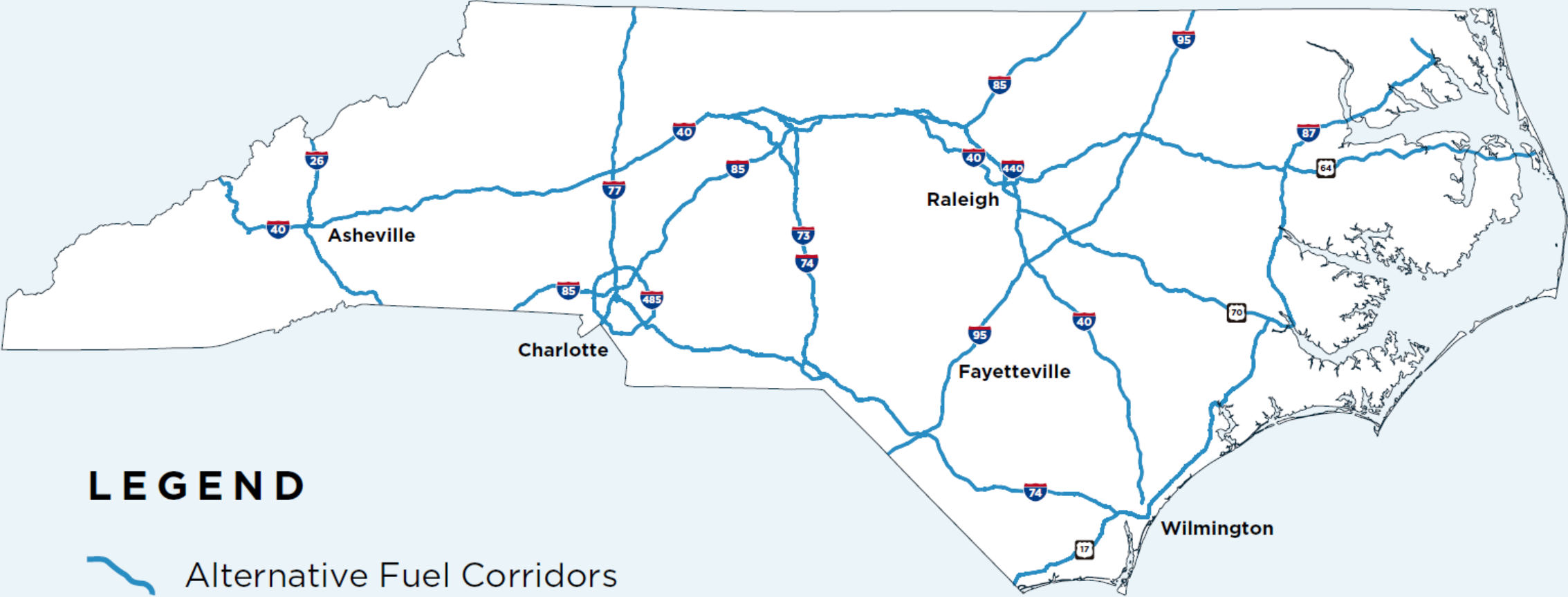
- Able to charge four vehicles at 150 kW simultaneously, or 600 kW total (up to 20 miles per minute) (similar load to 60,000 square-foot grocery store)
- Non-proprietary
- Spaced less than 50 miles apart

Phase II NEVI

- Community-focused deployment
- Potential for less chargers, greater separation, greater coverage
- Nothing has been decided yet, will be looking for feedback as Phase 1 progresses



North Carolina's Alternative Fuel Corridors (AFCs)



\$2.5 Billion Charging and Fueling Infrastructure Grants (Competitive)

- ▶ \$1.25 billion - Community Charging and Fueling Grants
 - ▶ EV charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure in **urban and rural communities**.
- ▶ \$1.25 billion – Alternative Fuel Corridor Grants
 - ▶ EV charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure **along designated AFCs**.
- ▶ First round (\$700 million) applications due May 30, 2023

Greenhouse Gas Reduction Fund

- ▶ \$27B federal loan capital available by Summer 2023 for eligible entities (including non-profit green banks)
 - ▶ \$20 billion - General and Low-Income Assistance Competition
 - ▶ \$7 billion - Zero-Emissions Technology Fund Competition
- ▶ NC Clean Energy Fund
 - ▶ Non-profit green bank established in 2020
 - ▶ Target, design, deploy and monitor 2-3 scalable financing products
 - ▶ Accelerate and strengthen clean energy lending via credit unions, Community Development Finance Institutions (CDFIs), and regional banks

Carbon Pollution Reduction Grants

Climate Pollution Reduction Grants	Funding Amount	Key Components	Timeline
Planning Grants	\$250 million	Formula grants to develop new climate pollution reduction plans or update existing plans	Deadline to submit a Notice of Intent to Participate is 3/31/2023. See detailed timeline at the end of this document.
Implementation Grants	\$4.6 billion	Competitive grants to assist with the implementation of climate pollution reduction measures	Notice of funding opportunity expected in Fall of 2023. Applications will be due in the first quarter of 2024.
Administrative Funding	Up to \$142.5 million	For administrative costs necessary to carry out implementation grant projects, including technical assistance	Funds available to EPA through 2026

Energy Efficiency and Conservation Grant Program

Eligible state, local, and Tribal governments **can now apply for \$430M** in funding from the Energy Efficiency and Conservation Block Grant (EECBG) Program!

Eligible entities can use flexible EECBG Program funding for projects and programs that



Cut Carbon Emissions



Improve Energy Efficiency



Reduce Energy Use



States can apply for EECBG Program formula funding through **July 2023**.
Local governments and Tribes can apply through **January 2024**.