

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

S

1

SENATE BILL 714

Short Title: An Energy Resilient NC. (Public)

Sponsors: Senators Salvador, Murdock, and Woodard (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 10, 2023

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE STATE ENERGY OFFICE TO CARRY OUT A GRANT PROGRAM TO IMPROVE THE ENERGY RESILIENCE, ENERGY DEMOCRACY, AND ENERGY SECURITY OF COMMUNITIES AND TO PROVIDE FUNDS FOR THE PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as, and may be cited as, the "Energy Resilient Communities Act."

SECTION 2. Article 7 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 32A. North Carolina Energy Resilient Communities.

"§ 143B-344.45. Energy Resilient Communities Fund established; uses; priorities; cost-share.

(a) Fund Creation and Purpose. – The Energy Resilient Communities Fund is established as a special revenue fund within the Department of Environmental Quality's State Energy Office (Office). The Fund provides grants to local governments statewide to help them achieve their sustainability goals through planning and implementation of clean energy projects that equitably advance energy efficiency, renewable energy, and related priorities.

(b) Use of Funds. – Funds may be used to help communities with projects, including, but not limited to, the following:

(1) Technical assistance to (i) develop an infrastructure resilience plan to identify and overcome known climate change hazards to critical community infrastructure or (ii) conduct a needs assessment of prospective clean energy microgrid projects and, as applicable, design prospective clean energy microgrids, including assistance to address permitting and siting challenges, understand and facilitate financing options, and understand the technical characteristics of clean energy microgrids. These grants are limited to no more than fifty thousand dollars (\$50,000) per local government.

(2) Provide community outreach, stakeholder engagement, and collaborative planning with respect to a prospective project described in subdivision (3) of this subsection. These grants are limited to no more than twenty-five thousand dollars (\$25,000) per local government.

(3) Carry out a project to develop and construct a clean energy microgrid that supports critical community infrastructure. For purposes of this subdivision, "critical community infrastructure" means a facility that provides an essential service to a local community for the development or sustenance of the



1 community and does not include private for-profit, commercial, or business
2 undertakings. These grants are limited to no more than one hundred fifty
3 thousand dollars (\$150,000) per local government.

4 (c) Prioritization. – The Office shall develop an application process that shall include the
5 following priorities:

6 (1) In providing grants under the program established pursuant to this section, the
7 Office shall prioritize a local government that proposes to use a grant that will
8 benefit an environmental justice community, as identified by the Office
9 utilizing the North Carolina Community Mapping System and Environmental
10 Justice Tool.

11 (2) After priority given under subdivision (1) of this subsection, in providing
12 grants to obtain technical assistance described in subdivision (b)(1) of this
13 section or provide outreach described in subdivision (b)(2) of this section, the
14 Office shall give priority to an eligible entity proposing to obtain technical
15 assistance or provide outreach that the Office determines will further the
16 development of clean energy microgrids that are or are a part of a community
17 solar facility authorized under Article 6B of Chapter 62 of the General
18 Statutes.

19 (3) After priority given under subdivision (1) of this subsection, in providing
20 grants under the program established pursuant to subsection (a) of this section
21 for projects described in subdivision (b)(3) of this section, the Office shall
22 give priority to a local government that proposes any of the following:

23 a. To develop and construct a clean energy microgrid that, in comparison
24 to other clean energy microgrids for which grants are sought under the
25 program, will result in the greatest reduction of any of the following:

26 1. Greenhouse gas emissions.

27 2. Emissions of criteria air pollutants.

28 3. Public health disparities in communities experiencing a
29 disproportionate level of air pollution.

30 4. The energy cost burden for communities.

31 b. To develop and construct a clean energy microgrid that, in comparison
32 to other clean energy microgrids for which grants are sought under
33 such program, will provide the greatest amount of resiliency benefits
34 to a jurisdiction in which the microgrid is located.

35 c. To develop and construct a clean energy microgrid that minimizes land
36 use impacts by (i) siting sources of clean energy within the already
37 built environment, including over rooftops and parking lots, (ii) siting
38 sources of clean energy on existing brownfield sites or contaminated
39 sites, (iii) collocating sources of clean energy on agricultural lands or
40 over reservoirs, or (iv) siting sources of clean energy on compatible
41 lands.

42 d. To, in developing and constructing a clean energy microgrid, utilize or
43 involve small businesses or nonprofits that primarily operate or are
44 located within environmental justice communities, particularly those
45 that are women-owned and operated or minority-owned and operated.

46 (d) Cost-Share. – Local governments shall match grant funds received under this Part on
47 the basis of one non-State dollar for every three dollars (\$3.00) provided from grant funds.
48 In-kind assistance may be used for the cost-sharing required by this subsection using a valuation
49 methodology that the Office may specify.

50 (e) Administrative Costs. – The Office may use up to two and one-half percent (2.5%) of
51 funds allocated to the Fund in each fiscal year or two hundred fifty thousand dollars (\$250,000),

1 whichever is greater, to support temporary staff, time-limited positions, planning, technical
2 assistance, and program administrative functions.

3 "**§ 143B-344.46. Reports.**

4 The State Energy Office shall report on the commitment, disbursement, and use of funds
5 allocated from the Energy Resilient Communities Fund at the end of each fiscal year. The report
6 is due no later than September 1 and must be submitted to the Joint Legislative Commission on
7 Energy Policy and the Fiscal Research Division of the General Assembly."

8 **SECTION 3.** The sum of one million dollars (\$1,000,000) in nonrecurring funds for
9 the 2023-2024 fiscal year and three million dollars (\$3,000,000) in nonrecurring funds for the
10 2024-2025 fiscal year is appropriated from the General Fund to the State Energy Office for the
11 Energy Resilient Communities Fund established by G.S. 143B-344.45, as established by Section
12 2 of this act, to be used for the purposes set forth therein.

13 **SECTION 4.** Section 3 of this act becomes effective July 1, 2023. The remainder of
14 this act is effective when it becomes law.