

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL DRS45281-MHa-41

Short Title: An Energy Resilient NC. (Public)

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

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO DIRECT THE STATE ENERGY OFFICE TO CARRY OUT A GRANT  
3 PROGRAM TO IMPROVE THE ENERGY RESILIENCE, ENERGY DEMOCRACY,  
4 AND ENERGY SECURITY OF COMMUNITIES AND TO PROVIDE FUNDS FOR THE  
5 PROGRAM.

6 The General Assembly of North Carolina enacts:

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

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

11 "Part 32A. North Carolina Energy Resilient Communities.

12 **"§ 143B-344.45. Energy Resilient Communities Fund established; uses; priorities;  
13 cost-share.**

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

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

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

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

33 (3) Carry out a project to develop and construct a clean energy microgrid that  
34 supports critical community infrastructure. For purposes of this subdivision,  
35 "critical community infrastructure" means a facility that provides an essential  
36 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.