State of North Carolina

ROY COOPER
GOVERNOR

January 7, 2022

EXECUTIVE ORDER NO. 246

NORTH CAROLINA'S TRANSFORMATION TO A CLEAN, EQUITABLE ECONOMY

WHEREAS, N.C. Const. Art. XIV, § 5 establishes that it is the policy of the State to conserve and protect its lands and waters for the benefit of all its people, that it is a proper function of the State to control and limit the pollution of our air and water, and that in every other appropriate way the State should preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, open lands, and places of beauty; and

WHEREAS, the Intergovernmental Panel on Climate Change's Sixth Assessment Report confirms the scientific consensus that the global climate is warming and that this trend is unequivocally caused by an increase in greenhouse gas ("GHG") emissions resulting from human activity, leading to observed GHG levels and climate impacts that are unprecedented over many centuries to millions of years; and

WHEREAS, climate change is a global crisis causing devastating disruptions worldwide in the form of more frequent, severe and costly natural disasters; loss of biodiversity and environmental degradation; food and water insecurity; violent conflict; and more; and

WHEREAS, the 2020 North Carolina Climate Science Report found that adverse impacts of climate change in North Carolina threaten human health, the State's economy, and our quality of life, through more intense storms and flooding, dangerously high temperatures, droughts, rising sea levels and beach erosion, and harms to ecosystems and wildlife; and

WHEREAS, the State of North Carolina supports the 2015 Paris Agreement's goal of limiting global average temperature rise to 1.5 degrees Celsius; and

WHEREAS, the United States' Nationally Determined Contribution ("NDC") under the Paris Agreement is to reduce GHG emissions economywide by 50 to 52 percent below 2005 levels by 2030, and member states of the U.S. Climate Alliance, including North Carolina, have committed to achieving net-zero GHG emissions no later than 2050 and 50 to 52 percent emission reductions by 2030 in support of the U.S. NDC; and

WHEREAS, all North Carolinians, irrespective of economic status, cultural heritage, race, religion, or zip code, have the right to enjoy a sustainable environment with clean air, clean water, and clean soil and that is free from environmental injustice; and

WHEREAS, climate change disproportionately impacts people of color, low-income communities, and indigenous communities, and responsible solutions to climate change must equitably reduce GHG emissions, increase community resilience, advance sustainable economic recovery and infrastructure investment efforts, promote public health and health equity, and ensure fair treatment and meaningful engagement in decision-making and implementation; and

WHEREAS, meaningful, fair, and equitable public engagement in state agency decision-making is necessary to avoid and remedy harmful impacts on communities most severely and frequently impacted by economic and environmental health disparities; and

WHEREAS, the cumulative impacts of multiple sources of exposure to environmental stressors in communities and the roles of multiple decision-making entities in addressing the causes that compromise environmental health and quality of life in these communities requires an interagency response; and

WHEREAS, climate change is one of the most significant threats to public health, public health impacts largely depend upon living conditions and pre-existing health conditions, and health equity requires that all people have a fair and just opportunity to attain their full health potential; and

WHEREAS, Executive Order No. 80, 33 N.C. Reg. 1103-1106 (December 3, 2018) issued on October 29, 2018, "North Carolina's Commitment to Address Climate Change and Transition to a Clean Energy Economy" set North Carolina on a path to a 40 percent reduction in statewide GHG emissions, increases in zero-emission vehicle ("ZEV") adoption, more efficient state buildings, and statewide resilience to climate change impacts through the development and implementation of the N.C. Clean Energy Plan, N.C. ZEV Plan, N.C. Motor Fleet ZEV Plan, N.C. Clean Energy and Clean Transportation Workforce Assessment, and the N.C. Climate Risk Assessment and Resiliency Plan; and

WHEREAS, the bipartisan legislation Energy Solutions for North Carolina (Session Law 2021-165) requires the State's investor owned electric utilities to achieve a 70 percent reduction in GHG emissions from 2005 levels by 2030 and carbon neutrality by 2050, Executive Order No. 218 establishes the offshore wind development goals of 2.8 gigawatts ("GW") by 2030 and 8.0 GW by 2040, and North Carolina must decarbonize all sectors of the economy to avoid the worst impacts of climate change; and

WHEREAS, reducing GHG emissions and increasing resilience to climate change strengthens and diversifies North Carolina's economy through job growth, consumer savings, technology development, increased economic activity, improved public health, and reduced climate change impacts; and

WHEREAS, decarbonizing the transportation sector offers opportunities for economic growth and consumer savings through development and commercialization of new technologies; increased customer adoption of ZEVs beyond current market projections; increased availability and cost-competitiveness of ZEVs, transit, rail, and other transportation options; increased worker productivity; reductions in vehicles miles traveled; and other developments; and

WHEREAS, all levels and branches of government, businesses, and residents must take significant action to achieve the goals outlined in this Executive Order and Executive Order No. 80 to decarbonize all sectors of the economy and avoid the worst impacts of climate change, while taking full advantage of the economic benefits associated with transitioning to a clean, equitable economy; and

WHEREAS, N.C. Const. Art. III, § 1 provides that the executive power of the State shall be vested in the Governor; and

WHEREAS, pursuant to N.C. Gen. Stat. § 147-12(a)(1) it is the Governor's duty to supervise the official conduct of all executive and ministerial officers; and

WHEREAS, pursuant to N.C. Gen. Stat. § 143B-4, the Governor is responsible for formulating and administering the policies of the executive branch of the State government.

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED**:

Section 1. North Carolina Goals

The State of North Carolina will strive to accomplish the following:

a. Reduce statewide GHG emissions to at least 50 percent below 2005 levels by 2030 and achieve net-zero emissions as soon as possible, no later than 2050; and
b. Increase the total number of registered, ZEVs to at least 1,250,000 by 2030 and increase the sale of ZEVs so that 50 percent of in-state sales of new vehicles are zero-emission by 2030.

These goals are in addition to those specified in Executive Order No. 80.

Section 2. Environmental Justice and Equity

The Governor's Office and Cabinet agencies shall incorporate environmental justice and equity considerations and benefits in the implementation of this Executive Order, Executive Order No. 80 and Executive Order No. 218 "Advancing North Carolina's Economic and Clean Energy Future with Offshore Wind." Executive Order Nos. 80 and 218 are hereby amended to effectuate this directive. Council of State members, state boards and commissions, higher education institutions, local governments, private businesses, and other North Carolina entities are encouraged to incorporate environmental justice and equity considerations and benefits into their work. Consistent with applicable law, Cabinet agencies shall actively support such actions.

Section 3. North Carolina Greenhouse Gas Inventory

The North Carolina Department of Environmental Quality ("DEQ") shall release an updated North Carolina Greenhouse Gas Inventory by January 31, 2022, and biennially thereafter. The inventory shall calculate GHG emissions statewide and by sector and project future emissions based upon existing policies and trends.

Section 4. North Carolina Deep Decarbonization Pathways Analysis

The Policy Office in the North Carolina Governor's Office, in partnership with Cabinet agencies and interested stakeholders, shall conduct a North Carolina Deep Decarbonization Pathways Analysis ("Pathways Analysis") that evaluates potential emission-reduction pathways for achieving net-zero GHG emissions across North Carolina's economy by 2050 and interim targets. The Pathways Analysis shall be completed for the N.C. Climate Change Interagency Council ("Climate Council") to submit to the Governor within twelve (12) months of this Executive Order to inform next steps for reducing statewide emissions consistent with Section 1 of this Executive Order, Section 1 of Executive Order No. 80, and other goals as appropriate.

Section 5. North Carolina Clean Transportation Plan

The North Carolina Department of Transportation ("DOT"), in partnership with DEQ, the North Carolina Department of Commerce, and other relevant agencies, shall develop a North Carolina Clean Transportation Plan for the Climate Council to submit to the Governor within fifteen (15) months of this Executive Order. The Clean Transportation Plan shall recommend actionable strategies, with an emphasis on near-term action, for decarbonizing the transportation sector consistent with Section 1 of this Executive Order, Section 1 of Executive Order No. 80, and other goals as appropriate. Recommended strategies shall address increased availability, sales, and usage of ZEVs to levels beyond current market projections; reductions in vehicle miles traveled; investment in clean transportation infrastructure; equitable access to clean mobility options; increased availability of non-vehicle transportation modes; a transition to zero- and low-emission fuels; and other relevant topics. The Clean Transportation Plan shall include a focus on transitioning Medium- and Heavy-Duty Vehicles to ZEVs, informed by North Carolina's participation in the Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Memorandum of Understanding. DOT and other state agencies shall collaborate with transportation experts, municipalities and other local governments, planning organizations, auto manufacturers, automobile dealers, utilities, relevant businesses, North Carolina residents, underserved communities, and other interested stakeholders in developing and implementing the Clean Transportation Plan.

Section 6. Social Cost of Greenhouse Gas Emissions

The federal Interagency Working Group on the Social Cost of Greenhouse Gases ("IWG") plans to publish an update of its social cost of greenhouse gas emissions ("SC-GHG") estimates by January 2022. Within ninety (90) days of the publication of the IWG's updated SC-GHG estimates, the Governor's Office shall begin releasing guidelines for including and considering these estimates in specifically identified Cabinet agency decisions and actions, which the agencies shall follow within the timeframe provided by the guidelines and consistent with applicable law.

Within sixty (60) days of any future IWG updates, the Governor's Office shall revise its SC-GHG guidelines to account for the IWG's latest SC-GHG estimates. Wherever feasible, agencies are encouraged to incorporate the IWG's SC-GHG estimates into agency decision-making processes that impact GHG emissions, even if guidance has not yet been issued for that decision-making context.

Non-Cabinet agencies, the North Carolina Utilities Commission and other boards and commissions, universities, local governments, businesses, and other entities in North Carolina are

encouraged to incorporate the SC-GHG into their decision-making processes. Consistent with applicable law, Cabinet agencies shall actively support such actions.

Section 7. Environmental Justice Lead

Each Cabinet agency shall identify an environmental justice and equity lead ("EJ Lead"). Duties of each EJ Lead include the following:

- Serve as the agency point person for environmental justice efforts,
- Inform development and implementation of the agency public participation plan described in Section 8 of this Executive Order,
- Work with EJ Leads in other agencies to share and coordinate related activities, best practices, and relevant data,
- Identify, describe, and post on a readily available page of the agency's website agency decisions that significantly impact or may significantly impact underserved communities,
- Increase awareness among agency leadership and staff of the history and current impacts of environmental, economic, and racial injustice,
- Take additional actions as appropriate to further the directives of this Executive Order.

Section 8. Agency Public Participation Plans

Each Cabinet agency, supported by the Governor's Office, shall develop an agency public participation plan informed by stakeholder input. The plan shall include best practices for community engagement, meaningful dialogue, and efficient mechanisms to receive and incorporate public input into agency decision-making. Agency public participation plans shall aim to improve communication, foster relationships, and enhance transparency in decision-making with all members of the public, including underserved communities and populations with limited English proficiency. Each Cabinet agency shall publish its agency public participation plan on its website by June 1, 2022, and update it annually thereafter.

Council of State members, higher education institutions, local governments, private businesses, and other North Carolina entities are encouraged to develop and follow their own public participation plans.

Section 9. Community Input on Environmental Justice

The North Carolina Governor's Office and Cabinet agency leadership, in consultation with the Andrea Harris Task Force and the DEQ Secretary's Environmental Justice and Equity Board, shall seek public input on additional executive action to advance environmental justice, equity, and affordability priorities of North Carolinians that live in, work in, or represent low- and moderate-income communities, indigenous communities, and communities of color. The State will engage a third party to facilitate conversations to identify and prioritize key issues, including cumulative impacts, and recommendations for future action within applicable law.

Section 10. Distribution of State and Federal Funds

Cabinet agencies shall invest applicable federal and state funding, consistent with applicable law, with an emphasis on achieving directives in this Executive Order and Executive Order Nos. 80 and 218, including but not limited to actions that reduce GHG emissions and air pollution, promote resiliency, invest in historically underserved communities, increase affordability for low- and moderate-income households, advance health equity, and create jobs and economic growth through a clean North Carolina economy. In addition, Cabinet agencies shall take reasonable steps, including working with the Office of Public Engagement and Inclusion, to alert North Carolina residents and businesses, particularly those in underserved communities, of state and federal grant opportunities for advancing these priorities.

Section 11. Public Health and Health Equity

The North Carolina Department of Health and Human Services, in partnership with other relevant Cabinet agencies, shall work to increase understanding and awareness of the health impacts of climate change through activities such as providing public updates on heat-related illness and other climate-related health impacts; sharing information about effects on children and disproportionate effects on underserved communities and people of color; and partnering with non-Cabinet agencies, public health agencies, community organizations, and research institutions.

Section 12. Workforce Diversity

The Climate Council shall create a workgroup to identify strategies for increasing workforce diversity in industries and occupations that are critical to understanding and addressing climate change in North Carolina. The DEQ Secretary shall name the workgroup Chair and members to represent a diverse mix of viewpoints with expertise in relevant areas. The Climate Council shall report the workgroup's findings to the Governor and other interested parties within nine (9) months of this Executive Order.

Section 13. Clean Energy Youth Apprenticeship Program

The Governor's Office, DEQ, and the Department of Commerce shall partner with the North Carolina Business Committee for Education, the North Carolina Community College System Office, the North Carolina Department of Public Instruction, the University of North Carolina System, Historically Black Colleges and Universities, and other stakeholders to establish clean energy youth apprenticeship programs that prepare graduates for fulfilling, well-paying careers in North Carolina's clean energy economy through work-based learning, aligned curriculum and credential attainment. The North Carolina Business Committee for Education, in partnership with state agencies and stakeholders, is encouraged to establish clean energy youth apprenticeship programs in at least five (5) additional learning sites, with an emphasis on educational institutions that serve underrepresented communities.

Section 14. Miscellaneous

This Executive Order is consistent with and does not otherwise abrogate existing state law.

This Executive Order is not intended to create, and does not create, any individual right, privilege, or benefit, whether substantive or procedural, enforceable at law or in equity by any party against the State of North Carolina, its agencies, departments, political subdivisions, or other entities, or any officers, employees, or agents thereof.

If any provision of this Executive Order or its application to any person, agency, or entity is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order that can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

Section 15. Effective Date

This Executive Order is effective immediately and shall remain in effect until rescinded or superseded by another applicable Executive Order.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 7th day of January in the year of our Lord two thousand and twenty-two.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State