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PROGRESS ENERGY RATE INCREASE PROPOSAL DUE TO INVESTMENTS IN CONVENTIONAL ENERGY, NOT RENEWABLE ENERGY OR ENERGY EFFICIENCY PROGRAMS

RALEIGH, N.C. – A new analysis undertaken by the North Carolina Sustainable Energy Association (NCSEA) shows that the base rate increase requested by Progress Energy Carolinas, Inc. (PEC) will cost the average PEC residential customer $16.91/month. Though PEC is proposing to move already-approved costs associated with a voltage reduction program into PEC’s base rates, none of the increase in rates is due to investments in renewable energy and energy efficiency. Of the $45.87/month in increases requested by PEC since 2001, the average PEC residential customer’s bill has risen $38.88/month in order to pay for new investments in new power plants and other transmission and distribution infrastructure designed primarily to support the generation of coal, natural gas and nuclear power.

“NCSEA continues to stress the importance of having an accurate discussion about the economic benefits and impacts of our state energy policy. Consumers frustrated by the last decade of rising electricity bills often assume the higher costs are due to our state clean energy policies,” said Ivan Urlaub, NCSEA’s Executive Director. “In fact, none of Progress Energy’s proposed 11.0% overall increase in the base rate is attributable to North Carolina’s successful clean energy policies, and this year’s cost to Progress’ customers for the often derided REPS policy actually went down $0.14/month from last year.”

The costs to PEC’s residential customers of investments in renewable energy and energy efficiency are being recovered in separate dockets at the North Carolina Utilities Commission. These costs include:

- A flat fee of **$0.41 per month** for compliance with the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (REPS);
- An average **$2.74 per month** paid to small power producers to purchase the electricity produced by renewable energy systems, a rate set by the North Carolina Utilities Commission; and
- An average **$3.84 per month** for demand-side management and energy efficiency (DSM/EE) programs that save energy and reduce the need to build new conventional energy plants.

About the NC Sustainable Energy Association:
Founded in 1978, the NC Sustainable Energy Association (NCSEA) is a 501(c)3 non-profit membership organization of individuals, businesses, government and non-profits working to ensure a sustainable future by promoting renewable energy and energy efficiency in North Carolina through education, public policy and economic development. NCSEA has been the “go-to” leader in shaping North Carolina’s commitment to renewable energy, energy efficiency, high performance building, smart grid and electric vehicle jobs and economic opportunities in communities all across our state. Learn more at www.energync.org