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Contact: Betsy McCorkle

betsy@energync.org

[770-713-0245](tel:770-713-0245) (cell)

House Bill 298 Jeopardizes Business Stability in NC's Growing Energy Industry

Despite claims by this legislation to the contrary, clean energy policies in North Carolina will save ratepayers \$173 million by 2026.

RALEIGH – Earlier today, legislation was introduced in the NC General Assembly which seeks to undo comprehensive, compromise energy legislation that was passed in 2007 with overwhelming bipartisan support. House Bill 298, sponsored by NC Representatives Mike Hager, Jeff Collins, Marilyn Avila, George Cleveland, and Justin Burr, would eliminate North Carolina's commitment to introducing advanced energy strategies into the heavily monopolized electric utility sector. The North Carolina Sustainable Energy Association (NCSEA) strongly opposes the legislation due to the negative impact it would have, if passed, on our state's electricity customers, as well as the rapidly-growing clean energy industry and its valuable jobs, businesses and economic investments. "North Carolina has a highly-regulated electricity market where only utilities can sell power directly to consumers," said Betsy McCorkle, Director of Government Affairs for the NC Sustainable Energy Association. "This monopoly control of our utilities limits innovation and market competition; however, the Renewable Energy and Energy Efficiency Portfolio Standard (REPS), the portion of Senate Bill 3 that House Bill 298 attempts to eliminate, was the first real opportunity for clean energy companies to compete with the utilities and offer consumers a choice. All of this while creating thousands of jobs, expanding business opportunities, pumping billions of dollars into our economy, and driving down the cost of clean energy resources. This policy has been extremely successful and legislators should oppose House Bill 298, signaling to the investment and business communities that North Carolina will continue to lead the nation as an energy innovator, welcoming entrepreneurs and investors to this state."

Potential Impact on Jobs, the Economy

The real impact of House Bill 298 would be the loss of jobs, businesses, and investment opportunities. The positive effects of the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) are being felt throughout the state, especially in rural communities as more developers, manufacturers, and investors look to North Carolina because of its competitive policies.

"Over the past few years, Cleveland County has benefited greatly from the NC Renewable Energy and Efficiency Portfolio Standard," said Kristen Fletcher, Vice President of the Cleveland County Economic Development Partnership, which is located west of Charlotte. "Since 2006, CCEDP has announced projects totaling in excess of \$45 million in initial local capital investment and over 300 new full-time jobs related to the renewable energy sector. We remain very optimistic about additional renewable energy related investment and job creation in Cleveland County and North Carolina."

Cleveland County is not alone in realizing these jobs. According to a recent study released by RTI International and La Capra Associates, North Carolina's clean energy industry has created over 21,000 job-years (a job year

equals one person working full time for one year) and has generated \$1.7 billion in economic benefit since 2007. The study also found that by 2026, clean energy policies will have saved ratepayers \$173 million when compared to not having such policies. Links to the full study and summary findings are available [here](#) and [here](#).

“Due to the leadership of our utilities, our state is ahead of schedule in complying with the REPS in most areas, while staying well below the ‘cost cap’ that was put in place as protection for consumers,” continued McCorkle. “Eliminating the REPS as this legislation seeks to do would be needlessly destructive to a job-creating industry and would result in government interference into a well-functioning market that continues to grow and attract investment.”

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MEDIA NOTE: In addition to the quote above from the Cleveland County Economic Development Partnership, NCSEA also has quotes available from economic development professionals in Raleigh, Beaufort County, Warren County, Charlotte Regional Partnership, Stanly County, Catawba County, Cabarrus County, and Lincoln County.

About Senate Bill 3: Passed in August of 2007, Senate Bill 3 (S.L. 2007-397) was the result of more than two years of in-depth discussions, analysis and compromise among legislators, NC Utilities Commission staff and regulators, utilities, consumer advocates, and over 90 stakeholder groups, including NCSEA. The comprehensive energy legislation received overwhelming bipartisan support in the NC General Assembly. The final ([third reading](#)) votes were: 47 to 1 in the NC Senate and 107 to 9 in the NC House.

Senate Bill 3 is a comprehensive energy policy that includes provisions related to coal, nuclear, natural gas, renewable energy resources, and energy efficiency, as well as several energy related tax and regulatory fee changes. Two of the larger provisions included: (1) Construction Work in Progress (CWIP) financing for new coal power plants, which was used to build a new unit at Duke Energy’s Cliffside coal plant at the Cleveland-Rutherford county border in recent years. The 825-megawatt unit started producing commercial power on December 30, 2012; it cost about \$2.2 billion to build, including financing costs. (2) The implementation of a Renewable Energy and Energy Efficiency Portfolio Standard (REPS), which requires 12.5% of NC’s electricity to come from clean energy resources by 2021 by the investor-owned utilities. Rural electric cooperatives and municipal electric suppliers are subject to a 10% REPS requirement. NC became the 25th state in the nation—and the first in the Southeast—to adopt such a policy; 29 states now have such a policy in place. [Click here](#) for a detailed summary of Senate Bill 3, prepared by the NC General Assembly’s Research Division.

About NCSEA: Founded in 1978, the NC Sustainable Energy Association is a 501(c)3 nonprofit membership organization of individuals, businesses, government and nonprofits working together to promote renewable energy, energy efficiency, high performance building, smart grid and electric vehicles. Active statewide, NCSEA is the leading nonprofit in NC devoted to driving public policy and market development that will create energy jobs, business opportunities and affordable energy. NCSEA works extensively with the NC General Assembly and the NC Utilities Commission. Visit www.energync.org to learn more.