

Speaker Tim Moore, Rep. Dean Arp, Rep. Destin Hall, Rep. John Szoka

North Carolina Electric Utility Ratepayers Oppose HB 951

14 July 2021

Dear Speaker Moore and Representatives Arp, Hall and Szoka,

The undersigned organizations and companies oppose HB 951- Modernize Energy Generation. Representatives of our organizations and individual companies have participated in the House Energy Stakeholder process, and we thank you for that opportunity. We have attempted to be constructive and straightforward about our concerns with the bill as currently drafted, we have continued to explore ways to resolve the multitude of issues that have been identified by our organizations and others, and we have offered numerous edits to the bill that, if incorporated, would assuage our concerns. Since the concerns of our organizations and companies have not been addressed, we have no option other than to oppose the bill.

We respectfully request that you make the following changes to the bill:

Restore NC Utilities Commission Authorities. Many of the long-standing decision-making authorities of the NC Utilities Commission that have balanced the best interests of utilities with the best interests of ratepayers have been marginalized or altogether eliminated by this legislation.

Sustain Current Practice for Determining Need for New Generation.

Preserve Current Practice and Commission Authority for Determining Need for New Generation. The bill mandates that Duke Energy and private solar developers add new solar generation to the grid regardless of whether the new generation is needed or not; thus, requiring ratepayers to pay for generation (and potentially, new transmission infrastructure) that is not needed to serve the customer base.

Securitize a Significant Portion of the Remaining Coal Unit Book Value. The bill calls for only \$500 million of the remaining book value in the coal units to be recovered through securitization, which is less than half of the remaining book value. Approximately \$20 million in ratepayer savings is achieved for every \$100 million of the book value that is securitized.

Require Utility Shareholders to Assume Some of the Risk of New Nuclear Investments. The bill allows the utilities to invest \$50 million for early site planning for an advanced nuclear unit, with no assurance that any of that ratepayer investment will be returned to ratepayers if the unit is never operational (ratepayers are still paying hundreds of millions of dollars for similar investments at the Lee site where no power ever has, or ever will be generated). There should be a shared risk between ratepayers and shareholders, or the nuclear provision should be deleted.

Strike the Rebuttable Presumption. The bill creates a dangerous new rebuttable presumption that the utility's spending under the coal retirement plan is reasonable and prudent, bypassing current legal tests that are regularly applied by the Commission to protect ratepayers from imprudent or unreasonable spending.

Allow NCUC to Expand Capacity Limits for the Renewables Programs. The Commission should be allowed to expand the Green Source Advantage program and Shared Solar Program capacity limits to accommodate additional interest in the program so long as the overall cap on renewables generation currently included in the bill is not surpassed; and the Shared Solar Program should be available for customers of Dominion Energy, in addition to Duke Energy.

We appreciate your consideration of these concerns.

Sincerely,

Ajinomoto Health & Nutrition NA
Arauco Panels USA LLC
Archer Daniels Midland
Ashley Furniture Industries
Carolina Stalite
The Chemours Company
Clariant Corporation
Clearwater Paper Corporation
Corning Incorporated
Cummins Inc
DAK Americas
Domtar Corporation
Dow Chemical
DuPont
Ecolab
EGGER Wood Products LLC
Elementis
Evergreen Packaging LLC
Georgia-Pacific
Google
Hexion
Ingredion
International Paper

INVISTA
Kimberly-Clark
Kuraray America Inc
LANXESS
Linde
Louisiana Pacific
Mallinckrodt Pharmaceuticals
Messer Americas
New Belgium Brewing
Novozymes North America
Nucor Steel
Nutrien
Pfizer Inc
Reynolds American Inc
Saft America Inc
Shurtape Technologies LLC
Silar LLC
Smithfield Foods
Surry Chemicals Inc
Syngenta Crop Protection Inc
The Timken Company
Trinity Manufacturing Inc
WestRock Company
Weyerhaeuser

cc: Members of the North Carolina House of Representatives