

The Economic Argument for Renewable Energy and Efficiency

“How will our grandchildren view our actions in the future? Years from now, will they know we took the right steps to improve our environment, our communities and our quality of life? ...Or will they wonder why we didn't do more?”
-- Jim Rogers, Duke Energy CEOⁱ

Businesses want to lead. Electricity providers have added their voices to the chorus of support for smarter energy policies that reduce environmental costs.ⁱⁱ But, as Paul Anderson former CEO, Duke Energy said, “Until business leaders know what the rules will be—which actions will be penalized and which will be rewarded—we will be unable to take the significant actions the issue requires.”ⁱⁱⁱ

Customers save money on energy bills. Customers will save over one-half billion dollars if a 10% standard that includes 2.5% efficiency is implemented.^{iv} The savings is larger if efficiency measures are raised to 5.5%.

- According to Duke's vice president for energy efficiency, customers can save 15% on their energy bills^v by implementing efficiency measures, and avoid the equivalent of two Cliff Side coal plants.^{vi}
- According to Progress Energy, public institutions can save at least 20% on energy costs by implementing efficiency measures.^{vii} They tell Floridians that efficiency can reduce their bills by 37%.^{viii}
- An REPS can save between \$7.3 and \$340.6 million on carbon costs, depending upon the costs of carbon emissions, and the REPS standard.^{ix}

The REPS generates money for NC cities. Potential tax revenues for communities may increase between 6% and 54% as compared to utilities' regular business plan.^x

REPS diversifies investment, minimizes risk. Renewable energy is more flexible than conventional power in terms of size and construction time frames, so less risk is placed on the success of a few large-sized projects.^{xi}

The REPS promotes economic development. Independent experts estimate that a renewable energy standard will generate 2,700 more jobs than the conventional utilities' portfolio, per year.^{xii} Solar power creates the most new jobs at 90 jobs per unit of electricity supplied by the resource.^{xiii} If North Carolina promotes itself as a center for the production of renewable energy technology, the job creation potential is much greater.^{xiv}

Renewable energy sources are plentiful, clean, and cheap. Most renewable energy fuel is free, like sun or wind, or it bears a negligible cost, like urban waste wood from construction.^{xv}

- Thirteen of the 16 renewable technologies may have cheaper installed costs than nuclear energy.^{xvi}
- Renewable energy does not produce toxic waste, and much of it produces no emissions.^{xvii}

Crisis cost is low. The potential liability from renewable energy is low. Should a terrorist attack a solar energy plant, the cost is new equipment. Should a terrorist attack a nuclear plant, the cost is billions of dollars, thousands of lives, and thousands of acres of land.^{xviii}

“An effective RPS must be mandatory and impose some form of alternative compliance payments on load-serving entities that fail to comply.”
-- La Capra Report.^{xix}

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- ⁱ Duke Energy's Sustainability Report, 2006/2007 at 5, at <http://www.duke-energy.com/environment/reports/sustainability-report.asp> (last visited May 20, 2007).
- ⁱⁱ See, e.g., "Progress Energy ... is committed to working with regulators and stakeholders to develop cost-effective energy efficiency and demand side management choices for its customers." "Progress Energy's Report to Shareholders: An Assessment of Global Climate Change and Air Quality Risks and Actions 2006," at 8, <http://www.progress-energy.com/environment/Climatechange.swf> (last visited May 18, 2007); "Dominion will continue to use its dedicated workforce and a spirit of innovation to not only remain environmentally responsible in changing times, but to aggressively seek new ways to provide its customers the services they need with even less impact on the environment that surrounds us all." "Environmental Commitment," Dominion's website at <http://www.dom.com/about/environment/report/programs/index.jsp> (last visited May 18, 2007).
- ⁱⁱⁱ Barbara Freese and Steve Clemmer, "Gambling with Coal: How Future Climate Laws Will Make New Coal Power Plants More Expensive," Union of Concerned Scientists, September 2006 at 19, at http://www.ucsusa.org/assets/documents/clean_energy/gambling_with_coal_final_report_sept_06.pdf (last visited May 18, 2007).
- ^{iv} La Capra Associates, Inc., et. al., "Analysis of Renewable Portfolio Standard for the State of North Carolina: Technical Report, Prepared for North Carolina Utilities Commission," December 2006, at 94.
- ^v Savings after four years. John Murawski, "Duke Energy pitches plan to cut back," News & Observer, Raleigh, May 8, 2007.
- ^{vi} *Ibid*; AP, "Duke Energy Proposes New Energy Plant," Forbes.com, May 7, 2007.
- ^{vii} Staff Reports, "Progress Energy partners with schools on energy," The Chapel Hill News, April 29, 2007.
- ^{viii} John Murawski, "Utility quiet on energy savings," News & Observer, Raleigh, May 23, 2007.
- ^{ix} *Supra* endnote iv at 81.
- ^x *Ibid.* at xi.
- ^{xi} *Id.* at xii.
- ^{xii} *Id.* at 74-75, for a 7.5% REPS and 2.5% efficiency measure.
- ^{xiii} *Id.* at 72.
- ^{xiv} *Id.* at 76.
- ^{xv} Approximately 900,000 tons of urban wood waste, much of which ends up in landfills and is free at pick-up, could be used to for energy and offset coal to produce energy. *Id.* at 18.
- ^{xvi} *Id.* at at 40.
- ^{xvii} *Id.* at 79.
- ^{xviii} Wade Rawlins, "Surge in nuclear power likely," News & Observer, Raleigh, January 29, 2006; John Murawski, "Nuclear foes see danger in waste," News & Observer, Raleigh, April 15, 2007.
- ^{xix} *Supra* endnote iv at 88.