



**Comments to NC Utilities Commission
Dobbs Building, Hearing Room 2115, Raleigh, NC
November 28, 2011**

Duke Energy Rate Case, Docket No. E-7, Sub. 989

Mr. Chairman, members of the Commission, and members of the Public Staff, my name is Robert Rodriguez, and I am a member of NC Interfaith Power & Light's Steering Committee. NCIPL is a nonprofit program of the North Carolina Council of Churches. We work with faith communities to address the causes and consequences of global climate change and promote practical solutions through education, outreach and advocacy. As one of 39 state affiliates of national Interfaith Power and Light, we seek to mobilize a religious response to global warming in congregations through the promotion of renewable energy, energy efficiency and conservation.

North Carolina Interfaith Power and Light has a clear, positive vision for our energy future, which will protect our communities from the negative health and social costs of fossil fuels and the risks, including the social, financial and health risks of nuclear power generation. Nations and communities across the globe are on the path towards a vibrant clean energy future, and with the leadership of the Utilities Commission and the cooperation of Duke Energy, there is no reason that North Carolina could not participate in this 21st Century energy revolution.

We know that during the statewide hearing process you have heard the public cry out against the injustice of the proposed rate hikes that Duke is requesting. Citizens, business owners, school administrators, mayors and other elected and appointed officials have spoken against Duke's request because of the excessive economic burdens that will be placed on them. As a faith based organization, we believe that it is a gross injustice to allow Duke to prosper on the backs of those who are struggling in difficult if not desperate economic times.

As you know, Duke's profits rose by 23% in 2010¹, yet it is asking for an increase of its return on investment from 10.7% to 11.5%. This is patently unfair.

Duke is also asking to be reimbursed \$3.7 million dollars in costs for its abandoned Coastal Demonstration Wind Turbine Project. A recent news report also indicates that Duke may not come to an agreement with the developers of the 300-megawatt Desert Wind Energy Project wind farm near Elizabeth City that has already been approved by the Commission.² Why is Duke abandoning its own wind project and putting roadblocks on the Desert Wind project? They embrace wind in other parts of the country. Why not North Carolina? Short-

term corporate profitability and old school business practices should not trump the public good and the long-range vision for a 21st Century energy future.

Duke's vision for North Carolina's energy future continues to be out of step with the Commission's mandate to protect the public welfare by providing the least cost mix of electricity generation, efficiency, and demand side management.

Why should Duke be abandoning wind in North Carolina when we have the largest offshore wind potential and the lowest estimated offshore wind cost of any state on the eastern seaboard?³ The price of onshore wind is already more cost effective than the new Cliffside Coal plant, and it is declining yearly.⁴ We expect that the same will happen with offshore wind when it is installed to its potential scale. The head of the European Union Climate Change Commission has stated that offshore wind is already cheaper than new nuclear power plants that Duke Energy is wanting to build.⁵

Wind will give tremendous price stability to North Carolina citizens. The hearing today is the second rate hearing on Cliffside, and the Commission will certainly have hearings on the costs of fuel for this power plant in the future. Investing in wind will protect North Carolinians from the price volatility that accompanies fossil fuel electricity generation, as the wind blows at no financial, public health, or social costs. Moreover, investing in wind will protect North Carolinians against the social and health costs of coal, which Duke now externalizes to the public's detriment. Experts now price these at over 17 cents/kWh.⁶

You may remember that Susannah Tuttle, NC Interfaith Power & Light's Co-Director, testified here on October 20th in the Duke/Progress Energy Merger Docket (Docket No. E-2, Sub. 998 and Docket No. E-7, Sub. 986). At that time she recited Robert Frost's poem *The Road Less Traveled*, and asked you to consider taking a new road as energy regulators in North Carolina.

We ask that you condition any approval of a rate increase on Duke Energy's commitment to 1) take full advantage of our cost-effective land-based wind resources and 2) take meaningful steps towards exploiting our offshore wind potential by commissioningⁱ a utility-scale project or, at the very least, participating in a regional offshore wind demonstration project.

The public wants, safe, healthy, climate and environmentally friendly sustainable energy in our future, starting now. As people of faith our prime responsibility is honor and protect God's glorious creation in order that our children may flourish in a just and peaceful world. Without such a vision we shall perish. You are the gatekeepers for this road. We ask you to deny Duke Energy's request for a rate increase and to call on them to begin planning for an energy future that ensures that health and well-being of our communities.

1. ⁱCharlotte News Observer, February 18, 2011.

<http://www.newsobserver.com/2011/02/18/997604/duke-energy-profits-surge-23-on.html>

2. Charlotte News Observer, November 11, 2011.

<http://www.newsobserver.com/2011/11/12/1637176/wind-farm-losing-speed.htm>

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3. U.S. DOE Energy Information Administration (EIA), "Updated Capital Cost Estimates for electricity Generation Plants", Nov 2010 - http://www.eia.gov/oiaf/beck_plantcosts/pdf/updatedplantcosts.pdf - see page 22-6
 4. <http://cleantechnica.com/2011/05/01/cost-of-wind-power-kicks-coals-butt-better-than-natural-gas-could-power-your-ev-for-0-70gallon/>
 5. <http://www.guardian.co.uk/environment/2011/mar/17/wind-cheaper-nuclear-eu-climat>
 6. Full cost accounting for the life cycle of coal, Paul Epstein, New York Academy of Science, Feb. 17, 2011, <http://onlinelibrary.wiley.com/doi/10.1111/j.1749-6632.2010.05890.x/full>