

1 PLACE: Dobbs Building, Raleigh, North Carolina

2 DATE: Monday, March 15, 2010

3 DOCKET NO.: E-100, Sub 118 & 124

4 TIME IN SESSION: 7:00 p.m. - 8:50 p.m.

5 BEFORE: Commissioner William T. Culpepper, III, Presiding
6 Chairman Edward S. Finley, Jr.
7 Commissioner Lorinzo L. Joyner
8 Commissioner Bryan E. Beatty
9 Commissioner Susan W. Rabon

10 . IN THE MATTER OF:

11 Investigation of Integrated Resource Planning in North
12 Carolina - 2008 and 2009.

13 A P P E A R A N C E S:

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24 USING AND CONSUMING PUBLIC

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22

23

24

1 COMMISSIONER CULPEPPER: Good evening. Let's
2 come to order, please, and go on the record. I am
3 Commissioner Bill Culpepper and with me are Commission
4 Chairman Edward S. Finley, Jr. and Commissioners Lorinzo
5 L. Joyner, Bryan E. Beatty and Susan Warren Rabon.

6 The Commission now calls for hearing at this
7 time for the purpose of taking nonexpert public witness
8 testimony consolidated Docket Nos. E-100, Sub 118 and
9 E-100, Sub 124 - In the Matter of Investigation of
10 Integrated Resource Planning in North Carolina - 2008 and
11 2009.

12 Integrated Resource Planning (IRP) is intended
13 to identify those electric resource options that can be
14 obtained at least cost to the ratepayers consistent with
15 adequate, reliable electric service and other legal
16 obligations. IRP considers conservation, efficiency, and
17 load management, as well as supply-side alternatives, in
18 the selection of resource options.

19 G.S. 62-110.1(c) requires the Commission to
20 "develop, publicize, and keep current an analysis of the
21 long-range needs" for electricity in this State.

22 In addition, G.S. 62-2(3a) vests the Commission
23 with the duty to regulate public utilities and their
24 expansion in relation to long-term energy conservation and

1 management policies.

2 To meet the requirements of G.S. 62-110.1 and
3 G.S. 62-2(3a), the Commission conducts an annual
4 investigation into the electric utilities' integrated
5 resource plans (IRPs). Commission Rule R8-60 requires
6 that each of the electric utilities furnish the Commission
7 with a biennial report in even-numbered years that
8 contains the specific information set out in that Rule.
9 In odd-numbered years, each of the electric utilities must
10 file an annual report updating its most recently filed
11 biennial report. Further, Commission Rule R8-67(b)
12 requires any electric power supplier subject to Rule R8-60
13 to file a Renewable Energy and Energy Efficiency Portfolio
14 Standard (REPS) compliance plan as part of its IRP report.

15 On October 19, 2009, the Commission issued its
16 Order Scheduling Hearings On 2009 Integrated Resource
17 Plans and REPS Compliance Plans and Consolidating Dockets
18 For Decision. In this Order the Commission noted that the
19 2009 updates to the 2008 biennial reports have been filed;
20 that the 2009 reports supersede much of the information
21 contained the 2008 reports; and that the Commission had
22 therefore decided to consolidate the Sub 118 and Sub 124
23 dockets for purposes of decision. Further, in this Order
24 the Commission noted the existence of good cause to

1 schedule an evidentiary hearing to consider the 2009 IRPs
2 and REPS compliance plans filed by the investor-owned
3 utilities that are subject to Commission regulation as a
4 replacement for the normal comment process specified by
5 Commission Rule R8-60(j), but that it saw no need for an
6 evidentiary hearing on the 2008 plans in view of the fact
7 that interested parties have previously filed comments in
8 the Sub 118 docket. Accordingly, the October 19, 2009
9 Order scheduled an evidentiary hearing to consider the
10 2009 IRPs and REPS compliance plans filed by the
11 investor-owned utilities for March 16, 2010 and scheduled
12 this nonexpert public witness testimony hearing regarding
13 all 2009 IRPs and REPS compliance plans that have been
14 filed herein for this date, at this time and in this
15 place.

16 2009 annual update reports to 2008 biennial IRPs
17 have been filed by Carolina Power & Light Company d/b/a
18 Progress Energy Carolinas, Inc. (Progress); Duke Energy
19 Carolinas, LLC (Duke); Virginia Electric and Power Company
20 d/b/a Dominion North Carolina Power (Dominion); the North
21 Carolina Electric Membership Corporation (NCEMC); Piedmont
22 EMC, Rutherford EMC, and EnergyUnited EMC. Additionally,
23 a 2009 annual report has been filed by Haywood EMC and
24 Blue Ridge EMC has filed notice that its electric load is

1 now included in Duke's IRP.

2 2009 REPS compliance plans have been filed by
3 Progress, Duke, Dominion, Halifax EMC, and EnergyUnited.
4 Additionally, a consolidated 2009 REPS compliance plan has
5 been filed by GreenCo Solutions, Inc. (GreenCo) on behalf
6 of its 22 member EMCs. Rutherford has filed notice that
7 its REPS obligation is now reflected in Duke's compliance
8 plan.

9 On December 11, 2009, Dominion filed the direct
10 testimonies and exhibits of Shannon L. Venable, M. Masood
11 Ahmad, Michael J. Jesensky and Aaron A. Reed; and Progress
12 filed the direct testimonies of David Kent Fonvielle,
13 David Christian Edge and Glen A. Snider.

14 On January 11, 2010, Duke filed its revised 2009
15 IRP Annual Report, together with the direct testimonies
16 and exhibits of Richard G. Stevie, Owen A. Smith, Robert
17 A. McMurry and James A. Riddle.

18 On February 8, 2010, the Public Staff - North
19 Carolina Utilities Commission (Public Staff) filed
20 Comments pertaining to the 2009 annual reports on the IRPs
21 and the 2009 REPS compliance plans filed by the
22 non-investor owned utilities.

23 Participation in these proceedings by the Public
24 Staff is being made pursuant to the provisions of G.S.

1 62-15(d) and Commission Rule R1-19(e).

2 On February 19, 2010, CPI USA North Carolina,
3 LLC filed the direct testimony of Don C. Reading; and the
4 Environmental Defense Fund, Southern Environmental Law
5 Center, Southern Alliance for Clean Energy and the Sierra
6 Club filed the direct testimonies and exhibits of David
7 Schlissel and John D. Wilson. Also on February 19, 2010,
8 the Public Staff filed the testimony of John R. Hinton and
9 the affidavits of Jay B. Lucas, Jack L. Floyd and Kennie
10 D. Ellis; and the North Carolina Waste Awareness and
11 Reduction Network, Inc. filed the direct testimony and
12 exhibits of John O. Blackburn.

13 On February 23, 2010, Duke filed confidential
14 Revised Table 2 to its Revised 2009 IRP.

15 On March 2, 2010, the Public Staff filed
16 revisions to the Affidavit of Jay B. Lucas.

17 On March 9, 2010, Progress filed the rebuttal
18 testimonies of its witnesses Fonvielle, Edge and Snider;
19 and Dominion filed the affidavit of witness Shannon L.
20 Venable. Also on March 9, 2010, Duke filed revisions to
21 the direct testimony of witness Stevie; revised Exhibits
22 Nos. 1 and 3 of the direct testimony of witness Riddle;
23 and the rebuttal testimonies of witnesses McMurry and
24 Stevie.

1 On March 11, 2010, Haywood filed a response to
2 the February 8, 2010 Public Staff Comments.

3 Pursuant to G.S. 138A-15(e) I remind members of
4 the Commission of their duty to avoid conflicts of
5 interest and inquire at this time as to whether any
6 Commissioner has any known conflict of interest with
7 respect to these proceedings.

8 (No response.)

9 I now call upon counsel for the parties to
10 announce their appearances for the record beginning with
11 the investor-owned utilities.

12 MR. KAYLOR: Mr. Chairman, Members of the
13 Commission, I'm Robert Kaylor appearing on behalf of Duke
14 Energy Carolinas and Dominion North Carolina Power.

15 MR. ANTHONY: Mr. Chairman, Members of the
16 Commission, I'm Len Anthony appearing on behalf of
17 Progress Energy Carolinas.

18 MS. NICHOLS: Lara Nichols also on behalf of
19 Duke Energy Carolinas.

20 MR. CASTLE: Alex Castle appearing on behalf of
21 Duke Energy Carolinas.

22 MS. MITCHELL: Charlotte Mitchell with
23 Blanchard, Miller, Lewis and Styers on behalf of Piedmont,
24 Haywood and Rutherford EMCs.

1 MR. STYERS: Gray Styers also with the law firm
2 of Blanchard, Miller, Lewis and Styers appearing on behalf
3 of the CPI USA North Carolina LLC.

4 MR. RUNKLE: John Runkle representing the North
5 Carolina Waste Awareness Reduction Network, NC WARN.

6 MR. GILLAM: Bob Gillam with the Legal Division
7 of the Public Staff appearing on behalf of the Using and
8 Consuming Public.

9 COMMISSIONER CULPEPPER: Thank you, Mr. Gillam.
10 Now, counsel, I inquire of you collectively, does anyone
11 at this time know of any preliminary matters that the
12 Commission need take up at this time before we commence
13 the public non-expert witness testimony hearing?

14 MR. KAYLOR: Not aware of any.

15 COMMISSIONER CULPEPPER: Mr. Mr. Gillam, have
16 you identified any public witness that would like to
17 testify in this proceeding this evening?

18 MR. GILLAM: Yes, we do have a number of public
19 witnesses.

20 COMMISSIONER CULPEPPER: Before you do that, let
21 me say to members of the public who are here and may come
22 forward and testify in this proceeding this evening: The
23 Commission in a hearing like this functions like a quasi
24 judicial body. What that simply means is in order for you

1 testimony to be received by the Commission this evening in
2 this proceeding, it's necessary that you come forward and
3 that I administer an oath to you much like the oath that
4 would be administered to you if you were testifying in a
5 court of law. Therefore, there is a Bible up there at the
6 witness chair, and I'll be required to place you under
7 oath if you come forward to testify this evening. And you
8 will be subject to examination by all the lawyers that are
9 present tonight as well as Members of the Commission.

10 That having been said, Mr. Gillam, you may call
11 your first witness.

12 MR. GILLAM: Mike Cherin?

13 MIKE CHERIN; Being first duly sworn,
14 testified as follows:

15 DIRECT EXAMINATION BY MR. GILLAM:

16 Q Good evening, Mr. Cherin, would you state your
17 name and address for the record, please?

18 A Michael Thomas Cherin, 2631 Rock Road, Union
19 Mills, North Carolina in Rutherford County.

20 Q And, Mr. Cherin, who supplies you with electric
21 power?

22 A Duke Energy.

23 Q Do you have a statement you would like to make
24 tonight?

1 A I do.

2 Q Please do.

3 A Hi, folks, I really appreciate you taking the time
4 to do this. We need to address our energy concerns across
5 North Carolina and across the United States as soon as
6 possible.

7 Duke and Progress are required today submit
8 15-year plans that result in the lowest-cost mix of
9 resources including existing and new power plants,
10 renewable energy facilities and energy efficiency. I
11 strongly recommend that all existing coal plants be closed
12 down by 2025 through energy efficiency, that would include
13 reducing electricity by 1.5 percent per year. Other
14 states have already attained this goal by state government
15 buildings that are mandated to reduce energy consumption
16 by 30 percent by 2015 to speed up that process and at
17 least meet that 2015 deadline.

18 By energy efficiency programs, we waste a huge
19 amount of electricity through transmission and other
20 wasteful forms that are part of the energy infrastructure.
21 Not only that, energy efficiency creates jobs, not to
22 mention reducing customer bills and also air emissions and
23 price spikes.

24 Neither Duke nor Progress have preformed

1 required analysis of energy efficiency in its IRP.
2 Environmental compliance costs are going to be an
3 important part of the near future. CO2 will be regulated
4 soon by the EPA and Congress no matter what North Carolina
5 does. Neither Duke nor Progress factored in the costs of
6 compliance in their IRPs. Dedicated ratepayer funds
7 should be going towards renewable energy such as wind
8 power and solar that will dramatically reduce the cost to
9 ratepayers such as myself.

10 Now, that's my formal comments. I want to just
11 talk a little about being a Rutherford County citizen and
12 being 20 miles away from the Cliffside Coal Plant. I have
13 chronic bronchitis. And I know that externalized costs
14 are not usually mentioned in these particular venues. But
15 I think externalized costs need to be considered by the
16 public Utility Commission. The role of the public Utility
17 Commission is to protect consumers. I am a consumer, but
18 I also have health costs that are directly related to air
19 pollution. If the Cliffside plant goes online with its
20 six and a half billion tons of additional carbon dioxide
21 and other nasty chemicals, it's going to directly affect
22 me and my neighbors' health.

23 We just had a big rate increase from Duke. Part
24 of that rate increase means that that money is going

1 towards building Duke, and I deeply resent having to pay
2 my bill towards Cliffside. At two and half billion
3 dollars for the Cliffside construction those are a huge
4 amount of money. Just this week they announced another
5 \$200 million cost increase, which will be absorbed by us
6 ratepayers. And that's definitely not fair.

7 In Rutherford County we have some of the highest
8 unemployment in the entire state. We have dozens and
9 dozens of empty factories. It is time to fill those
10 factories with green collar jobs with our citizens
11 building solar panels, wind turbines and other renewable
12 energy sources that we can utilize across the state to
13 reduce our need for coal or nuclear.

14 I thank you for your time.

15 COMMISSIONER CULPEPPER: Let's see if we have
16 any questions.

17 CROSS-EXAMINATION BY MR. ANTHONY:

18 Q Good evening. How are you?

19 A Great.

20 Q Have you reviewed Progress Energy Carolinas 2009
21 Resource Plan?

22 A Not Progress'. I reviewed Duke's. But I haven't
23 reviewed Progress' personally.

24 MR. ANTHONY: Thank you. I don't have anymore

1 questions.

2 COMMISSIONER CULPEPPER: Mr. Gillam, do you have
3 any redirect questions based on that? Excuse me, I'm
4 sorry, Ms. Nichols.

5 MS. NICHOLS: That's all right.

6 CROSS-EXAMINATION BY MS. NICHOLS:

7 Q Mr. Cherin, you just indicated that you have
8 reviewed Duke's IRP?

9 A I've read it.

10 Q And I believe you testified earlier that Duke did
11 not include energy efficiency in its IRP?

12 A That's right. What has happened is that the
13 energy efficiency plan that Duke has put forth is
14 incomplete. With the amount of energy that has
15 actually -- the energy need -- that has been reduced in
16 North Carolina because of the economic recession we are
17 in. We have seen an actual reduction in usage. Not only
18 that, but through people using things like compact
19 fluorescences and also people being broker and broker and
20 not being able to afford their electricity bills, less and
21 less electricity is being used. Just from a personal
22 standpoint, my wife and I have managed to reduce our
23 consumption by 40 percent by using CFLs. And that's an
24 important part of this.

1 Now what concerns me is that Duke is not putting
2 as much focus on energy efficiency as they should be.

3 Q So have you reviewed Duke Energy Carolinas Energy
4 Forecast that is contained on Page 74 of the IRP?

5 A I read it.

6 Q So you can't testify how it incorporates
7 reductions that are seen in usage by customers like
8 yourself?

9 A I don't think they are being completely honest
10 with what they could accomplish through energy efficiency.
11 I feel that this whole idea of peak power is being what
12 you base your need for energy. It's completely wrong. By
13 re-adjusting the energy efficiency policies that Duke and
14 all the other companies use, we could definitely get rid
15 of this whole peak power concept that's driving the
16 building of Cliffside and other new coal plants.

17 Q So you disagree with planning to meet our peak
18 demand?

19 A I disagree with how your are meeting the peak
20 demand.

21 MS. NICHOLS: Okay. Thank you.

22 COMMISSIONER CULPEPPER: Any other questions
23 from the utility side of the room?

24 (No response.)

1 Mr. Gillam, do you have any redirect questions?

2 MR. GILLAM: No.

3 COMMISSIONER CULPEPPER: Questions by the
4 Commission?

5 (No response.)

6 Thank you very much. We appreciate you coming
7 this evening.

8 COMMISSIONER CULPEPPER: Do you have an exhibit
9 you want to offer?

10 MR. CHERIN: Just written comments, yes.

11 COMMISSIONER CULPEPPER: Well, it's going to
12 have to be marked as an exhibit. Mr. Gillam --

13 MR. GILLAM: We request that it be admitted as
14 Cherin Exhibit 1.

15 COMMISSIONER CULPEPPER: Let it so identified
16 and let it be admitted.

17 (Whereupon, Cherin Exhibit 1 was marked for
18 identification and admitted.)

19 MR. GILLAM: June Blotnick?

20 JUNE BLOTNICK; Being first duly affirmed,
21 testified as follows:

22 DIRECT EXAMINATION BY MR. GILLAM:

23 Q Would you state your name and address for the
24 record, please?

1 A My name is June Blotnick. I live at 1930
2 Mecklenburg Avenue, Charlotte, North Carolina, 28205.

3 Q Who supplies your electric?

4 A Duke Energy.

5 Q Do you have a statement to make?

6 A I do.

7 Q Please do.

8 A My name is June Blotnick. I am the director of a
9 nonprofit organization in Charlotte called Clean Air
10 Carolinas. I have been working for this organization for
11 about four years, and focus mostly on air quality issues.

12 I do know that the IRP is supposed to include
13 the lowest-cost mix of resources for generating
14 electricity. I have not read either Duke or Progress'
15 IRP. But I think we can all agree the lowest cost source
16 is energy efficiency. And whatever they have in their
17 plans is probably, in my opinion, is not enough. They
18 don't make money through energy efficiency. They make
19 money off base-load plans. And they haven't spent a lot
20 of time over the years on energy efficiency.

21 I know 25 years ago, I'd call Duke, they came
22 out to my house, had somebody looking over my house for
23 ways to save energy. Three years ago that wasn't
24 happening. So I know over the years they have not

1 invested as much in energy efficiency.

2 The biggest source of electrical generation in
3 this state is coal as we all know. And because coal has
4 so many external costs, the Utilities Commission doesn't
5 have to take into consideration, but the using public
6 does. I think it's important that we have to maximize
7 energy efficiency. If we are going to burn coal in this
8 state, we better do as good a job as any and maximize
9 energy efficiency.

10 It's very frustrating for people like us that --
11 some of us are volunteers and some get paid minimal
12 amounts to try to protect the public health to come before
13 this body who does not have to look at the external costs,
14 who does not have to look at the other state agencies that
15 are affected by your decision. I just want to mention a
16 couple: In air quality I will start that. In 2004, 24
17 counties in North Carolina did not meet the federal
18 standards for ozone. In a few months, probably, we are
19 going to get a new standard for ozone and the Division of
20 Air Quality tells us that over half the counties in North
21 Carolina probably will not meet that standard. If the
22 utilities are required to maximize energy efficiency, that
23 means less coal will be burned. Less coal being burned
24 means less NOX coming into the air and less smog. So your

1 colleagues at the Division Air Quality are impacted by the
2 kinds of decisions you make. If the utilities are
3 required to be as energy efficient as possible, that means
4 there's less mercury in the air and in the water ways.
5 Your colleagues at the Division of Water Quality, at the
6 Division of Public Health that have to put the signs up
7 all over North Carolina saying, don't eat the fish out of
8 this water. They will be very happy that we are burning
9 less coal. The Department of Public Instruction, your
10 colleagues over there that have to adjust the special
11 needs of over 13,000 children that are born each year in
12 North Carolina because of mercury poisoning. They will be
13 happy if the utilities burn less coal. The North Carolina
14 Division of Water Quality just had a two-day conference on
15 sea level rise. We know that coal puts out carbon dioxide
16 and there is no sequestration for it right now. They will
17 be happy if we are burning less coal in North Carolina.

18 I haven't even gotten to healthcare costs. All
19 the healthcare costs this state has to pay for as a result
20 of poor air quality, our Medicaid budget, et cetera. So I
21 just implore you to -- I know you don't have to take all
22 that into consideration, but it's frustrating for the
23 public that sees the decisions that you make. And all
24 these other state agencies, it's all connected. But I

1 know I should go to legislature and try to get the law
2 changed, but I really think it's important as you make
3 your decisions to understand these impact plenty of other
4 state agencies and lots of individuals around the state.

5 All I can say is please require the utilities to
6 maximize energy efficiency as much as possible.

7 Q (By Mr. Gillam) Does that conclude your
8 statement?

9 A Yes, it does.

10 MR. GILLAM: Thank you. No further questions.

11 COMMISSIONER CULPEPPER: All right. Mr. Styers
12 or Ms. Mitchell?

13 MR. STYERS: No.

14 MS. MITCHELL: No.

15 COMMISSIONER CULPEPPER: Mr. Anthony?

16 CROSS-EXAMINATION BY MR. ANTHONY:

17 Q Have you reviewed Progress Energy Carolina's --

18 A No, I haven't.

19 MR. ANTHONY: Thank you. No further questions.

20 CROSS-EXAMINATION BY MS. NICHOLS:

21 Q Ms. Blotnick, I believe you indicated you had not
22 reviewed Duke Energy --

23 A Correct.

24 Q -- IRP?

1 A Uh-huh.

2 Q Are you aware that in 2007 that North Carolina
3 General Assembly passed a statute authorizing the
4 Commission to provide incentives to utility companies to
5 address this issue about making them as interested in
6 performing energy efficiency as in building new plants?

7 A Uh-huh.

8 Q And are you aware the Commission recently approved
9 a recovery mechanism for Duke Energy Carolinas that's
10 intended to do that?

11 A I don't know all the details of that. Do you feel
12 like that's gonna work?

13 Q I don't think it's really appropriate for me be
14 answering questions here, but I certainly hope so.

15 MS. NICHOLS: Thank you.

16 COMMISSIONER CULPEPPER: Does that conclude your
17 questions, Ms. Nichols?

18 MS. NICHOLS: Yes.

19 COMMISSIONER CULPEPPER: Mr. Gillam, do you have
20 any questions on redirect?

21 MR. GILLAM: No, sir.

22 COMMISSIONER CULPEPPER: Questions from the
23 Commission?

24 (No response.)

1 Thank you, Ms. Blotnick, you may step down with
2 our thanks for coming this evening.

3 MR. GILLAM: Ms. Loyd?

4 MS. LOYD: I have a statement.

5 COMMISSIONER CULPEPPER: Mr. Gillam, do you want
6 that as Loyd Exhibit No. 1?

7 MR. GILLAM: Yes.

8 (Whereupon, Loyd Exhibit No. 1 was marked
9 for identification.)

10 ALICE LOYD; Being first duly sworn,
11 testifies as follows:

12 DIRECT EXAMINATION BY MS. LOYD:

13 Q Would you state your name and address for the
14 record, please?

15 A Alice Loyd, 3415 Noel Court, Raleigh.

16 Q Who is your electric power supplier?

17 A Progress.

18 Q Do you have a statement?

19 A I do.

20 Q Please proceed.

21 A Thank you for this opportunity. I am glad I live
22 in a state where public utilities are regulated and can be
23 required to provide dependable power to residents at a
24 reasonable cost. I appreciate the diligence on the part

1 of the utilities and the Utility Commissioners to meet
2 this requirement. At the time the regulations that govern
3 electricity generation were established, the provision of
4 uniform and continuous power to North Carolinians at
5 reasonable cost was the primary need, and it has been
6 commendably met.

7 Today North Carolina, along with the rest of the
8 world, is dealing with another need that pushes our need
9 for dependable, affordable, electricity into second place.
10 Regardless of how much I like using my hair dryer and my
11 electric washing machine and my computer, I can manage
12 without them. What I cannot manage without and what is
13 threatened in the foreseeable future is drinkable water
14 and nourishing food.

15 Looking at the big picture of the planet's
16 ability to provide water and food for its millions of
17 human occupants, scientists in every field of study are
18 waving the red flag to every industry and each citizen
19 saying, degraded air, soil and water are no longer a
20 distant threat to human well being. The dangers of water
21 and food shortages are upon us, and the way we generate
22 electricity is an important cause of the problem.

23 In the past we may have been excused in
24 believing that our own comfort and convenience was of

1 primary importance. With less knowledge of the impacts of
2 our privileged way of life, we may have been forgiven for
3 our provincial perspective that viewed air conditioning as
4 an essential for survival. We may have been excused, but
5 my grandchildren may not forgive my generation for
6 maintaining a frivolous standard in the face of facts
7 already being demonstrated on the ground.

8 Economist Juliet Schor is now writing
9 Developments since the 2007 Intergovernmental Panel on
10 Climate Change(IPCC) report, whose data ended in 2006, has
11 been grim. Arctic Sea ice is melting at hitherto
12 unimaginable rates, and oceans were rising at more than
13 double the IPCC report's maximum possibility. Drought
14 conditions are spreading. World emissions are sharply up
15 in 2007. And in June 2008, James Hansen, NASA's leading
16 climate scientist told Congress that the CO2 target we
17 have been aiming for is a disaster. By February 2009, the
18 news was worse, with scientists reporting that the speed
19 of climate change was already beyond anything considered
20 in the last round of models. Hansen and his colleagues
21 warned that carbon dioxide levels beyond 350 parts per
22 million are incompatible with preserving a planet similar
23 to that on which civilization developed. But we were
24 already at 385 and rising.

1 Yet we continue to focus on non-essentials as if
2 unaware of the breaking news on climate.

3 Ms. Schor continues: What's more, the problem
4 extends beyond climate. Research from the traditional
5 sciences, as well as the 30-year-old field of
6 sustainability is find that ecosystems of all types are
7 under threat. Humans are degrading the planet far faster
8 than we are regenerating it. Dead zones are proliferating
9 rapidly in the oceans; farmland is morphing into desert.
10 Biodiversity is shrinking, and we're into the sixth mass
11 extinction of species. If current trends continue, some
12 scientists have warned that by 2050 the oceans will be
13 devoid of fish, the primary source of animal protein for a
14 billion people.

15 Don't misunderstand me. Each morning when I
16 rise from my comfortable bed, I give thanks for one more
17 day of comfort and privilege. I've been blessed to have
18 lived in a time and place in which necessity could be
19 interpreted as including abundant, cheap, dependable
20 electricity. But each day I also pray for those whose
21 lives are made miserable by the consequences of my
22 privilege: People in low-lying areas trying to escape
23 rising sea levels, people from central Mexico whose
24 cropland has become desert.

1 I think it's time for all of us, business and
2 regulators and citizens, to make decisions consistent with
3 the changed -- already changed reality of life on the
4 planet. The life systems essential to our survival are
5 threatened by the practices we're considering at this
6 hearing. We all know the connection between coal and
7 greenhouse gases. I'm asking the Commission to let this
8 knowledge influence our actions.

9 Thank you for your kind attention to my
10 concerns.

11 Q (By Mr. Gillam) Does that conclude your
12 statement?

13 A Yes.

14 MR. GILLAM: No questions.

15 COMMISSIONER CULPEPPER: Mr. Runkle, I see you
16 leaning forward there. Do you have questions for the
17 witness?

18 MR. RUNKLE: Yes, sir, I do.

19 CROSS-EXAMINATION BY MR. RUNKLE:

20 Q Ms. Loyd, you previously worked with Interfaith
21 Power and Light?

22 A Yes, North Carolina Interfaith Power and Light is
23 a program of the North Carolina Council of Churches.

24 Q What kind of projects does Interfaith Power and

1 Light do?

2 A We went through the entire state to the best our
3 ability educating people of faith about the consequences
4 of climate change, which was being brought about by our
5 way of life, encouraging faith congregations to practice
6 the care of creation.

7 Q In your experience are churches entering into
8 energy efficiency programs of their own?

9 A Definitely. People everywhere are entering into
10 energy efficiency programs. And churches were very
11 responsive to the message to care for creation means to
12 reduce our use of electricity.

13 Q Do you have any idea how much energy the churches
14 were saving? Can you give us an example of what one
15 church did?

16 A I'm not good at numbers. They don't stay in my
17 mind. I can tell you that the church I belong to entered
18 a building program that had been planned and as a result
19 of the influence of people who were influenced by our
20 group, they installed energy efficiency measures that will
21 make an enormous difference in the expenses of the faith
22 congregation and also its impact on the environment.

23 MR. RUNKLE: Thank you. No further questions.

24 COMMISSIONER CULPEPPER: Any further questions?

1 (No response.)

2 Mr. Gillam, are you moving to admit your Loyd
3 Exhibit No. 1?

4 MR. GILLAM: Yes.

5 COMMISSIONER CULPEPPER: Let it be received.

6 (Whereupon, Loyd Exhibit No. 1 was
7 admitted.)

8 MR. GILLAM: Elizabeth Hutchby? And I request
9 this be identified as Hutchby Exhibit No. 1.

10 COMMISSIONER CULPEPPER: Let it be identified.

11 (Whereupon, Hutchby Exhibit No. 1 was
12 marked for identification.)

13 ELIZABETH HUTCHBY; Being first duly sworn,
14 testifies as follows:

15 DIRECT EXAMINATION BY MR. GILLAM:

16 Q Would you state your name and address for the
17 record?

18 A Elizabeth R. Hutchby, 401 South West Street, Cary,
19 North Carolina.

20 Q Who is your electric power supplier?

21 A Progress Energy.

22 Q Do you have a statement?

23 A Yes, thank you.

24 Q Please do.

1 A Thank you again for having a public hearing for
2 this purpose.

3 Chairman Finley and other Members of the North
4 Carolina Utilities Commission. It is a privilege to speak
5 to you tonight as a North Carolina resident who cherishes
6 unpolluted soil, unpolluted air, and unpolluted water.
7 Tonight, I am especially hopeful that you will listen with
8 open hearts and complete an Integrated Resource Plan that
9 will demonstrate your belief in the achievable goal of
10 shutting down all existing coal plants by 2015 by
11 insisting that energy efficiency, renewable power and
12 cogeneration are achievable. Your responsibility is to
13 demonstrate your understanding of the necessity for clean
14 energy to all North Carolinians.

15 Today a statement from Executive Director Jim
16 Warren was published: North Carolina poured out more
17 carbon dioxide from fossil fuels than 186 entire nations.
18 I was shocked. I have been listening and reading a long
19 time, and had not put that together, data that had not
20 been part of my understanding. And I hope it shocks you
21 as much as it did me.

22 As you think about the next 15 years, I
23 challenge you to brain storm like designers who have only
24 the limitations of your imagination. Our time in history

1 demands that we offer absolutely no excuses to the earth
2 or to our grandchildren for further suffering.

3 Remember the history of George Vanderbilt who
4 built the largest house in the country on an estate of
5 125,000 acres in North Carolina? Over a 6-year period, an
6 entire community of craftsmen worked to build his house in
7 which only three family members lived. Imagine being an
8 only child growing up in Biltmore Estates. There were
9 more servants than family members. The estate boasted its
10 own brick factory, woodworking shop, and a 3-mile railway
11 spur for transporting materials to the site. He opened
12 Biltmore on Christmas Eve of 1895. His house boasted 250
13 rooms, including 43 bathrooms, at a time when most people
14 within a 50-mile radius may not have known of indoor
15 plumbing existed.

16 In fact, 100 years later many North Carolinians
17 lived without the new technology of indoor plumbing, lived
18 happily and efficiently though the first flushing water
19 closet recorded in history was used by King Minos of Crete
20 over 2800 years before. Like most new technologies, we
21 keep saying only the wealthy can afford it; but the
22 wealthy have consumed the most resources. Therefore, the
23 currently wealthy must be taught the joys of conserving.
24 Whether kings, queens or corporate executives, the wealthy

1 have historically consumed more than the poor, yet the
2 poor are still expected to pay rising costs while the
3 essentials of clean air and clean water are the resources
4 essential to all.

5 We can and we must conserve, reduce our
6 consumption, and find less polluting life styles so that
7 all our relations can flourish. It was exciting, yet
8 frustrating, to learn that solar water heaters, for
9 example, have been in use since the 1950s in Israel. In
10 fact, since the 1970s oil crisis, solar water heaters are
11 used in 90 percent of Israeli homes. It was also exciting
12 to learn that solar water heating systems have become
13 popular in China, where basic models start at around US
14 \$190, much cheaper than in Western countries.

15 I wonder what kept the NC Utilities Commission
16 from recommending solar water heaters in all new buildings
17 30 years ago?

18 In 2005, Spain became the first country in the
19 world to require installation of photovoltaic electricity
20 generation in new buildings; and the second after Israel
21 to require the installation of solar water heating systems
22 in 2006. Australia has a variety of incentives, national
23 and state, and regulations for solar thermal. I wonder
24 what is keeping the NC Utilities from recommending that

1 all households whose income is over \$200,000 participate
2 in a stringent efficiency program or install photovoltaic?
3 It's just an idea. If those who use the most resources
4 refuse to do either, they should be required to give up
5 time and money to clean up what they pollute. But the sad
6 fact is that even if they paid for it all and performed
7 community service, they can never replace the resources of
8 oil they have consumed.

9 North Carolina can be energy efficient. I
10 insist that the North Carolina Utilities Commission
11 require each utility to answer to its own carbon
12 footprint. I support efficiency programs such as NC\$AVE,
13 which will reduce customer bills, produce no air
14 emissions, and protect both customers and utility
15 companies by cooperating with all stakeholders to
16 implement what serves the common good. After all, what
17 good is a profit margin if you can't enjoy the air you
18 breath?

19 MR. GILLAM: Thank you. I have no further
20 questions.

21 COMMISSIONER CULPEPPER: Mr. Styers?

22 MR. STYERS: No.

23 COMMISSIONER CULPEPPER: Mr. Runkle?

24 MR. RUNKLE: No.

1 COMMISSIONER CULPEPPER: Mr. Anthony?

2 MR. ANTHONY: Yes, sir. Just a few.

3 CROSS-EXAMINATION BY MR. ANTHONY:

4 Q You just mentioned NC\$AVE, could you tell us what
5 that is, please?

6 A This is a special program that -- actually a bill
7 has already been introduced to the Legislature that has an
8 opportunity for citizens to have weatherization to reduce
9 our bills. For example, I've already had energy audit in
10 my home. And I am not part of that program. The program
11 hasn't been passed through the Legislature. It is just
12 essential that we have an efficiency program that can
13 actually save every citizen and reduce the bills. For
14 example, I learned just last week in my own house, because
15 I have a house that is over 60 years old, and I had water
16 leaks; so I had plumbing problems. That's when the crawl
17 space doctor came and told me that I could actually save
18 money by warming the floor of my house. And I was not
19 aware that if I enclosed my crawl space, I could do that.
20 All of this is connected as we said before.

21 We talked about external health costs, we talked
22 about external -- and I mentioned other countries, other
23 states have efficiency programs that I'm not as familiar
24 with as I am with my own situation. I have stopped using

1 my dryer because it is one of the most energy consuming
2 appliances that homeowners have. I hang up my clothes.
3 And I'm trying to save water. Once I learned that Sheron
4 Harris uses over 2,000 gallons of water a minute just to
5 give me lights, that was another ah-ha moment for me
6 several years back.

7 Q Have you reviewed Progress Energy Carolina's
8 Resource Plan?

9 A Not thoroughly, no, sir.

10 Q Have you reviewed the portion that discusses the 7
11 energy efficiency programs that Progress Energy Carolinas
12 offers?

13 A If it's the same as two years ago, I have.

14 Q So you would not be aware of any new efficiency
15 programs that we offer in the last two years that are new?

16 A Have they changed?

17 Q Yes, they have.

18 A Would you tell us how it's changed?

19 Q I would love to meet with you after to discuss
20 that. This is the time where I get to ask you questions.
21 Or I can refer you to the website where you can review
22 these for yourself.

23 Have you had discussion with NCWARN
24 Representatives about energy efficiency?

1 A About energy efficiency?

2 Q Yes.

3 A Oh, yes, indeed.

4 Q Did they tell you about Progress Energy Carolina's
5 new energy efficiency programs?

6 A Have they told me?

7 Q Yes, ma'am.

8 A I have had discussions about it.

9 Q Did they tell you about the new programs we offer?

10 A Well, as I just said, I was aware of it two years
11 ago.

12 Q You are not aware of anything new in the last two
13 years?

14 A The last two years it doesn't seem like anything
15 has changed because Cliffside keeps spewing. You know,
16 it's like Cliffside is not even built yet and the
17 emissions will kill us.

18 I have a grandson who has asthma and that is of
19 great concern to me. So I have spent more time and energy
20 trying close and stop coal-fired plants than I have on the
21 details of your program.

22 MR. ANTHONY: Thank you.

23 COMMISSIONER CULPEPPER: Any more questions of
24 this witness from the utility side?

1 (No response.)

2 COMMISSIONER CULPEPPER: Commission?

3 (No response.)

4 Do you have redirect examination?

5 MR. GILLAM: No, I do not. We do move Hutchby
6 Exhibit 1 into evidence.

7 COMMISSIONER CULPEPPER: Let it be received.

8 (Whereupon, Hutchby Exhibit No. 1 was admitted.)

9 Thank you, Ms. Hutchby, with our appreciation
10 for having come this evening.

11 MR. GILLAM: John Thompson?

12 MR. THOMPSON: I don't have a statement.

13 MR. GILLAM: Okay. Thank you.

14 COMMISSIONER CULPEPPER: Thank you, Mr.
15 Thompson, for coming.

16 MR. GILLAM: Beth Henry?

17 BETH HENRY; Being first duly affirmed,

18 testified as follows:

19 DIRECT EXAMINATION BY MR. GILLAM:

20 Q Would you state your name and address for the
21 record, please?

22 A My name is Beth Henry, 3066 Stoneybrook Road,
23 Charlotte, North Carolina.

24 Q Who is your electric supplier?

1 A Duke Energy.

2 Q Do you have a statement?

3 A I do.

4 Q Please proceed.

5 A Although, I do apologize, I got called out of town
6 yesterday and had to write it by hand quickly today.

7 Q You don't have to have a written statement.

8 A My name is Beth Henry, and I have appeared here
9 before. About five years ago I became convinced that
10 climate change is the biggest health security and economic
11 threat the world faces. So I keep coming to this
12 Commission to try to bring attention to issues of climate
13 change and coal. Without a doubt, the most compelling way
14 to combat climate change, provide energy security, and
15 protect North Carolinians pocketbooks is to use less
16 electricity. I am sure y'all have read more studies than
17 I have and reports demonstrating that efficiency is the
18 cheapest, fastest way to lower our emissions and save
19 money on electricity.

20 In Duke's most recent sustainability report,
21 which I was given by a Duke person, Jim Rogers' letter to
22 stakeholders says, Duke is addressing climate change by
23 helping our customers and communities become the most
24 energy efficient in the world. He also states in here, we

1 view energy efficiency as the fifth fuel to power a low
2 carbon feature, but it should be the first fuel we invest
3 in.

4 Now I have skimmed the IRPs. I did not read
5 them thoroughly. I had planned to read at least Duke's
6 more thoroughly before I had to leave town and leave my
7 computer yesterday. But I did look briefly at Duke's IRP,
8 and I've looked a lot at their SAVE-A-WATT Program and
9 other energy efficiency matters. And I do not believe
10 that Duke is helping its customers become the most energy
11 efficient in the world. And I don't believe that either
12 Duke or Progress is really pushing energy efficiency as
13 the first fuel.

14 The evidence really is not there. And my
15 concern is in this media-driven world we live in, it's
16 easy to build one image while actually radically
17 different, thus, while they produce these slick
18 sustainability reports and talk about the first fuel and
19 the most energy efficient customers in the world. The
20 IRPs really are proposing to achieve only a fraction of
21 the energy efficiency savings that could be achieved by
22 2024.

23 So what I want to urge y'all to do is what is
24 really best for all the North Carolinians. Before you let

1 the utilities build expensive nuclear plants, first
2 require them to do what they claim to be doing, help their
3 customers and all of our communities become the most
4 energy efficient in the world. That would protect our
5 air, our water and our pocketbooks. The rate increases
6 that we will face from building these nuclear plants will
7 thwart the cost of making our homes and businesses energy
8 efficient. And building huge expensive plants will stall
9 out the innovative competitive and clean energy future we
10 desperately need.

11 I would also like to ask you to carefully
12 examine the utilities numbers about anticipated demand.
13 It is easy to create the perception of needs and hard for
14 a private citizen like me to refute it. I will say that
15 *The Charlotte Observer* has carried many stories recently
16 about the serious slowing down of growth in our region.
17 People just are not moving to the area because we have
18 bank troubles in our area lead to a high unemployment
19 rate. We've also had many stories about foreclosures,
20 about people who cannot pay their gas and electric bills
21 and get it turned off. So a lot of people in our area are
22 hurting, and they simply can't afford to pay for expensive
23 nuclear plants that we can do without.

24 Finally, I want to urge the Commission to do all

1 it can to have the utilities begin shutting down old coal
2 plants as quickly as possible. I do still keep up on the
3 recent science about climate. I've gotten to know a
4 number of the leading scientists. It's now clear to the
5 scientists that it's too late to save the Arctic. It's
6 just a question of when it will be gone. And now it went
7 from 2100 just five years ago, and now the date is going
8 to be somewhere between 2013 and 2040. They can't say,
9 but it will definitely be gone by 2040 in the Summer. And
10 just five years ago they were saying 2100. So everything
11 is happening much faster than had been predicted. And
12 coal needs to be stopped as soon as we can do it.

13 Finally, I just want to say that my son who goes
14 to State came with me tonight, and it was because of him
15 and my other children and all children in North Carolina
16 that I've got an interest in this. I really do ask you
17 for their sake to get our state off coal as quickly as
18 possible. Thank you.

19 MR. GILLAM: Thank you, Ms. Henry. No further
20 questions?

21 COMMISSIONER CULPEPPER: Ms. Mitchell or Mr.
22 Styers?

23 (No response.)

24 COMMISSIONER CULPEPPER: Mr. Runkle?

1 MR. RUNKLE: No.

2 COMMISSIONER CULPEPPER: Utilities? Ms.
3 Nichols?

4 CROSS-EXAMINATION BY MS. NICHOLS:

5 Q Ms. Henry, you said you skimmed the IRPs.

6 A I did.

7 Q What is the basis of your statement that the
8 energy efficiency demand and energy savings that are
9 reflected in Duke's IRP are only a fraction of the energy
10 efficiency --

11 A I do try to read about what's going on in other
12 states and what other companies are trying to do and what
13 the different national nonprofits saying is technically
14 feasible. And my understanding is that it would be
15 reasonable for us to be achieving 1.5 percent per year in
16 efficiency. And I don't think either Duke or Progress is
17 proposing to do anywhere close to that. My understanding
18 is it's less than 5 percent efficiency by the 2024,
19 whatever the date of the outlook is. I think we are in a
20 serious enough state that we need to be doing aggressive,
21 not just the easy stuff, but aggressive energy efficiency,
22 retrofitting every home, every commercial building. And I
23 think that would be cheaper than building new nuclear
24 plants.

1 Q Have you read the testimony that's been filed in
2 this docket?

3 A I actually did start going through that yesterday
4 before my son who goes to State called me, and I left to
5 come here to help him move. So I started looking through
6 some of the testimony, but then came here and didn't have
7 access to my computer. I haven't read all of it. I do
8 want -- it looked interesting, and I do want to read more
9 of it.

10 Q So you didn't necessarily have a chance to read
11 Dr. Stevie's testimony about how the company models cost
12 effective energy efficiency?

13 A No, I did not. I will say right off the back that
14 I can guarantee you my view of cost effective would differ
15 with their's. So whatever it is, I am -- I think we're in
16 an emergency. We've got a chasm to jump over and jumping
17 half way is as good as not jumping at all. And I'm that
18 worried, and I just want us to get a sense of urgency
19 about the whole cost effective. I understand that Duke is
20 a for-profit company and the next quarter is what y'all
21 have to think about. But I want to think about our
22 children. Our real wealth in our state is not our paper
23 economy, it's our land, air and future. Kind of like
24 Alice was saying, I just have -- I've gotten so worried I

1 lie awake at night, and the whole cost effective thing, I
2 just have a very radical view of. I will admit it.

3 MS. NICHOLS: Thank you.

4 COMMISSIONER CULPEPPER: Wait just a second.

5 Any redirect?

6 MR. GILLAM: No.

7 COMMISSIONER CULPEPPER: Commission?

8 (No response.)

9 Thank you, Ms. Henry, for coming tonight. You
10 may stand down with our appreciation having come tonight.

11 MR. GILLAM: Miriam Thompson?

12 MIRIAM THOMPSON; Being first duly sworn,

13 testified as follows:

14 DIRECT EXAMINATION BY MR. GILLAM:

15 Q Would you state your name and address for the
16 record?

17 A Let me first say, that I, too, had trouble printing
18 out my documents, but I will mail them.

19 I'm Miriam Thompson, address 500 Umstead Drive,
20 Chapel Hill, North Carolina. My energy provider is Duke.

21 Q Do you have a statement for us tonight?

22 A I do, thank you. First, I wanted to thank you for
23 this public hearing, and thank all those who have gone
24 before me.

1 As a first-time witness at these hearings, a
2 mother, grandmother, energy conservationist, and like all
3 of us, I'm certain shepherds of our planet. What we do
4 locally affects our global inheritance. I have a key
5 question for the Commissioners tonight after hearing all
6 the witnesses before, the Commissioners who will affect
7 the lives of my family, neighbors, community and me,
8 fifteen of our lives. The question for you to consider in
9 your IRP review is: Who do you represent? And my hopes
10 that you will take leadership in your insistence on real
11 energy efficient savings, which is the least-cost energy
12 resource which reduces or will reduce my family's consumer
13 bills, which will produce no air -- foul air emissions,
14 avoid construction of highly expensive risky nuclear power
15 plants, phase out coal so my children and grandchildren
16 and their friends can breath healthier air. And, of
17 course, concentrate your attention on creating renewable
18 energy facilities which could help create thousands of
19 jobs.

20 It is my understanding that the Duke IRP and
21 Progress Energy IRPs -- and I have only begun to read
22 them, let me say that -- would reduce energy use by only
23 3.4 or 2.7 percent respectively by 2024. At the same
24 time, Duke in particular seeks to expand its nuclear

1 facilities and coal plants at the same time 17 states
2 insist on renewable requirements of 20 percent or more.
3 At the same time, Duke projects that its annual CO2
4 emissions would increase between 13 percent and 42 percent
5 between 2009 and 2029.

6 Progress Energy, it is my understanding, has not
7 even projected future CO2 emissions as part of its IRP.

8 At the same time the US Energy Administration
9 shows North Carolina among the world's top climate
10 offenders. At the same time Duke and Progress control 95
11 percent of North Carolina's energy use.

12 Finally, I urge you to consider the testimony
13 tonight, demand that the IRPs be resubmitted and address
14 the challenges raised tonight. And finally, I will bring
15 your decision to protect the people of this state to our
16 community schools where I'm very active, to help educate
17 and build the next generation of environmental activists
18 and global citizens who I hope will be at your next
19 hearing. Thank you.

20 MR. GILLAM: No further questions.

21 CROSS-EXAMINATION BY MR. ANTHONY:

22 Q Good evening. How are you? If you haven't read
23 Progress Energy Carolina's IRP, where are you getting the
24 statistics that you are quoting?

1 A I am getting it from some of the experts who you
2 are going to hear later in the week. And I have begun
3 reading the documents. I have asked specifically for
4 people to look at several sections of the document that I
5 referred to in my testimony. So I haven't read the whole
6 thing, but I was trying to concentrate, especially on the
7 energy efficiency standards that both Duke and Progress
8 put out. But I have more reading to do together with my
9 family and friends.

10 Q So I am clear, the statistics that you quoted you
11 took them from where?

12 A From your documents. I cited them from friends
13 and experts who have -- I have been learning from. Also I
14 said, this is my first hearing I have attended. But I
15 have tried to read a lot of the material, including the --
16 what I quoted with the US Energy Administration, including
17 Dr. Hansen, including a person you will hear tomorrow of
18 NC WARN, including Dr. Blackburn who will be here later in
19 the week.

20 Q I'm sorry, I'm still not --

21 A These are large documents. I asked specific
22 questions what I wanted to read in the documents, and they
23 pointed me to the sections in the document that I
24 referred, which I think I've read correctly.

1 Q They pointed you to sections in their documents?

2 A In your documents. In your documents that apply
3 to energy efficiency, renewable energy, and how you're
4 answering the needs of the people of the state.

5 Q Did they point you to Appendix B XXXXX of Progress
6 Energy's IRP?

7 A I don't have that with me. But if you want me to
8 look at it, I will be happy to. But what I read did not
9 conform to what I think is necessary for the Commissioners
10 to consider in their IRP review.

11 Q So you would not consider reviewing the 7 to 8
12 DSM/EE programs Progress --

13 A I certainly -- I certainly would. But what I've
14 reviewed so far gives me pause, and should give the
15 Commissioner pause. But I will be happy to look again at
16 the Appendix.

17 Q Did any of the ones you spoke with tell you that
18 Progress Energy is looking at shutting down upwards to a
19 thousand megawatts of its older coal plants?

20 A Yes.

21 Q They did tell you that?

22 A Yes.

23 MR. ANTHONY: I have no further questions.

24 MS. NICHOLS: Any other questions from the

1 utility side of the table?

2 (No response.)

3 Redirect, Mr. Gillam?

4 MR. GILLAM: No questions.

5 COMMISSIONER CULPEPPER: Questions by the
6 Commission?

7 (No response.)

8 Thank you very much, Ms. Thompson, you may stand
9 down with our appreciation for having come and participate
10 in this proceeding this evening.

11 MR. GILLAM: Lori Hoyt?

12 MS. HOYT: No comments.

13 COMMISSIONER CULPEPPER: Thank you for coming
14 this evening.

15 MR. GILLAM: Bob Rodriguez?

16 COMMISSIONER CULPEPPER: Do you have an exhibit
17 there, sir?

18 MR. RODRIQUEZ: I do.

19 COMMISSIONER CULPEPPER: Hand that to Mr.
20 Gillam. Mr. Gillam, do you want that to be identified as
21 Rodriguez Exhibit No. 1?

22 MR. GILLAM: Yes.

23 COMMISSIONER CULPEPPER: Let it be so
24 identified.

(Whereupon, Rodriguez Exhibit No. 1 was
marked for identification.)

BOB RODRIGUEZ; Being first duly sworn,
testified as follows:

DIRECT EXAMINATION BY MR. GILLAM:

Q Would you state your name and address for the
record, please?

A My name is Bob Rodriguez. My address is 2400
Countrywood Road, Raleigh, 27615.

Q Who is your electric supplier?

A Progress Energy.

Q Do you have statement?

A Yes, I do. I am going to paraphrase basically
what I had written. Commissioner Culpepper, Chairman
Finley, Members of the Commission, Members of the hearing
tonight, I just want to say as a concerned citizen,
Steering Committee Member of the North Carolina Interfaith
Power and Light, a program of the NC Council of Churches,
businessman, shareholder and utilities customer, I am
asking you all to consider what the future is going to be,
but also the question I have: Are we selling ourself
short? And what I'm really going to ask is continued use,
which is good, we are now making movement on energy
efficiency -- but to accelerate implementation of energy

1 efficiency programs, which are being done which is good
2 news, but also to increase the amount of combined heat and
3 power in this state. We are sitting on a tremendous
4 resource that seems to be under utilized. Continue to
5 move more renewable power into the mix. I know we have 7
6 percent by Senate Bill 3, but I think it makes compelling
7 reason or sense to go beyond that level. And also to work
8 towards retiring all coal plants in the State of North
9 Carolina as a goal by 2025.

10 I'm not asking for easy stuff, but I'm also a
11 businessman and know the last few years have been
12 extremely trying for everybody. So if it was easy,
13 anybody could do it. So I'm going to talk about really 4
14 things. One is in terms of the levels of accomplishment
15 in other places for energy efficiency programs, I want to
16 cite a National Academy of Science Report, states that
17 between 25 and 31 percent savings can be accomplished by
18 2030 through energy efficiency. Right now if you want to
19 look at our other examples, the State of California, which
20 does annually about 1.5 percent. Two new states have come
21 on board committed to savings annually are Wisconsin and
22 Maryland. But the one I really one to point out is
23 Vermont. It's a third-party administered program where
24 the savings rate is approximately 2.5 percent. That

1 number I'm citing is in the 2008 annual report.

2 I find those numbers very substantial, and a
3 goal I think we should be shooting for. I think the good
4 news is that both Progress, who is my supplier of power,
5 and Duke Energy has started offering programs for their
6 customers. My concerns though are in the areas of the
7 following, in particular social justice: Is the needs of
8 renters, lower and fixed income customers. I'm also
9 asking ourselves when I went back to the question of
10 combined heat and power and helping our industrial
11 customers, are we really doing enough for them; and not
12 only for industrial, but commercial and institutional
13 customers?

14 The reason I ask is combining power around the
15 world, I will give you an example, the shining star of
16 Denmark where 45 percent of their entire country's power
17 comes from recycled heat. Germany, since I work for a
18 German company, gets around 18 percent of their total
19 power from recycled heat. So I think this is currently
20 from the statistics I have gotten and reciting an Oak
21 Ridge National Lab Study, which is basically saying: What
22 could we do feasibly and technically in the United States?
23 We could do something in the order of 20 percent, boost
24 our current level by 6 or 7 percent nationally to about 20

1 percent. They are saying as for North and South Carolina
2 we are probably looking at somewhere on the order of a 16
3 to 17 percent level. They identified 3,000 megawatts of
4 power, which would certainly boost what we have currently
5 today, which is somewhere in the order of 5 percent. So,
6 I might be off by a percentage point, but it's pretty low.
7 Compared to the rest of the world, I think this is a great
8 opportunity for us. It's something that needs to be
9 investigated.

10 I think the challenge is that historically our
11 utilities make money by selling power. Until the
12 efficiency programs have come along to compensate not
13 selling power, but saving power; helping customers save
14 power, this is the question: How do we do that? How do
15 we help in decoupling or looking at a different business
16 model? Otherwise, it's difficult for a business to say
17 I'm going to keep reducing my income unless I have some
18 way to make up for it. You're gonna have to become more
19 efficiently internally or you are going to have to find
20 other ways of bringing in streams of revenue. So therein
21 lies a catch 22. How do you do that?

22 Well, I think there are some ways. I think we
23 are starting to explore that. I'm also going to ask the
24 Commission in terms of finding ways of being able to

1 decouple or whatever mechanism would be to make actually
2 more attractive the elimination of baseline, baseload
3 generation forever for customers, or helping customer
4 generate their own power in now what we are calling the
5 smart grid.

6 Two other areas I will mention is one other
7 is actually increasing the amount of renewables in the mix
8 and I think the three things I want to say there is that:
9 1. Lifetime fuel cost, which has to be paid by everybody.
10 I am the customer, so I am paying for them. So if I'm
11 looking at reports from both companies, I'm a shareholder
12 for both companies, about \$7 billion in fuel and move out
13 50 years at \$350 billion is going to have to be paid
14 because of the fuel costs that are incorporated for that.
15 What a tremendous -- I think an opportunity for us to be
16 able to move that over to renewables to technologies that
17 don't require fuel. They may have a higher upfront cost
18 from fixed cost. But over the life of the technology,
19 they are going to be significantly less. 2. They are not
20 held hostage to water, which is something that is never
21 discussed that needs to be discussed. Then large
22 centralized plants, coal, fossil fuel, nuclear require
23 great deals of water in order to be able to operate. This
24 is not true by and large for most renewables: Wind,

1 solar, CHP is already using waste heat, so the fuel is
2 free. And they are not in -- the are already in an
3 industrial setting or commercial setting or campus setting
4 like the steam generation on campus like UNC or Duke. So
5 they are not having to worry about large intakes and
6 uptakes of water.

7 So, in summary for two areas, two other trends
8 -- and I'm citing the *Charlotte Business Journal*, back on
9 March 10 was talking about how Duke Energy has had to
10 project -- down grade their projections again from last
11 year. And know that from reading as a salesperson at one
12 time in Charlotte that last year was tough for the
13 utilities. I know Duke's industrial customers was, I
14 think, a 15 or 18 percent reduction, which is significant.
15 I can relate when a great deal of your business goes away.
16 It means hardship. But the other thing that's interesting
17 about this down thing has been the housing industry and
18 the total number of customers. And it is -- I'm seeing it
19 in my own industry. I'm seeing it in the housing industry
20 is that the houses that are selling today are smaller
21 energy efficient and water efficient. They are affordable
22 and people can get mortgages for. In conversation with
23 Dan McFarland of Southern Energy Management works with the
24 homebuilders association, he was at a Chapter out of

1 Asheville and he said that in Asheville today, he was
2 talking about a 7 year over supply of \$1 million homes or
3 above. But the homes that are moving are the ones people
4 get mortgages for \$250,000 or \$300,000 or less. I think
5 this is the trend we are going to see which is going to
6 bear directly into future demands. So I think that we
7 have to look at what the future is going to be. I know
8 the future -- the crystal ball is tough to look at
9 sometimes, but the trends are this: That has a country,
10 has a state, we have a lot of debt to deal with. So what
11 does that mean? People are looking at every single way
12 they can to protect themselves from additional costs.

13 This past Christmas we saw a number of people of
14 having to be exposed to utility bills that are three or
15 four fold the size. And I can tell you from personal
16 experience, the work I have done in my own home helped
17 mitigate that. Our bill only went up only about \$40 or
18 \$50 compared to other people who have gone up to 6 or
19 \$700. So the aspect of energy efficiency works. The
20 other thing that works, too, is people and companies that
21 were not interested before are now very interested. And I
22 will cite one example and I will be working towards
23 closing here. The example is: A meeting we had at a
24 Baptist Church this is helping the NC -- North Carolina

1 extension service with a program they are doing with the
2 State Energy office. Basically it was to help homeowners
3 have energy audits, and start the process of being able to
4 reduce their energy. Well, I would say about a year ago
5 there might have been ten people in that room, I think
6 there was something between the order of 45, 50 people
7 attended. And a number of people who wanted to attend but
8 could not because of the evening and had other
9 commitments.

10 So I think -- What I will summarize is that we
11 basically have the opportunity to change the way we do
12 business. As a guy who works for a corporation, I know
13 it's really hard to do because you are used to a certain
14 way. And having both of the IRPs is a lot of work. I
15 haven't memorized everything, but it's a lot of work and a
16 lot of things are in there. But I think the thing we need
17 to look at are those resources this state is blessed with:
18 One is wind; the other is biomass. But the other thing is
19 ingenuity, and the fact that it -- at \$350 billion over 50
20 years of longer term horizon all of sudden if you were to
21 say half that, \$170 billion for customers like myself, it
22 makes sense to be able to retrofit just about every single
23 home, factories, school in the state.

24 So Commissioner Culpepper, Chairman Finley, I am

1 going to ask you and the Commissioners to redouble your
2 efforts in energy efficiency, not to say we have not
3 started the pathway, but to simply say I hope we are not
4 selling ourself short. I look at this at a starting
5 place. I also say we need to be able to encourage our
6 existing industry to use whatever waste heat there is. If
7 there's a smokestack, there is an opportunity to make
8 power. We need to encourage our utilities to see it not
9 as a competition, but as a way of helping them not have to
10 do as much work and be part of the grid.

11 And finally, the over-arching trend and goal of
12 limiting all coal plants in North Carolina by the year
13 2025. I think that is something we should do for
14 ourselves, but as I said before, we are doing it for our
15 children and grandchildren. And this is the best thing we
16 can do for ourselves as well. Thank you.

17 COMMISSIONER CULPEPPER: Let's see if we have
18 any questions for you, Mr. Rodriguez.

19 MR. GILLAM: No, sir.

20 COMMISSIONER CULPEPPER: Utilities?

21 CROSS-EXAMINATION BY MR. ANTHONY:

22 Q Good evening, nice to see you again. I believe
23 you were here last year.

24 A Yes, I was, Mr. Anthony. How are you doing?

1 Q Great. First, I want to reference you back to the
2 idea of decoupling.

3 A Right.

4 Q Are you aware that this Commission has adopted a
5 procedure for Progress Energy Carolinas that does provide
6 us a greater incentive to invest in energy efficiency than
7 supply-side resources?

8 A Yes, I was.

9 Q So that satisfies the concern of yours?

10 A I think the concern for me is -- Well, I tell you
11 what, it's a starting point. How's that?

12 Q If you would like to suggest they make is richer
13 than it is, you might want to propose that. Combined heat
14 and power --

15 A Right.

16 Q What are you proposing utilities do to encourage
17 industrial customers to take that step?

18 A Well, I think we could -- Good question. We have
19 a number of institutions -- First and foremost, you
20 probably want to break it up in different sectors. For
21 example, even though they happen to be in the Duke Energy
22 coverage area, but you've got NuCor Steel, which is using
23 all these arc ovens, working with them in terms of those
24 customers who are using heat for curing, using heat in

1 terms of steam, this could be used for Duke. For Progress
2 Energy, I think about NC State or large institutions such
3 as hospitals like Wake Medical and that. First and
4 foremost those people are having to generate steam for
5 cooling, for chillers. The waste heat could be used for
6 generating power on site. That would be -- the
7 industrial, I think the two avenues that would make the
8 most sense is talking to customers in terms of reducing
9 their total cost of goods. So typically where customers
10 need to use heat for curing and painting and things of
11 that sort, the incentive would be, you come and approach a
12 customer and say, look we can help you probably create 30
13 or 40 percent of your own electricity on site that you
14 don't use that we will buy back from you. That's probably
15 the first place.

16 And second place would be the steam that is off
17 being used could also be used either locally
18 institutionally or used for another generation -- for
19 another level of generation.

20 Q So fundamentally you are saying educate the owners
21 as to the benefits of co-generation?

22 A It would. But I think other challenge for you all
23 is viewing co-generation as not as competition. It would
24 be another resource for you all to be able to say, we are

1 also helping meet -- I mean, this is part of Senate Bill 3
2 for CHP. But to be able to say -- I will give an example
3 of ally, West Virginia Ally in West Virginia, they are
4 going to become the lowest cost producer of silica used
5 for solar cells in the worlds. And what they are doing is
6 they're retrofitting for a company from Chicago called
7 Renewable Energy Development and they are basically saying
8 they are going to take all the waste heat they are
9 getting, they are going to generate electricity and they
10 are using the arc ovens are going to be saving 30 percent
11 of the energy that's being used. We are talking millions,
12 hundreds of millions of dollars of power.

13 So to answer, Mr. Anthony, talk to your
14 customers, ask them probably from a different perspective,
15 how can we make you guys more competitive in the work
16 place? What you can do is you say, you created your own
17 power, and it was costing you whatever rate it is for the
18 industrial level for that particular customer and it goes
19 down to two cents, three cents per kilowatt hour. How
20 would that help you?

21 Q Are you aware of the types of fuel that is used in
22 these combined heat power facilities?

23 A Typically it's what? It can be anything from
24 natural gas to -- primarily it's going to be mostly

1 turbine. To give an example, down in Camp Lejeune,
2 they've got the combined-gas turbine down there. But it
3 can also be biomass.

4 Q Are you aware that for at least Progress Energy
5 Carolina's service territory it's mostly coal and diesel
6 fuel?

7 A That's correct. Yes, I am.

8 MR. ANTHONY: Thank you.

9 COMMISSIONER CULPEPPER: Any other questions
10 from the utilities?

11 (No response.)

12 Redirect examination, Mr. Gillam?

13 MR. GILLAM: No.

14 COMMISSIONER CULPEPPER: Questions by the
15 Commission?

16 (No response.)

17 Thank you, Mr. Rodriguez, you may step down.

18 Mr. Gillam, do you move the admission the witness'
19 exhibit.

20 MR. GILLAM: Yes.

21 COMMISSIONER CULPEPPER: Let Rodriguez Exhibit
22 No. 1 we received into evidence.

23 (Whereupon, Rodriguez Exhibit No. 1 was
24 admitted.)

1 MR. GILLAM: Zell McGee?

2 ZELL MCGEE; Being first duly sworn,
3 testified as follows:

4 DIRECT EXAMINATION BY MR. GILLAM:

5 Q Would you state your name and address for the
6 record?

7 A My name Zell McGee. I live at 750 Weaver Dairy
8 Road, #240, Chapel Hill, North Carolina.

9 Q And who is your electric supplier?

10 A Duke Power.

11 Q Do you have a statement for us tonight?

12 A I do. I also have an exhibit I would like to
13 register with you.

14 COMMISSIONER CULPEPPER: Let the exhibit be
15 identified as McGee Exhibit No. 1.

16 (Whereupon, McGee Exhibit No. 1 was marked
17 for identification.)

18 A Mr. Chairman, I appreciate your going back to the
19 charter for the Commission as it exists in the statutes of
20 North Carolina. I took my text, however, from a slightly
21 different part, which said that it may be cited as the
22 Public Utilities Act 1963C.1165. It had fewer numbers and
23 alphabet soup designations than the one you read. It
24 simply says that the Commission is to provide just and

1 reasonable rates without unfair practices and to develop
2 consistent long-term management and conservation of energy
3 resources. I could relate to that a little better. So I
4 will ground myself there.

5 I wanted to speak first to the first half of
6 that, namely: What is fair? Second, what is consistent
7 with long-term management and conservation? The rate
8 increase about which you have been holding hearings for
9 the past months, the rate increase would be used to finish
10 building and operating the coal-fired power plant known as
11 Cliffside. Though located West of Charlotte, the
12 prevailing West to East winds are capable and almost
13 certainly will carry toxic pollution as far East as Wake
14 County and beyond.

15 I have filed in the Exhibit 1 data that shows
16 that toxic products from as far as West as to Nevada,
17 Arizona line were brought by the West to East winds, first
18 at Mecklenburg, Orange and finally to Wake County. So
19 Wake County is almost certainly going to receive downwind
20 toxic products from Cliffside. And that is in its concern
21 here in Raleigh and East of us because the hidden cost of
22 pollution cause illnesses was recently estimated by the
23 National Academy of Sciences to allow billions of dollars
24 a year.

1 For instance when coal-fired industry started up
2 in one Utah county, the rate of admission of children to
3 the hospital with respiratory disease went up 300 percent.
4 The admission rate of adults went up 44. percent. The
5 polluting industry did not pay for those hospitalizations.
6 And Duke Energy will not pay for the healthcare costs they
7 inflict on the public.

8 Therefore, the members of this Commission, if
9 the rate hike is approved -- I understand that it had
10 been, I don't have that etched in stone in my mind -- but
11 with the rate hike approved, the citizens of North
12 Carolina would be paying twice: Once for the increased
13 utility bill; and a second time for their increased
14 healthcare costs since the money from the rate hike would
15 go into funding Cliffside. That violates the charge to
16 the Commission. It is unfair. And Duke will be double
17 dipping with the public as its victims.

18 The problem is the coal-fired power plant.
19 Sure, the propaganda arm of Duke will say they have
20 scrubbers that take out 90 percent of the toxic materials.
21 But they don't have data to indicate that the radio
22 isotopes in coal smoke, uranium, thorium, radium, radon,
23 all of which can cause cancer are removed. A substantial
24 part of the mercury in coal smoke may be removed, but if

1 the remainder is enough to render your child or your
2 grandchild mentally defective, it's no less a tragedy and
3 no less an expense to the families.

4 I would like to suggest a win/win solution to
5 the conundrum, and it speaks to the prescribed long-term
6 management and conservation of energy resources that is
7 your charge: One with the rate hike increase approved
8 that should be done only if Duke shifts the billions of
9 dollars required to finish Cliffside to developing North
10 Carolina energy resources, those resources include wind
11 power on the East coast. And in the Eastern part of North
12 Carolina, and geothermal energy in the West. If you look
13 at the hot springs that are all over Western North
14 Carolina. And geothermal is capable of producing an
15 immense amount of powers, Iceland and some other places
16 around the world. And solar energy is available for in
17 between, the Piedmont of North Carolina.

18 Without Cliffside to inflict bad health and
19 medical expenses on the public, the rate increase is
20 possibly fair. Without shifting Cliffside monies to
21 non-harmful and renewable energy sources, the rate hike is
22 a travesty of justice and I submit a breach of your
23 charter. Thank you.

24 COMMISSIONER CULPEPPER: Let's see if we have

1 any questions for you, Mr. McGee. Mr. Gillam, do you have
2 any other questions?

3 MR. GILLAM: No questions.

4 EXAMINATION BY MR. RUNKLE:

5 Q Mr. McGee, you're a physician; is that correct?

6 A I'm a Professor of Internal Medicine and
7 Infectious Diseases at the University of Utah School of
8 Medicine. And I have recently relocated to Chapel Hill.

9 MR. RUNKLE: I have no further questions.

10 COMMISSIONER CULPEPPER: Any questions from the
11 utility side of the room?

12 (No response.)

13 Thank you, Mr. McGee. We appreciate you coming
14 this evening.

15 MR. GILLAM: Harry Phillips?

16 HARRY PHILLIPS; Being first duly sworn,
17 testified as follows:

18 DIRECT EXAMINATION BY MR. GILLAM:

19 Q Would you state your name and address for the
20 record, please?

21 A Yes, sir. Harry Phillips, 111 Senoma Way, Chapel
22 Hill, North Carolina, 27516.

23 Q And who is your electric supplier?

24 A Progress Energy.

1 Q And do you have an exhibit with you?

2 A Yes, sir, I do.

3 COMMISSIONER CULPEPPER: Let it be identified as
4 Phillips Exhibit No. 1.

5 (Whereupon, Phillips Exhibit No. 1 was
6 marked for identification.)

7 MR. GILLAM: I have multiple copies of this.
8 Would the Commissioners like a copy.

9 COMMISSIONER CULPEPPER: If you have some for
10 the Commission and Mr. Anthony.

11 Q Do you have a statement for us tonight?

12 A Yes, sir, I do.

13 Q Please proceed.

14 A Good evening, My name is Harry Phillips, and I am
15 associated with NC WARN, Clean Air Carolinas, Charlotte
16 Chapter of Greenpeace and North Carolina Green Party. As
17 you review the Integrated Resource Plans of North
18 Carolina's electric utilities, I strongly urge you to
19 consider the dangers of permitting coal-burning power
20 plants to threaten the 'quality of life for our state's
21 citizen. I also urge you to acknowledge and respond to
22 the financial hardships many North Carolina residents,
23 especially those living at or below the poverty line, will
24 endure due to the recent rate hikes of our majority

1 utility companies.

2 First, I ask that you assess the clear and
3 present danger that Duke Energy's new Cliffside plant will
4 pose for the 1.5 million people living in the greater
5 Charlotte area. While Cliffside is some 55 miles West of
6 Charlotte, the pollutants it spews into the air will be
7 felt well outside this area and will include the Triangle.
8 Consider please, some facts associated with Cliffside:
9 Approximately 134 pounds of mercury would be emitted into
10 our air annually; Duke Energy would not need to exercise
11 maximum controls of other hazardous materials it would put
12 into the air, especially Dioxin, the most dangerous
13 carcinogen known to humans. Duke Energy is using
14 questionable research to argue that it will remove 99.9
15 percent of hydrochloric acid emissions from Cliffside;
16 Duke Energy consistently has tried to edge around the
17 strict new standards of the Clean Air Act; and having made
18 no changes to its pollutions controls at Cliffside, Duke
19 now claims that it will deduce its polluting emissions
20 from 217 tons per year to 25 tons per year.

21 At a time when a disturbing number of counties
22 in our state continue to struggle to meet ozone standards
23 set in 1997, and at present are in violation of a stricter
24 2008 standard, we do not need a massive new coal-burning

1 plant dirtying our air and making life tough for many
2 children, elderly folks, and those with upper respiratory
3 conditions.

4 I ask that the Utilities Commission also look at
5 the human costs of recent rate hikes associated with
6 Cliffside's approximately \$2 billion price tag. According
7 to the United States Census Bureau, currently our per
8 capita income ranks 36th in the country; our overall
9 poverty rate is 15.5 percent, 3 percent higher than the
10 national average; 12.6 percent of North Carolina families
11 are classified as impoverished, 5th highest in the
12 country; the child poverty rate in our state is 21
13 percent, 7th highest in the country; and the overall rate
14 of uninsured North Carolinians is nearly 18 percent more
15 than 2 percentage points higher than the national average.
16 With this context in mind, the Utilities Commission must
17 ask fair and fundamental questions as you examine power
18 companies' IRPs: Who will benefit? Who will suffer? And
19 I say this with the understanding that Duke will send most
20 of Cliffside energy primarily to customers outside North
21 Carolina.

22 Finally, I ask that you recognize the competing
23 sets of values at play in this most crucial health issue.
24 Duke and Progress seem intent on wringing every last cent

1 of profit from coal. Extensive public relations schemes,
2 from what I can tell, are built on rhetorical maneuvering
3 and greenwash, cover for the profiteering these utilities
4 hope to realize. Opponents, many here tonight, respond to
5 a different collection of values, those grounded in
6 concern for human and planetary health in sensitivity to
7 North Carolinians most in need, and in loyalty to our
8 state and the need to remove it from the among the world's
9 most egregious climate offenders. Credible scientific
10 analysis now asserts that North Carolina's coal-fired
11 power plants can be replaced by available clean,
12 efficient, affordable energy. This means that North
13 Carolina can become a leader in the clean energy movement.
14 Thank you.

15 COMMISSIONER CULPEPPER: Let's see if we have
16 any questions for you. Mr. Gillam?

17 MR. GILLAM: No, sir.

18 COMMISSIONER CULPEPPER: Utilities?

19 CROSS-EXAMINATION BY MS. NICHOLS:

20 Q Mr. Phillips, you made a statement that most of
21 Cliffside's power is going to be used to serve customers
22 outside North Carolina. What is the basis of that
23 statement?

24 A The basis is information that I received from both

1 NC WARN and Clean Air Carolinas during the Summer and Fall
2 months of 2009. And this was -- this information was
3 distributed before a Charlotte hearing sponsored by the NC
4 Utilities Commission in, I believe, September 2009.

5 Q And you mentioned credible scientific analysis
6 shows that North Carolina's coal-fired plants be replaced.
7 Do you mean all of them?

8 A I'm not sure precisely what Dr. James Blackburn,
9 Professor at Duke had in mind exactly. But my sense is
10 that his research shows that by, I believe 2025 all
11 coal-burning plants in North Carolina can be replaced by
12 renewable energy sources.

13 Q So the basis of that statement is Dr. Blackburn's
14 study?

15 A Correct, which has been corroborated by numerous
16 scholarly work over the past decade.

17 MS. NICHOLS: Thank you. No further questions.

18 COMMISSIONER CULPEPPER: Mr. Gillam, do you have
19 any redirect examination?

20 MR. GILLAM: No.

21 COMMISSIONER CULPEPPER: Questions by the
22 Commission?

23 (No response.)

24 Now, Mr. Phillips, you may stand down with our

1 appreciation for having come tonight.

2 MR. GILLAM: We would move the admission of his
3 exhibit.

4 COMMISSIONER CULPEPPER: Your motion is allowed,
5 and Phillips Exhibit No. 1 is received into evidence.

6 (Whereupon, Phillips Exhibit 1 was
7 admitted.)

8 MR. GILLAM: Harry McDowell?

9 COMMISSIONER CULPEPPER: Do you have an exhibit?

10 MR MCDOWELL: Yes.

11 COMMISSIONER CULPEPPER: Let that be identified
12 as McDowell Exhibit No. 1.

13 (Whereupon, McDowell Exhibit No. 1 was
14 marked for identification.)

15 MARY MCDOWELL; Being first duly affirmed,
16 testified as follows:

17 DIRECT EXAMINATION BY MR. GILLAM:

18 Q Would you state your name and address for the
19 record?

20 A Mary McDowell, 604 Hatch Road, Chapel Hill, North
21 Carolina.

22 Q And who is your electric supplier?

23 A Piedmont.

24 Q Do you have a statement for us?

1 A Yes.

2 Q Please proceed.

3 A Two scientists that leading American universities
4 published a path of sustainable energy by 2030, and
5 scientific American November 2009. They examined
6 technical, economic resource availability, and find that
7 energy from the wind, sun and water can replace fossil
8 fuels to meet worldwide expected demand by 2030, just 20
9 years. That coal and gas and nuclear energy are not
10 needed for electricity nor for transportation. I am
11 submitting the article as an exhibit in this proceeding.
12 It is vital to have this understanding in order to
13 realistically evaluate future energy needs and utility
14 companies plans for the future. I just wanted to show one
15 graph. This is the wind availability in readily
16 accessible locations. This is the solar/sun availability
17 in readily accessible locations. And this is the power
18 needed worldwide by 2030, this little amount here. Or if
19 these are used including water, actually less energy would
20 be needed instead of 16.9 terawatts of energy that would
21 only need 11.5 terawatts of energy. If the world can do
22 it, certainly North Carolina can. And this shows the
23 expected US average cost for fossil and nuclear at .08
24 cents a kilowatt hour expected in 2020. The cost for

1 wind, wave, hydroelectric and geothermal and concentrated
2 solar are all the same or under that cost. Photovoltaic
3 is slightly higher in that cost. And I would submit what
4 people have said about the importance of energy efficiency
5 needs to be emphasized much more by this Commission and
6 that certainly in North Carolina we can do as well as the
7 scientist suggest the world could do in the next 20 years.
8 And we really have to look at the big picture. Due to our
9 climate as well as all the other issues that people have
10 raised. And this certainly shows that it's technically
11 feasible to avoid fossil fuels for our energy and
12 transportation. And I hope that you insist that our
13 companies step up to the plate and not be caught in their
14 more energy production facilities they have, the higher
15 profit they get. And the more expensive they are, the
16 higher profit they get. I hope you can understand the big
17 picture and make sure that they do what is necessary to
18 preserve land as we know it.

19 COMMISSIONER CULPEPPER: Let's see if there are
20 any questions for you? Mr. Gillam?

21 MR. GILLAM: No, sir.

22 COMMISSIONER CULPEPPER: Utilities?

23 (No response.)

24 COMMISSIONER CULPEPPER: Commission?

1 (No response.)

2 All right. It looks like you got a pass. Thank
3 you very much, Ms. McDowell for coming this evening. We
4 appreciate it.

5 MR. GILLAM: We would request that McDowell
6 Exhibit NO. 1 be received in evidence.

7 COMMISSIONER CULPEPPER: Let it be received.

8 (Whereupon, McDowell Exhibit No. 1 was
9 admitted.)

10 MR. GILLAM: Martha Penticost?

11 MS. PENTICOST: I have no statement.

12 COMMISSIONER CULPEPPER: Thank you very much,
13 Ms. Penticost for coming this evening.

14 MR. GILLAM: There are two people who indicated
15 that they wanted -- when they signed up they indicated
16 they did not want to make a statement and it's Ruth Zalph
17 and Ed King.

18 COMMISSIONER CULPEPPER: All right. We thank
19 you for coming. I take it, ma'am, you do not wish to come
20 forward and testify, but you wanted -- We acknowledge that
21 you are here, and your name is on the record.

22 MS. ZALPH: Thank you.

23 MR. GILLAM: That is all the people that have
24 signed up. There may be others that didn't have a chance

1 to sign up.

2 COMMISSIONER CULPEPPER: Is there anyone else
3 that is present here this evening in the Commission
4 hearing room that has not testified in this proceeding at
5 this time that would like to come forward now and testify
6 in this proceeding?

7 (No response.)

8 That would appear to conclude the public
9 hearing. Let me say before we adjourn this evening on
10 behalf of the Commission, may I say to you that we really
11 appreciate you taking time out of your schedule to come
12 here this evening and testify in these consolidated
13 dockets. All of your testimony if you testified in this
14 case is now part of the record of this proceeding.

15 Some of you may already know the Commission has
16 a website. And you can go on that website, and you can
17 access the proceedings that have been filed in this case,
18 all of the testimony, all of the other papers -- legal
19 documents, that have been filed the parties are there for
20 you to peruse.

21 And this hearing will resume tomorrow at 9:30 in
22 this Commission hearing room, which we will begin the
23 evidentiary hearing. And that is a public hearing and you
24 are certainly welcome to come and attend that. However,

1 if you already testified this evening, our normal
2 procedure is that you will have had your say and wouldn't
3 be able to testify tomorrow. But you are certainly
4 welcome to come and attend the proceeding because it is an
5 open proceeding and observe those proceedings.

6 Let me inquire collectively of counsel, does
7 anyone know of any other matters the Commission needs to
8 take up this evening before I adjourn the public hearing?

9 (No response.)

10 All right. It looks like there are no other
11 matters, so I declare this hearing adjourned. Good
12 evening everyone, and we will resume tomorrow morning at
13 9:30. Thank you.

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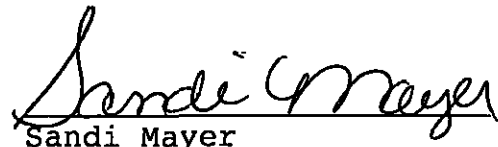
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CERTIFICATE

The undersigned Court Reporter certifies that this is the transcription of notes taken by her during this proceeding and that the same is true, accurate and correct.


Sandi Mayer
Court Reporter II

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MAR 30 2010
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N.C. Utilities Commission