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Re: Recommendations for Future Consideration

In reviewing the draft of the final report to the General Assembly and the Environmental Review Commission, we believe there is a vital component missing from the recommendations for future consideration. Every credible review of energy supply in North Carolina indicates that the demand for electricity will continue to grow as our economy recovers and our population increases. Under even the most optimistic and aggressive assumptions of energy efficiency, additional generation capacity will be needed to assure a reliable supply of electricity for millions of North Carolina households and businesses.

When the state's growth expectations are combined with the planned retirements of the aging generation fleets of both Duke and Progress Energy, it is clear that new baseload plants will be necessary. And with the parallel desire to reduce greenhouse gas emissions dramatically, we believe that nuclear energy must be a substantial component of the new resources. Nuclear plants are not only low in greenhouse gas emissions but also create thousands of construction jobs, plant operation careers, increased tax revenue, and reduced emissions of all other ambient air pollutants.

For example, the Shearon Harris Nuclear Plant located in New Hill, NC, provides substantial economic benefits within an eight-county region:

- More than 650 full-time jobs
- \$123 million in income to the region (includes salaries, wages, property income)

- \$30 million in tax revenues, including state sales taxes and local property taxes
- Stimulated the creation of about 2,000 jobs in related industries in the region

Another example is the McGuire Nuclear Station, located in Huntersville, NC. The plant's significant economic benefits include:

- More than 1,500 employees, with an average annual salary of approximately \$71,000
- \$162 million annual payroll (salaries, benefits, overtime, taxes)
- \$9 million in property taxes to Mecklenburg County
- Employees that purchase goods and services in the area, making the McGuire Nuclear Station a good economic neighbor

We believe that the absence of any mention of nuclear energy in the draft final report is a glaring omission – one that does not take into account the energy realities of 2010 and beyond.

Certainly any future considerations by a legislative/executive commission should include further examination of the potential policies needed to support and encourage new nuclear baseload electric supply in North Carolina.

We appreciate your consideration of our views and would be pleased to provide additional information at your convenience.

Sincerely,

Caroline Choi
Director, Energy Policy & Strategy
Progress Energy

George T. Everett
Director, Environmental & Legislative Affairs
Duke Energy Carolinas