

Audience Questions for Bill Johnson from the 2008 Emerging Issues Forum,
North Carolina's Energy Futures: Realizing a State of Opportunity
Feb. 11-12, 2008
McKimmon Center
NC State University

The following are questions submitted by audience members for Bill Johnson but were not asked because time did not permit. We are forwarding them on for any comments you might have. We intend to post these questions—and your comments—on our website.

1. Tom Friedman said a price signal was important for innovation at scale. Amory Lovins said energy efficiency costs a fraction of generating energy. Doesn't charging customers for energy efficiency at the price of new generation send the wrong price signal for energy efficiency?

Response:

We have not proposed to charge customers for energy efficiency at the price of new generation. What is being discussed is a mechanism to share the savings from utility-sponsored energy efficiency programs between the utility and its customers.

2. What is your strategy to reconcile the seemingly competing demands of revenues tied to increased sales, a mandate to provide the lowest cost electricity, and a mandate to incorporate a percentage of renewables and energy efficiency into your portfolio.

Response:

Progress Energy Carolinas is challenged to meet the various expectations from our customers, shareholders, employees and engaged stakeholders. An overarching issue today is how to address climate change and demand growth. We intend to pursue all cost-effective energy efficiency and renewable energy options, as well as adding new power plants, including new, advanced design nuclear plants, as an integral part of our balanced solution strategy to meet the growing need for electricity in the Carolinas and address global climate change. We are moving forward on all these fronts to secure our energy future.

3. What is your company doing to make buildings more energy efficient? Would you support more efficient building codes, better/more education for builders, etc.? If so, how?

Response:

We believe one of the most effective and efficient means of improving the energy efficiency of buildings is through improved building codes. In addition, we are developing energy efficiency programs to promote the adoption of more energy efficiency measures into the design of new buildings, and programs to encourage retrofitting existing buildings.

Progress Energy is committed to being energy efficient with our own operations. Our new corporate office building in Raleigh, NC participates in the company's load control program, has "smart" elevators, programmable thermostats and many other features that curtail energy use. We have replaced incandescent lighting with compact-fluorescent lights (CFLs) throughout most of the company's office buildings. In addition, the efficiency and utilization of information technology resources were increased in the past two years through consolidating servers and replacing aging backup power and cooling equipment with more energy-efficiency systems.

4. Would Progress support (via a public utilities statute change) incentives to your customers for reducing monthly power bills to customers and also a carbon tax tied to reductions in carbon dioxide (i.e. less tax for more reductions)?

Response:

In May 2007, Progress Energy Carolinas announced a goal of doubling its energy savings from demand response and energy efficiency programs to 2,000 megawatts of power generation. Our existing programs already have helped us avoid 9.9 million tons of carbon dioxide in the Carolinas. We plan to very soon file our first round of new energy savings programs in North Carolina.

We believe that global climate change is best addressed at the federal level, so that a national policy framework – one that provides certainty and consistency – can be developed. We prefer an economy-wide, cap-and-trade program to a carbon tax. We are committed to working with policymakers and stakeholders to develop well-designed legislation that promotes research and development of the necessary technologies to tackle global climate change and secure cost-effective greenhouse gas emissions reductions.

5. How do other, non-carbon, environmental impacts (e.g., nuclear waste, water consumption, NOx, SOx, emissions) factor into the supply choice equation?

Response:

When considering resource options to meet the growing need for power, Progress Energy considers multiple factors including but not limited to cost, reliability, and environmental impacts. Resource options must comply with all applicable laws and regulations.

6. Why doesn't NC have net metering as a way of encouraging distributed, renewable power generation?

Response:

North Carolina does have net metering. A net metering tariff, approved by the Utilities Commission, is available to customers of all the regulated electric utilities.