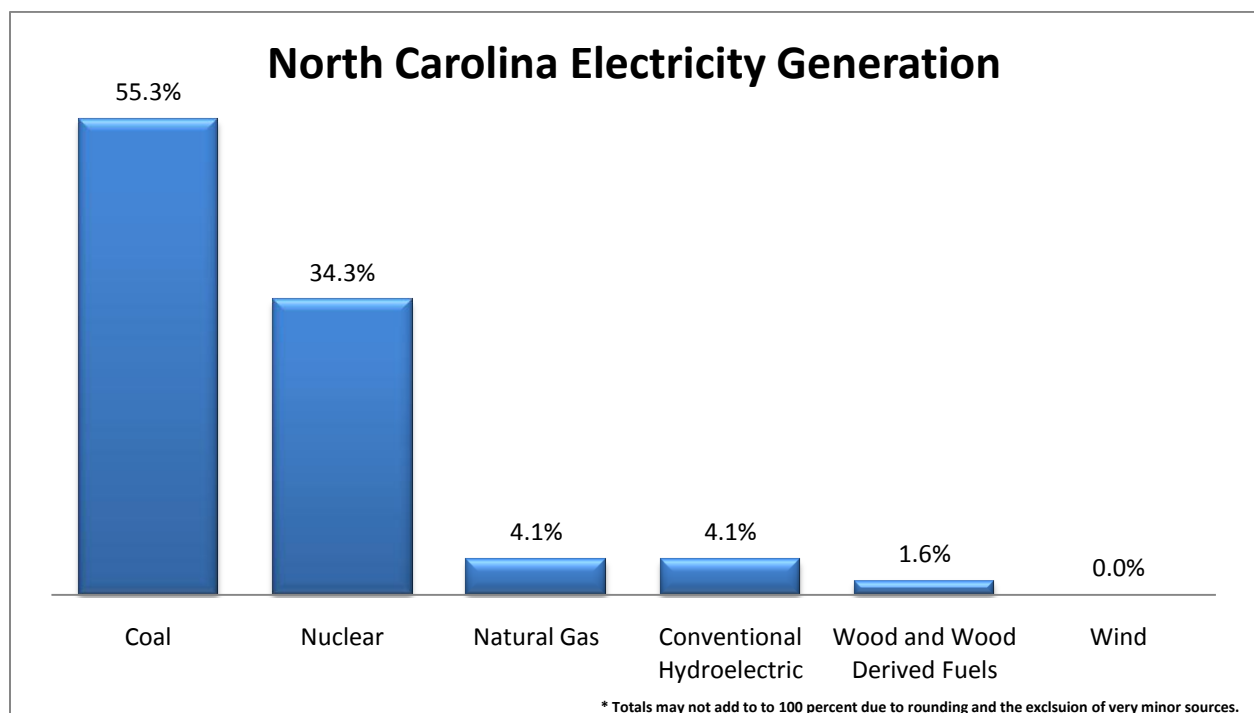




# North Carolina Energy Facts

North Carolina – Select Economic and Energy Data <sup>†</sup>		State Rank
Real Gross Domestic Product, per capita	\$35,719	25th highest
Unemployment	11.2%	9th highest
Gasoline Price, per gallon	\$2.76	24th lowest
Electricity Price, per kWh	8.43¢	23rd lowest

North Carolina has below average electricity prices, 15 percent below the national average. More than 55 percent of North Carolina’s electricity is generated from coal, which is primarily shipped to the state from West Virginia and Kentucky. Nuclear power from three nuclear plants provides over 34 percent of North Carolina’s electricity generation, and most of the rest of North Carolina’s electricity is generated from natural gas that is shipped into the state from the Gulf Coast and hydroelectric from several of the state’s rivers.



## Regulatory Impediments to Affordable Energy

Although affordable energy is a vital component of a healthy economy, regulations frequently increase energy costs. Regulations imposed in the name of reducing carbon dioxide and greenhouse gas emissions are especially costly. Carbon dioxide is a natural byproduct of the combustion of all carbon-containing fuels, such as natural gas, petroleum, coal, wood, and other organic materials. Today, there is no cost-effective way to capture the carbon dioxide

output of the combustion of these fuels, so any regulations that limit carbon dioxide emissions will either limit the use of natural gas, petroleum, and coal, or dramatically increase their prices.

Below are some facts about North Carolina's regulatory environment that are likely to affect the cost of energy or the cost of using energy. North Carolina has thus far avoided many of the costly energy policies other states are implementing.

#### **North Carolina:**

- **North Carolina does not cap** greenhouse gas emissions.
- **North Carolina is not a member** of a regional agreement to cap greenhouse gas emissions.
- **North Carolina requires** utilities to generate from renewable sources a certain percent of the electricity they sell. The state's renewable portfolio standard requires investor-owned utilities to generate 12.5 of 2020 retail electricity sales from renewables by 2021, while municipal utilities and cooperatives must meet a target of 10 percent of renewable by 2018. Up to 25 percent of the requirement may be met through energy efficiency technologies, including combined heat and power systems powered by non-renewable fuels. After 2021, up to 40 percent of the standard may be met through energy efficiency. The overall target for renewable energy includes technology-specific targets of 0.2 percent solar by 2018, 0.2 percent energy recovery from swine waste by 2018, and 900,000 megawatt-hours of electricity derived from poultry waste by 2014.<sup>1</sup>
- **North Carolina does not require** gasoline to be mixed with renewable fuels.
- **North Carolina does not impose** automobile fuel economy standards similar to California's, which include attempts to regulate greenhouse gas emissions from new vehicles.
- **North Carolina requires** new residential and commercial buildings to meet energy efficiency standards. Residential and commercial buildings must meet the 2009 North Carolina Energy Conservation Code, which is based on the 2006 International Energy Conservation Code (IECC) and ASHRAE 90.1-2004.<sup>2</sup> The IECC (developed by the International Code Council) and ASHRAE 90.1 (developed by the American Society of Heating and Refrigeration and Air Conditioning Engineers) are model codes that mandate certain energy efficiency standards. State buildings must meet a variety of standards intended to decrease energy and water use.<sup>3</sup>
- **North Carolina does not impose** state-based appliance efficiency standards. However, new office equipment and appliances purchased by state agencies must be Energy Star certified.<sup>4</sup>
- **North Carolina does not allow** utilities to "decouple" revenue from the sale of electricity and natural gas. Some states decouple revenue from actual sales, allowing utilities to increase their revenue by selling less electricity and natural gas.

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<sup>†</sup> Data Sources: Real GDP per capita 2008: Bureau of Economic Analysis, *News Release: GDP by State* (June 2, 2009), [http://www.bea.gov/newsreleases/regional/gdp\\_state/gsp\\_newsrelease.htm](http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm); Unemployment: Bureau of Labor Statistics, *Regional and State Employment and Unemployment—February 2010* (Mar. 10, 2010); Gasoline Prices: American Automobile Association, *AAA Daily Fuel Gauge Report* (Mar. 30, 2010); Electricity Prices: Energy Information Administration, *Electric Power Monthly*, Table 5.6.B., Average Retail Price of Electricity, (March 15, 2010), [http://www.eia.doe.gov/cneaf/electricity/epm/table5\\_6\\_b.html](http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html); Electricity Generation Data: Energy Information Administration, *Electricity Generation 2009*, [http://www.eia.doe.gov/cneaf/electricity/epa/generation\\_state\\_mon.xls](http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls).

<sup>1</sup> Lawrence Berkeley National Laboratory, *Renewables Portfolio Standards in the United States*, <http://eetd.lbl.gov/ea/ems/reports/lbnl-154e.pdf>.

<sup>2</sup> Building Codes Assistance Project, Code Status: North Carolina, <http://bcap-energy.org/node/82>.

<sup>3</sup> Database of State Incentives for Renewables and Efficiency, North Carolina, Conservation of Energy and Water Use in State Buildings, [http://www.dsireusa.org/incentives/incentive.cfm?Incentive\\_Code=NC10R&re=1&ee=1](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=NC10R&re=1&ee=1).

<sup>4</sup> North Carolina General Statutes § 143-64.10 et seq., [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter\\_143/Article\\_3B.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_143/Article_3B.html).