

## North Carolina's Energy Future

The way we produce and use energy is exacting a huge cost from our wallets and from our environment. Our current trajectory is unsustainable. North Carolina imports virtually all of its energy resources—coal, oil, natural gas, uranium, and other sources—with total energy expenditures estimated at more than \$23 billion annually. As prices skyrocket, families and businesses are struggling with higher gas prices and energy bills.

Simultaneously, our environment is paying a heavy price for our energy production and consumption. Global warming is a defining problem that challenges all of humanity. Here in North Carolina, the specter of increased adverse weather events, especially hurricanes, as well as rising sea levels is particularly frightening. As Secretary of Crime Control and Public Safety during hurricanes Fran and Floyd, as well as numerous other natural disasters, Moore knows how devastating these storms can be. Our energy production and use is also causing deterioration of the air in many parts of the state. Air pollution lessens the natural splendor of our parks and poses health risks to many North Carolinians, including the 600,000 who now suffer from asthma.

Washington has sadly failed to show leadership and take meaningful action on the energy issue at the national and international level. Fortunately, North Carolina has already taken strong steps in this area with the passage of the Clean Smokestacks Act in 2002 and the Renewable Energy Portfolio Standard in 2007.

Richard Moore has also made North Carolina's pension fund a national leader in efforts by investors to improve the environmental responsibility of major corporations. He was a convener of the 2003 Institutional Investor Summit on Climate Risk at the United Nations, which brought together more than 200 funds representing \$1 trillion in assets to share information and develop strategies to address climate risk. Moore has directly engaged such energy companies as ConocoPhillips and ExxonMobil on energy issues and has also participated in the Carbon Disclosure Project, an international coalition of investors that is focused on getting the world's largest companies to document their carbon footprint. It is Moore's belief that increased attention to and awareness of climate risk is an important step towards meaningful change.

But much more action is needed to address the issue of energy in North Carolina. The price of most energy sources is unlikely to come down and the need for action to protect our climate and natural beauty is clear. This situation is a challenge that presents North Carolina with great opportunity. We can become a national leader in conservation and alternative energy, creating new businesses and an agricultural model that will ensure the prosperity of rural North Carolina for years to come.

To achieve these goals, the Moore administration will:

- ✓ **Promote the development of alternative fuels and energy sources.** We will work to create policies that advance the entrepreneurial spirit in our free market so that new clean energy companies can compete and thrive in a new clean energy economy. North Carolina can and should be a leader in clean energy production and conservation technology. Specific steps should include:

- **Make government a leading consumer of alternative fuels.** The State should move its motor fleet and other vehicles to use alternative fuels. Setting up an infrastructure of fueling stations around the state that are also available for individuals and businesses would be an important step to encourage faster adoption of alternative fuel vehicles.
- **Reform utility rates to encourage conservation.** We must fix the broken rules that reward the utilities for building expensive and dirty new power plants. As Governor, Moore will work with the North Carolina Utility Commission to create a rate structure that will allow the utilities to profit from investment in efficiency and renewable energy.
- **Encourage research and development of new fuel sources.** Through tax incentives and research and development projects at our public universities, we should promote continued research in such promising areas as ethanol created from switchgrasses or cellulose.
- **Long range planning on generation mix.** Building more traditional coal plants should be a last resort for North Carolina's energy future. Other options, such as clean coal, nuclear, wind and natural gas bring their own tradeoffs in terms of cost and environmental impact. We need to begin thinking now about what we want our energy generation mix to look like in 50 years. The Renewable Energy Portfolio Standard was an important step, but the reality of our growing energy needs demands thoughtful study and planning of the sources that will continue to constitute the majority of our energy production.
- ✓ **Measure the State's carbon footprint.** Just as Moore has been a leader in getting major corporations to disclose their greenhouse gas emissions and carbon footprint, he will do the same thing for state government. His administration will establish an annual report of greenhouse gas emissions from all of state government. Once the baseline is established it will allow us to set targets for emissions reductions in future years.
- ✓ **Improve the energy efficiency of state buildings.** As one of the largest owners and occupiers of buildings in North Carolina, the State should take a leadership role in decreasing the amount of energy consumption by its buildings. To this end, the State should commit to increasing the energy efficiency of all newly constructed and substantially renovated public buildings over a certain square footage. Specifically, public buildings should be built to the highest possible LEED standards or comparable standards to be determined through an analysis of the facility's life cycle cost.

In addition, to encourage and incentivize energy efficiency in building design and construction in the private sector, the State should develop tax credits for high performance or "green" buildings. The credit would be commensurate with the level of LEED certification achieved and could be limited to a finite number of years on a graduated basis similar to the brownfields and conservation tax credits.

- ✓ **Improve public transit.** Our rapid population growth will continue, which is likely to cause an increase in population density. This change will make mass transit an increasingly important and viable option for communities across North Carolina. Increasing state funding for mass transit will be a priority, as will better planning for future mass transit corridors. Without an increase in the availability of federal funds for mass transit, state and local governments will have to work as partners to finance these important projects. The Moore administration will continue to work with local governments to develop innovative financing tools that allow them to make progress in mass transit.