



June 29, 2023

**RE: North Carolina Businesses Urge Legislature to Study Wholesale Market Reform Options that Would Increase Grid Reliability and Reduce Costs**

Dear Members of the North Carolina General Assembly and Governor Cooper:

As businesses with major operations, employees, and investments in communities across the state, reliable and affordable electricity is key to the vitality of our companies. Many of us have ambitious clean energy goals, which have driven significant new investments, economic development, and job growth in North Carolina. In fact, our ability to source clean, competitively priced electricity in a reliable service area is a core factor in where we decide to make or maintain investments.

We are proud to have operations in the state; however, we are concerned over limited access to cost-competitive, clean energy necessary to meet our energy needs in North Carolina. State regulated monopoly utilities are not offering optimally designed and scalable clean energy programs. Recent rolling blackouts during Winter Storm Elliott highlight the urgent need for sufficient reliable and affordable electricity in North Carolina that will benefit all customers. **We urge you to take action to address market barriers to reliable, affordable, and resilient electricity in the state and respectfully submit for your consideration a recommendation to establish and fund a state-led committee to study wholesale market competition options for the benefit of all North Carolina ratepayers.**

The experience of states that have implemented competitive wholesale market reforms, along with a growing body of market research in the Southeast, indicate that unlocking wholesale market competition in North Carolina could produce significant cost savings, drive innovation and economic development, and improve grid reliability and resilience. Organized wholesale markets, regional transmission organizations (RTOs) or independent system operators (ISOs), currently serve over 70% of all U.S. customers. Customers and utilities in competitive markets are reaping

cost savings and benefits: Dominion Virginia Power valued [decreased production costs associated with joining PJM](#) at \$75 million dollars in 2013, while [Entergy Mississippi](#) and [Entergy Arkansas](#) show savings for residential customers from membership in the Midcontinent Independent System Operator (MISO). North Carolina is notably absent from this trend, and the costs of inaction to the state's captive electricity customers are likely significant.

Recent studies reveal enormous potential [for Southeastern states to unleash cost savings and benefits](#) for all customers. By one estimate, a Southeastern RTO could create [\\$384 billion in regional economic savings, create 285,000 clean energy jobs, and reduce emissions 37% by 2040.](#)

We urge the North Carolina legislature to authorize and fund the creation of a legislative study committee to evaluate competitive wholesale market options to ensure a well-designed and well-implemented market for North Carolina ratepayers. North Carolina House Bill 503, sponsored by Reps. Larry Strickland, Ed Goodwin, Kyle Hall, and John Torbett, would take an important first step toward realizing these advantages. A study of options is a no-regrets action that would inform a competitive market design that optimizes benefits for all Carolinians.

Opening the energy market in North Carolina to more competition translates to more options to meet customer preferences and, in turn, supports economic development prospects in the state. Market competition can bring significant benefits to all customers, including cost savings, reliable and sustainable energy resources, and fair rates. Furthermore, greater competition can lead to better risk management against unexpected power outages such as those experienced across the state in December.

It's time for North Carolina to take action to introduce competition in the state's electricity market for the benefit of all customers. In the long term, competitive wholesale market reform can ensure a resilient and affordable energy future.

We welcome the opportunity to work together on building policy solutions for our state.

Respectfully Submitted,

<b>Carolina Solar Energy</b>	<b>E2</b>	<b>Sierra Nevada Brewing Co.</b>
<b>Carolina Utilities Customer Association</b>	<b>Marriott International</b>	<b>SJF Ventures</b>
<b>Ceres</b>	<b>Nestlé</b>	<b>Unilever</b>
<b>Clean Energy Buyers Association</b>	<b>New Belgium Brewing Co.</b>	<b>Yarotek LLC</b>
<b>Chambers for Innovation and Clean Energy</b>	<b>REI Co-op</b>	

CC: North Carolina Utilities Commissioners

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