

PULLING BACK THE CURTAIN

WHO'S CHARTING OUR ENERGY FUTURE?



Glossary of Key Words

Session 2: The Regulatory Process in NC

IRP (INTEGRATED RESOURCE PLAN): An [IRP](#) is a utility plan for meeting forecasted annual peak and energy demand, plus some established reserve margin, through a combination of supply-side and demand-side resources over a specified future period (often 10 or 15 years). For example, Duke Energy's plans in NC are for a future 15 year period. IRPs are often quite time- and resource-intensive. Their benefits for consumers are so great, however, that utilities are frequently required by state legislation or regulation to undertake planning efforts that are then reviewed by state public utilities commissions (PUCs).

LEAST COST: Regulators have traditionally required [extensive economic analyses](#) when public utilities have requested rate hikes, additional generating capacity, expanded distribution capability, or power purchases. However, economic analyses seldom take into account environmental effects, social impacts, and the risks and uncertainties associated with changing economic and social climates. This is particularly true in North Carolina, where Duke Energy does not take into account the [staggering health and environmental costs of fossil fuels](#) – estimated by researchers to be 17-27 cents/kWh for coal, and [~10 cents/kWh for fossil gas](#). And while economic analyses can produce meaningful results concerning the production of electricity (the supply side of the service), they can fail when applied to the consumption of electricity (the demand side).

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RATE CASE: A [rate case](#) is the formal process used to determine the amounts to charge customers for electricity, natural gas, and other services provided by regulated utilities. Rate cases are a primary instrument of government regulation of these industries. Interested persons may intervene and become parties in a utility company's rate case. Typical intervenors include: industrial, commercial and other large-scale users of electricity; public interest groups; representatives of residential, low-income, and elderly customers; local municipal officials; and dedicated advocacy groups.

POWER PLANT 'RELIABILITY': This refers to the ability of fossil power plants (coal, fossil gas, and nuclear) to provide electricity 24/7 if needed. Unfortunately, '[reliability](#)' has often been used as an excuse to avoid clean energy sources like solar and wind, and the notion that fossil fuel power plants are more reliable than well-planned renewable energy has been disputed by many experts, including the [U.S. Department of Energy's National Energy Reliability Council](#).

EVIDENTIARY vs PUBLIC HEARING: Most contested cases before a Public Utilities Commission include an '[evidentiary](#) hearing,' similar to what many people think of as a trial. It is at the evidentiary hearing that evidence, in the form of testimony and exhibits, is admitted into the evidentiary record and witnesses are cross-examined about their prefiled testimony. The Commission can only base its decisions on information in the evidentiary record. It is therefore important that parties to evidentiary hearings understand how to get information into the evidentiary record for the Commission to reference in deciding a case. A Public Hearing, on the other hand, is simply a public comment and does not need to be addressed by the PUC. The only way to ensure that a comment is taken into account is to participate as a formal intervener, and to submit testimony.

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RGGI: The [Regional Greenhouse Gas Initiative](#) (RGGI) is a cooperative, market-based effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce CO2 emissions from the power sector. It represents the first cap-and-invest regional initiative implemented in the United States.

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