

July 8, 2010

Governor Bev Perdue
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

Re: Solar and Nuclear Costs - The Historic Crossover

Dear Governor:

Earlier this year, there was a highly significant moment in energy development in North Carolina. Electricity from new solar installations is now cheaper than electricity from proposed nuclear plants.

NC WARN has been monitoring the costs of various energy technologies for the past several years and has seen the costs for solar photovoltaic systems steadily falling. In the meantime, the projected costs of new nuclear plants have risen steadily and continue to rise. We have known for years that energy efficiency, wind, solar hot water and customer cogeneration were already cheaper sources than new nuclear plants. Now solar photovoltaic electricity is too.

The attached report is by Dr. John Blackburn, retired Chancellor and Chair of the Economics Department at Duke University. Dr. Blackburn shows that solar energy, when directly comparing generation on a kWh basis, is now more cost-effective than electricity from nuclear plants. In addition, it provides electricity when it is most needed by the consumers. Solar energy also has a strong advantage over nuclear plants as renewable systems can come on line quickly (as opposed to 10 - 15 years for a nuclear plant).

The renewable energy sources will create considerably more jobs all across the State and will do so for less cost.

We would like to brief you and your staff in the near future about the new economics of energy and the implications it has for North Carolina. We are further asking that you direct

the State agencies involved in energy matters to conduct a comprehensive study of the costs of solar versus nuclear, including the jobs that each might create. We are certain that Dr. Blackburn's findings will be corroborated.

Furthermore, we seek your leadership in developing the financing mechanisms for solar energy that are proving to be successful in other states.

This paradigm shift has profound implications for North Carolina's energy and economic future. Most of the other states are developing their clean energy systems as rapidly as possible. North Carolina should be leading, not lagging.

We look forward to discussing this with you at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Jim Warren". The signature is written in a cursive, slightly slanted style.

Jim Warren

Enc.

cc. Edward S. Finley, Jr., N.C. Utilities Commission
Tim Toben, Energy Policy Council
J. Keith Crisco, Department of Commerce
Robert P. Gruber, Public Staff
Walter Dalton, Lieutenant Governor
Joe Hackney, Speaker of the House
Marc Basnight, Speaker pro tempore of the Senate