

Beverly Perdue, Governor

J. Keith Crisco, Secretary



**NORTH CAROLINA  
DEPARTMENT OF COMMERCE**

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**N.C. ENERGY OFFICE TO CONDUCT PUBLIC OUTREACH ON TVA SETTLEMENT**

RALEIGH -- A series of three public outreach sessions will be held next week in western North Carolina to gather views of the public concerning a June 2011 settlement between the Tennessee Valley Authority and several states, including North Carolina, on the impact of coal-fired power plant pollution and its consequences for the states.

As a result of a negotiated settlement signed by a federal judge in June, North Carolina will receive about \$11.2 million over the next five years (around \$2 million a year) in support of clean energy and the environment.

The Tennessee Valley Authority agreed to a \$3 billion to \$5 billion cleanup of its coal-fired power plants in three states, resolving claims North Carolina made in a 2006 lawsuit. The settlement of Clean Air Act violations at 11 power plants in Alabama, Kentucky and Tennessee requires the TVA to install new or upgraded pollution controls that will reduce smog and acid rain-forming emissions by more than two-thirds. The TVA will also spend \$350 million on clean energy projects, including \$11.2 million for N.C. energy-efficiency and electricity demand-reducing programs.

The hearings, conducted by the North Carolina Department of Commerce's Energy Office, will be held Monday, Dec. 5 in Murphy; Tuesday, Dec. 6 in Waynesville and Wednesday, Dec. 7 in Boone. The session will provide information on the settlement.

The hearings are scheduled as follows:

**5 p.m. Monday, Dec. 5, Murphy** -- Tri-County Community College; Enloe Bldg. multipurpose room; 21 Campus Circle; Murphy, N.C. 28906

**5 p.m. Tuesday, Dec. 6, Waynesville** -- Haywood Community College; Regional Tech Center auditorium, 185 Freedlander Drive; Clyde, N.C. 28721

**5 p.m. Wednesday, Dec. 7, Boone** -- Appalachian State University; Broyhill Conference Center, 755 Bodenheimer Drive, Boone, N.C. 28607

Below is the text from the decree concerning the funds that will be available to the states.

123. As set forth below, the States, by and through their respective Attorneys General or General Counsel, may each submit to TVA Projects within the categories identified for funding. The funds for these Projects will be allocated amongst the States as follows: Tennessee \$26.4 million, Kentucky \$11.2 million, North Carolina \$11.2 million and Alabama \$11.2 million. These amounts are referred to below as each State's "allocation."

124. Beginning in 2011, TVA shall disburse to each State the amounts requested by each State, provided that, in any year, TVA shall disburse no more than one-fifth (1/5) of the State's allocation plus any amount by which the State received less than one-fifth (1/5) of its allocation in any prior years until all timely requests have been paid in full by TVA. If by January 31, 2017 any funds remain for which a State has not made a request, TVA shall promptly, but no later than February 29, 2017, notify the States of the remaining amount and the States shall have until March 31, 2017 to jointly provide TVA an agreed-upon method for equitably reallocating the remaining funds to be spent on Projects identified in this Section by no later than December 31, 2017. In the event the States are unable to agree on a reallocation method, the remaining funds shall be reallocated using the same allocation percentages identified in the preceding Paragraph. TVA shall be obligated to disburse only those funds that are requested by December 31, 2017 in accordance with this Subsection. For funding requests by States commensurate with this Subsection, TVA shall pay funds as requested within thirty (30) days after being notified in writing by the State of its request.

125. The States shall use their best efforts to identify Projects that are located in TVA's power service area or the Tennessee River watershed and shall give a preference to such Projects over Projects outside these areas. However, any Project funding requested by a State that is within the categories identified in Paragraph 128, shall be funded by TVA in accordance with this Paragraph regardless of where in the State the funds will be utilized. TVA shall not have approval rights over the Projects.

126. As an alternative to the method set forth in Paragraph 124, in any year any two or more States may agree together that any State may request any amount individually up to the remainder of its allocation, provided that the total funding requested by the agreeing States for that year does not exceed the maximum TVA would otherwise be required to disburse under Paragraph 124 to the agreeing States for that year.

127. If TVA wishes to use signage, written materials, publications or events to recognize its funding of these Projects, TVA shall clearly state and identify that the funding is being provided pursuant to this Consent Decree.

128. **Categories of Projects.** The States agree to use money funded by TVA to implement Projects either from the following categories or for the Projects identified in Appendix C to the Compliance Agreement:

- a. Purchase and installation of photo-voltaic cells and/or solar thermal systems on buildings;
- b. Implementation of projects that reduce idling time from motor vehicles;
- c. Projects to conserve energy in new and existing buildings, mobile homes, and modular buildings, including efficient lighting, appliance efficiency improvement projects,

weatherization projects, and projects that meet the ENERGY STAR and Home Performance with ENERGY STAR Building qualifications, the Leadership in Energy and Environmental Design (“LEED”) Green Building Rating System or an equivalent energy efficiency program approved by the State, or other innovative building efficiency projects approved by the State and/or appropriate review committee;

d. Construction of wind or solar renewable energy production facilities;

e. Installation of cogeneration units (wherein a single fuel source simultaneously produces electricity and useful heat) at industrial manufacturing plants or institutions such as universities, hospitals, prisons, and military bases;

f. Projects that assist smart regional planning to reduce vehicle miles traveled and improve regional air quality;

g. Installation of geothermal equipment;

h. Funding of agricultural and forestry sector use and production of renewable energy and carbon sequestration including but not limited to: anaerobic digestion of poultry, swine, and dairy manure to produce methane as a fuel source to displace conventional fuel use,

- installation of wind and solar power projects at farms to power irrigation and provide heat and/or hot water for farm operations,
- production of biodiesel from high oil producing crops grown and converted on-farm for on-farm use,
- funding the procurement of land and necessary equipment to establish urban farms and support the education and institution of urban farming practices in these communities,
- purchasing land buffering national or state forests, parks, and refuges that link important ecological systems in the region to support carbon sequestration efforts,
- use of agricultural or forestry waste products in support of biofuel production,
- development of co-products and by-products of biofuel production from agricultural or forestry resources, and
- other innovative agricultural or forestry projects, including education and training, that meet environmental improvement standards and are approved by the State and/or review committee;

i. Creation of a sustainable revolving loan program or other financing mechanism for homeowners to purchase and install energy efficiency and/or conservation measures with a two (2) to ten (10) year payback period where the repayment occurs over the defined payback period;

j. Promotion of the use of landfill gas to convert methane to electricity and/or useful heat;

k. Establishment and/or promotion of a tourist shuttle service for key tourist routes in and around the Great Smoky Mountain National Park where the shuttles are powered by electricity, fuel cell, or natural gas and/or funding of the purchase of vehicles and/or operation and maintenance of the equipment;

l. Sponsoring a wood and/or coal burning appliance changeout and retrofit campaign that replaces, retrofits, and/or upgrades inefficient, higher polluting wood/coal burning appliances (e.g., non-EPA certified wood stoves, old technology outdoor wood-fired hydronic heaters) with Energy Star qualified heat pumps, EPA Phase II qualified hydronic-heaters, EPA certified wood stoves and/or cleaner, more energy-efficient wood pellet burning appliances;

- m. Implementation of projects to improve energy efficiency or renewable energy projects at water treatment and waste water treatment plants; and
- n. Development, manufacture, and commercialization of innovative energy efficiency and renewable energy equipment and biofuel production.

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