June 20, 2017

Re: Corporate Customer Perspective on HB 589, Competitive Energy Solutions For NC

Dear Members of the North Carolina General Assembly:

As major businesses and employers in North Carolina, we are writing to you to express our support for the third-party leasing program in House Bill 589, Competitive Energy Solutions for NC, and to identify the Green Source Rider program as an area in need of further improvement during implementation. We applaud the numerous energy stakeholders and legislators who have worked to draft this consensus legislation over the past nine months, and we remain grateful to Speaker Tim Moore and Senate President Pro Tempore Phil Berger for convening the energy stakeholders’ process last September.

We strongly support efforts to increase clean energy access and choices for the state’s business community, and we see this legislation as an important step forward. However, much work still remains to ensure successful participation by NC electric customers as these programs are implemented, and we stand ready to help.

We are encouraged by the efforts to update the state’s implementation of the federal PURPA law. We hope this will lead to continued growth of the renewable energy sector in North Carolina as renewables provide the state’s electric customers an opportunity to lock in affordable rates and protect against rising fuel prices. We are concerned, however, about the prescriptive language on the methodology for calculating avoided cost, as this issue seems primarily regulatory in nature.

We also support efforts to allow third-party leasing for solar generation located at customer’s facilities. Opening up the financing market for corporate buyers—and others—would provide more cost-effective clean energy options and would help us contribute to an even more robust local economy. Businesses—and individuals—lease all manner of assets from copy machines to cars. Enabling leasing and power purchase agreements for solar equipment is a common sense, market based fix to allow companies to procure renewable energy without major up-front capital expenditures or taking on the operational risks of owning a power generation system.

We believe the Green Source Rider (GSR) provision in HB589 requires improvement to ensure customers will participate in the program. HB589 takes a few steps back from the previous pilot program, which only proved viable for three North Carolina businesses. We are concerned that preventing customers from achieving 100% renewable targets and by prescribing certain program requirements could negatively impact the viability of the GSR program.

We believe that choice and competition in the renewable energy sector is as important as it is in all other aspects of our businesses and supply chains. More choices for companies to access renewable energy would give North Carolina businesses a competitive edge and allow us to keep our energy investment dollars here in the state. Establishing a cost-competitive corporate renewable purchasing
A mechanism that works for diverse businesses, while ensuring no additional cost to non-participating customers, has been successfully achieved in 20 other states and many international markets—leading to over $15 billion in direct corporate investment. As companies committed to investing in North Carolina, we look forward to working with lawmakers, regulators, and any other interested stakeholders to seize this opportunity by refining and improving purchasing options in the state.

Our companies have made commitments to source renewable energy to power our operations. In fact, 63 percent of Fortune 100 companies and nearly half of the Fortune 500 have set goals to procure renewable energy, increase energy efficiency, and/or reduce emissions within their operations. Clean energy helps our bottom lines. It helps businesses cut energy costs, reduce exposure to the volatility of fossil fuel prices, and stay competitive.

North Carolina is a leader in clean energy, thanks to energy legislation (Senate Bill 3) that passed in 2007 with overwhelming bipartisan support. Legislative action by the N.C. General Assembly has fostered innovation, investment, and new jobs. We support passage of the third-party leasing program in HB589 and look forward to working with legislators to establish a cost-competitive corporate renewable purchasing mechanism that works for diverse businesses moving forward.

Please feel free to contact us with questions or if you need additional information.

Sincerely,

Cargill
Google
Mars Incorporated
New Belgium Brewing
Seventh Generation
Sierra Nevada Brewing Co.
Trillium Asset Management
Unilever
VF Corporation

CC: Governor Roy Cooper

If you have any questions or would like to get in touch with any of the business signatories, please contact Alli Gold Roberts at goldroberts@ceres.org.

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About the company signatories:

**Cargill**
Cargill provides food, agriculture, financial and industrial products and services to the world. Together with farmers, customers, governments and communities, Cargill applies insights and 150 years of experience into working with customers and stakeholders. In North Carolina, Cargill operates five oil and grain processing facilities, which provide 245 jobs in the state. Recently, Cargill set targets to improve energy efficiency by 5 percent below 2015 levels and to power its facilities with 18 percent renewable energy by the year 2020. Cargill currently uses more than 15 different renewable energy sources at more than 100 locations around the world and is exploring opportunities to using more solar and wind power at its facilities.

**Google**
Google is a global technology leader focused on improving the ways people connect with information. Google’s innovations in web search and advertising have made its website a top Internet property and its brand one of the most recognized in the world. Google is committed to sourcing 100% renewable electricity and is on course to reach this goal in 2017. Today, Google is the world’s largest corporate buyer of renewable power, with commitments reaching 2.6 gigawatts (2,600 megawatts) of wind and solar energy. Google owns and operates a $1.2 billion data center complex in Caldwell County, NC.

**Mars Incorporated**
Mars, Incorporated petcare, candy, food, and drink brands are enjoyed by the world. Mars is focused on reducing carbon emissions in its own operations and is gradually increasing renewable energy supply to its sites worldwide with the goal that 100% of energy consumption will be fossil fuel free by 2040, with a stepping stone target of a 25% carbon emission reduction by 2015.

**New Belgium Brewing**
New Belgium Brewing, makers of Fat Tire Amber Ale and a host of Belgian-inspired beers in Asheville, North Carolina and Fort Collins, Colorado is consistently recognized as a great place to work and a sustainable business. New Belgium’s core value to honor the environment is lived out in part through an internal energy tax to help fund sustainable business practices as well as on site solar and biogas electrical generation.

**Seventh Generation**
Established in 1988, in Burlington, Vermont, Seventh Generation is one of the nation's leading brands of household and personal care products. The company lives its commitment to "caring today for seven generations of tomorrows," with products formulated to provide mindful solutions for the air, surfaces, fabrics, pets and people within your home -- and for the community and environment outside of it. A pioneer in corporate responsibility, Seventh Generation continually evaluates ways to reduce its environmental impact, increase performance and safety, and create a more sustainable supply chain. To read more about Seventh Generation's corporate responsibility, visit the company's Corporate Consciousness Reports.

**Sierra Nevada Brewing Co.**
Founded in 1980 in Chico, California, Sierra Nevada Brewing Co. brews award-winning beers in the most responsible way possible. Sierra Nevada opened a second brewery in Mills River, North Carolina, using 100% renewable energy from multiple sources including onsite solar, microturbines running on
biogas from wastewater treatment and purchased renewable energy via NC Green Power. Sierra Nevada’s Chico brewery is also home to the largest privately-owned solar array in craft brewing.

**Trillium Asset Management**
Trillium Asset Management is an employee-owned investment management firm focused exclusively on sustainable and responsible investing. Trillium integrates Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance. A leader in shareholder advocacy and public policy work, Trillium leverages the power of stock ownership to promote social and environmental change while providing both impact and performance to our investors. With an office in Durham and more than $30 million in assets managed in the state we are committed to the success of North Carolina’s clean energy future.

**Unilever**
On any given day, 2.5 billion people use Unilever products to feel good, look good and get more out of life – giving us a unique opportunity to build a brighter future. Great products from our range of more than 400 brands such as Lipton, Knorr, Dove, Axe, Hellmann’s and Ben and Jerry’s give us a unique place in the lives of people all over the world. Whatever the brand, wherever it is bought, we’re working to ensure that it plays a part in helping fulfill our purpose as a business – making sustainable living commonplace. Unilever has announced intentions to go carbon positive in our operations by 2030. Being carbon positive means that in partnership with others, we will directly support the production of more zero carbon renewable energy than we need for our own operations. This reflects our ambition to play a leadership role in the transition to a zero carbon economy. In North Carolina, Unilever employs 250 people at our deodorant manufacturing facility in Raeford.

**VF Corporation**
VF Corporation is a global leader in the design, manufacture, marketing and distribution of branded lifestyle apparel, footwear and accessories. The Greensboro, North Carolina-based company’s largest brands are The North Face®, Vans®, Timberland®, Wrangler®, Lee® and Nautica®. VF has committed to using 100% renewable energy at all owned and operated facilities globally by 2025.