Those who can read the handwriting on the wall before others even see the wall will catapult to success

—John Kasarda
Entrepreneurship

“Entrepreneurs embody the promise of America: the idea that if you have a good idea and are willing to work hard and see it through, you can succeed in this country.”

—Barack Obama
“Economic development is really a team sport. And I know of no other sport as competitive as economic development.”

—Jim Kelley
Global Competitiveness

“Globalization is forcing companies to do things in new ways.”

—Bill Gates
REACHING FOR PROSPERITY
ECONOMIC DEVELOPMENT
Kenan Institute Eastern North Carolina Initiative

- Twin County Business Growth Initiative
- Business of Biofuels Research
- City of Kinston Economic Redevelopment
- City of Rocky Mount Downtown Initiative
- Hertford Green Marina
ECONOMIC IMPACT OF ELECTRICITY RATES
NC ELECTRICITY
Duke Power/Progress Energy—Investor Owned
NCMPA1, NCEMPA — Public
NCEMPA AGREEMENT

• History of rising power demand at end of 1970s/early 80s

• Supply security

• Cost of plant construction and resulting debt service.
  • Estimated $1.1/four reactors → $4 billion/one)
Electricity Prices (Residential) in North Carolina, 2009
Electricity Prices (Commercial) in North Carolina, 2009
Residential Electricity Prices and Per Capita Income

<table>
<thead>
<tr>
<th>NCMPA</th>
<th>Average Price (cents/kWh)</th>
<th>NCMPA1</th>
<th>Average Price (cents/kWh)</th>
<th>Adjusted Per Capita Income by county</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.24 ~ 10.31</td>
<td>9.24 ~ 10.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.31 ~ 11.38</td>
<td>10.31 ~ 11.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11.38 ~ 12.44</td>
<td>11.38 ~ 12.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12.44 ~ 13.51</td>
<td>12.44 ~ 13.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.51 ~ 14.50</td>
<td>13.51 ~ 14.50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 24807 ~ 29431
- 29431 ~ 34055
- 34055 ~ 38676
- 38676 ~ 43392
- 43392 ~ 47949
Residential Electricity Prices and Net Per Capita Income
EASTERN REGION
RESIDENTIAL COST DISPARITY

• NCEMPA Avg. Price (cents/kWh) 13.6

• North Carolina Avg. Price (cents/kWh) 9.9

• US Avg. Price (cents/kWh) 11.43
EASTERN REGION
COMMERCIAL/INDUSTRIAL
COST DISPARITY

• NCEMPA Avg. Price (cents/kWh) 11.4/8.7

• North Carolina Avg. Price (cents/kWh) 7.9/5.99

• US Avg. Price (cents/kWh) 9.8/7.83
CUMULATIVE COST DIFFERENTIAL 2009

• NCEMPA $240 million more relative to average NC electricity prices

• $30M in Rocky Mount, $43M in Greenville, $45M in Wilson
NEXT STEPS

• In-depth analysis of economic impact of high electricity rates in ENC
  • Business Survey
  • Consumer Analysis
  • Rate Analysis
  • Debt Alternatives
• Develop sustainable economic development model- Job/Consumer focused
• Design pilot for implementation
Questions?
Contact Information:

Thomas Stith, Program Director
Economic Development
Kenan Institute of Private Enterprise – UNC
Chapel Hill
Thomas_stith@unc.edu
919-962-8444