



NORTH CAROLINA GENERAL ASSEMBLY

NORTH CAROLINA SENATE

January 19, 2022

Governor Roy Cooper
20301 Mail Service Center
Raleigh, NC 27699

VIA ELECTRONIC DELIVERY

Dear Governor Cooper,

We write with questions about your recently-signed Executive Order 246. Just months ago, you signed into law House Bill 951 after lengthy good-faith negotiations with the legislature. That bill put into statute legally enforceable carbon emissions reductions and required the reductions be achieved in the least-cost manner while also maintaining or improving reliability for North Carolinians.

While legally unenforceable, the signing of your executive order earlier this month confuses the public and appears to shift the goalposts by purporting to establish new emissions reduction goals. Your new goals, which you announced without consultation with the negotiators who worked with you for many months to develop House Bill 951, do not have force of law.

Still, even a modest examination of the impacts and potential methods of achieving your legally unenforceable goals raises several questions that your order does not address. We pose some of those questions to you below, divided generally into three categories: transportation, affordability, and energy generation.

Transportation

Executive Order 246 states that it is your administration's wish for 1.25 million electric vehicles to be in use in North Carolina by 2030.

As you know, more than 50% of the Department of Transportation's revenue comes from funds collected through a tax on gasoline. When the gasoline tax was first introduced in 1921, it extracted funds from people driving vehicles roughly in proportion to the number of miles driven by those vehicles. That makes good policy sense: Those who cause more wear and tear on North Carolina roads contribute more funding to road maintenance by paying a tax for each gallon of gasoline they purchase.

Of course, times and technology have changed since the gasoline tax was first created. It is now possible for an electric vehicle to cause wear on tear on a North Carolina road without its operator contributing anything at all to road maintenance through the gasoline tax. Only operators of gasoline-powered vehicles contribute to road maintenance through the gasoline tax, and as the number of electric vehicles increases, the burden for funding road maintenance will fall on an ever-smaller number of drivers.

It may very well be your administration's goal to discourage use of gasoline-powered vehicles by forcing their drivers to pay a gasoline tax that other drivers do not have to pay, but as a basic matter of adequate funding for road maintenance such a scheme is untenable. This issue is what motivates our questions:

- Do you intend to supplement your Executive Order or request legislation to make up the road maintenance revenue that would be lost with a dramatic increase in vehicles that pay a smaller or no gasoline tax?
- Do you believe, as a matter of fairness, that operators of electric vehicles should contribute the same amount as operators of gasoline-powered vehicles to maintain the roads and other infrastructure that they use?
- If you believe operators of electric vehicles should not have to contribute to road maintenance at the same level as other vehicles, could you please offer your rationale for such a policy?

Like gasoline-powered vehicles, electric vehicles must also have access to stations to refuel (or recharge).

- Is it your administration's assumption that electric vehicle recharging stations will be created to accompany the increase in electric vehicle market share?
- If that natural market growth does not meet your administration's 2030 goal, what do you recommend should happen?

Affordability

House Bill 951 was drafted with affordability at the forefront of our minds. As you know, electric vehicles are more expensive up front, and repairs are more costly than internal combustion engine vehicles. The impact of these higher costs will disproportionately impact low- and middle-income North Carolinians. How do you plan to mitigate the impacts of Executive Order 246 on our low- and middle-income citizens?

Energy Generation

We will turn now to questions about your administration's legally unenforceable emissions reduction goals, which you now offer just months after we successfully negotiated emissions reductions goals that *are* legally enforceable in House Bill 951.

The policy decisions surrounding energy are far more complicated than simply listing goals. We all know this from the extensive negotiations that took place just a few months ago.

House Bill 951 requires carbon reductions to be implemented with least possible impact on reliability and at least possible cost. Your Executive Order appears to express your desire, though legally unenforceable, to change the parameters of the law we negotiated.

- In achieving this new reduction in carbon emissions, which is legally unenforceable, what level of reliability, if any, is your administration willing to sacrifice? To give an extreme hypothetical, if it were possible to generate the entirety of our state's energy via wind power, blackouts would occur when the wind isn't blowing. Surely you would not support such a carbon reduction policy, because wind-only energy would be so unreliable. So, to restate the question, is your administration willing to risk some reduction in reliability to achieve your carbon reduction goals? If so, how much? As you know imposing such a lack of reliability on to our electric grid would be unlawful because it would be inconsistent with House Bill 951, which you signed into law.
- Are you willing to accept consumer energy price increases for households to achieve these new carbon reduction goals, though they're legally unenforceable? If so, how much of a price increase are you willing to accept?
- Do you believe an expansion of nuclear energy is a viable option to achieving your carbon reduction goals? Why or why not?
- Are you aware that a disruption in the state's supply of natural gas would cause immediate, real-time disruptions to the state's energy grid?

As you know, changes to North Carolina's energy future cannot be achieved through executive action alone. After having worked so productively with your office on decarbonizing the state's electric grid at least cost to North Carolinians, and without sacrificing reliability, we can only conclude that Executive Order 246 is mere political theatre. We look forward to your responses to these questions.

Sincerely,



Sen. Vickie Sawyer



Sen. Tom McInnis



Sen. Paul Newton