



For Immediate Release

May 27, 2023

Contact: info@ncblockchain.tech

North Carolina Blockchain Initiative Urges North Carolina Utilities Commission to Oppose Rate Hikes

Raleigh, North Carolina -- The following statement was released by the North Carolina Blockchain Initiative:

The North Carolina Blockchain Initiative (NCBI), a nonpartisan and all-volunteer task force, stands firmly against the proposed rate increases put forth by Duke (Duke Energy Carolinas, LLC (DEC)). These rate hikes are currently under review by the North Carolina Utility Commission and are scheduled for consideration on Tuesday, May 30th.

On February 28, 2023, Duke Energy Carolinas, LLC (DEC) [filed a request](#) to adjust its electric rates due to the cost of complying with North Carolina's Competitive Procurement of Renewable Energy law, with changes taking effect September 1, 2023. DEC's request would result in increases in customers' bills as follows: For residential customers, rates would increase by 0.0340 cents per kilowatt-hour (kWh). For general service and lighting customers, rates would increase by 0.0311 cents per kWh. For industrial customers, rates would increase 0.0299 cents per kWh.

According to the proposed plan, residential rates would experience a 16.6% increase from the current 16.2% by September 1, 2023. If approved, starting from 2025, Duke's residential customers would face an additional 18.7% increase if their monthly household electricity usage exceeds 1,000 kilowatt hours. Duke has requested that the proposed rate increase be implemented in October, with subsequent annual increases. This would result in customers paying 9.9% more within a span of less than six months, followed by an additional 4.5% increase in 2024. Moreover, another 4.3% increase is planned for October 2025.

In a statement provided to the NCBI, a Duke employee, who requested anonymity, expressed their astonishment at the current situation, saying, "In my more than 20 years with the company, I have never witnessed anything of this magnitude at Duke; it is truly unprecedented."

Additionally, the governor has submitted a request to Duke Energy, urging the inclusion of a \$1.25 monthly surcharge in every electric bill. This surcharge aims to ensure that customers who consistently fulfill their payment obligations also contribute towards covering the electricity costs of those who fail to pay their bills. Notably, the request specifies that this money transfer should not appear as a separate line item on the bill, but rather as a concealed fee, resulting in an extra \$15 per year per paying customer.

Duke's primary mission is to generate and distribute electricity to the residents of North Carolina, prioritizing transparency and efficiency. With approximately 4 million households in the state, the proposed increases could generate an additional \$60,000,000 in annual revenue for Duke. However, it is crucial to consider the distribution of this revenue, particularly in relation to those who do not fulfill their payment obligations for electric usage. It is the opinion of the NCBI that penalizing responsible bill payers to support those who fail to do the same is unfair, especially for older residents on fixed incomes and our dedicated service members.

Bitcoin mining plays a crucial role in maintaining grid stability and has significantly contributed to North Carolina's economy over the past five years. The presence of bitcoin mining has brought advanced technology to our state and revitalized towns that previously experienced the departure of industries overseas. However, if Duke Energy proceeds with this punitive rate increase, it will compel mining companies to explore opportunities in states where energy providers can offer energy production and distribution at more reasonable prices. In the long run, this could result in substantial economic losses amounting to millions of dollars for North Carolina.

The proposed rate increases are not only unwarranted and excessive but also place North Carolina at an economic disadvantage. Throughout history, North Carolina has attracted businesses to its thriving state through competitive rate schedules and a stable grid. However, these rate hikes penalize existing industries and will cause private sector businesses to either relocate or reduce expansion plans within the state. Such drastic penalties imposed on customers will inevitably lead to an economic downturn, discouraging future-oriented businesses like bitcoin miners from establishing roots in North Carolina.

The NCBI urges the North Carolina Utilities Commission (NCUC) and the Public Staff to conduct a thorough evaluation of the financial performance of Duke Energy Carolinas, LLC during the 2022 fiscal year. With a net income of approximately \$2.5 billion in 2022, and \$3.6 billion in 2021, these substantial figures should hold significant weight in the assessment of the proposed rate increases.

North Carolina has a distinguished history of attracting businesses through its competitive rate schedules and reliable grid infrastructure. However, the implementation of these rate hikes would disproportionately penalize existing industries and present obstacles for private sector businesses, potentially leading to their relocation or a reduction in expansion plans within the state. Such substantial penalties imposed on customers would undoubtedly result in an economic downturn, discouraging forward-thinking businesses, including those in the bitcoin mining sector, from establishing a robust presence in North Carolina.

We strongly urge the NCUC and the Public Staff to give due consideration to the potential repercussions on the state's economy, as well as the long-term implications of these proposed rate increases. Striking a balance that supports business growth, fosters innovation, and ensures equitable rates for all customers in North Carolina is essential.

Additionally, the NCBI also received the following statement from Tobias Barbir Founder and Curator of Alamance County-based Bitcoin Mining Museum (BMM):

“The BMM firmly opposes the proposed rate hikes by Duke Energy. These rate increases will not only impact a significant number of retail customers in the state but also jeopardize the employment opportunities associated with new innovations in small-town facilities, which have played a pivotal role in revitalizing parts of North Carolina. We urge the consideration of a more viable approach to offer miners a reduced rate, thereby incentivizing new mining companies to establish operations in North Carolina, contributing to grid balance while keeping rates stable for retail clients.”

Additional information and updates are available at <https://ncblockchain.tech/>

###