

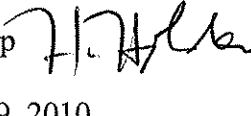


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TO: Energy Task Force  
FROM: Holden Thorp   
DATE: November 29, 2010  
RE: Energy Task Force Final Report

Thank you for serving on the Energy Task Force. Your work over the past year has helped the University make a commitment to move away from fossil fuels to clean energy.

I've reviewed your final report, and I've charged Associate Vice Chancellor for Campus Services Carolyn Elfland with helping us implement the recommendations.

I support your recommendations with one caveat. You asked the University to develop public-private partnerships to advance energy generation and efficiency technologies on campus, and in many cases we seek out these opportunities. We are collaborating with NC State and the forestry industry on biomass and working with the Town of Chapel Hill and municipal solid waste (MSW) pelletizers to explore MSW as an alternate fuel.

As part of that recommendation, you also asked the University to consider creating third-party agreements for companies to install their renewable energy or energy efficiency technologies on University property. These agreements would allow the businesses to retain ownership of the devices for tax purposes. This model is not advantageous to the University because we own the campus electrical grid. A third party cannot sell the power to Duke Energy per our electric rate agreement with them. And given the current cost of solar power in the renewable energy portfolio, it's not financially feasible for us to purchase the electricity. Further, we need the environmental attributes on solar projects to use for offsets.

I understand from Chair Toben's letter that you are submitting these recommendations for consideration long term. I appreciate your foresight, and we will keep in mind this recommendation for the future.

I thank you for your time and dedication on this board, and I thank Tim for his leadership. These recommendations will help us create an even greener campus for years to come.