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**ATTACHMENT 1**

September 25, 2008

North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

RE: NCUC Docket No. E-100, Sub 83 – Net Metering

I am writing on the behalf of the Town of Chapel Hill to express our support for expanding net metering, specifically as it relates to allowing renewable energy customer-generators to choose the rate schedule that is most beneficial to them.

The Town of Chapel Hill has completed a PV demonstration project at one of our Fire Stations, where we have a buy all/sell all metering arrangement with our utility in conjunction with NC GreenPower. I am writing to you because we have been looking for ways to minimize the costs associated with this project, namely the utility fees. Given the narrow margin of benefits associated with a project like this, we believe that any ability to reduce costs would enhance the financial success of this and similar renewable energy investments. Eliminating the current time-of-use participation requirement in North Carolina's net metering rules would be a step in the right direction.

Net metering is a billing arrangement in which customer-generators realize one-to-one kilowatt-hour savings from their systems. In other words, the Town of Chapel Hill would receive one kilowatt-hour of savings for every kilowatt-hour generated from one of our PV systems. If the Town and its residents are allowed to choose the most economically beneficial rate schedule, then net metering could pave the way for reducing the payback period associated with projects like these, while also encouraging investment in similar projects.

The Town of Chapel Hill supports renewable energy investments because we are committed to climate protection and improving the resiliency and sustainability of our community. To follow through on our commitment, the Commission must remove certain barriers to renewable energy investments. The Commission has already made dramatic progress in easing interconnection requirements, net metering is the next step.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "K.C. Foy".

Kevin C. Foy  
Mayor