

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 179

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Duke Energy Progress, LLC, and)	ORDER REQUIRING FILING OF
Duke Energy Carolinas, LLC, 2022)	CARBON PLAN AND ESTABLISHING
Biennial Integrated Resource Plans)	PROCEDURAL DEADLINES
and Carbon Plan)	

BY THE CHAIR: On October 13, 2021, Governor Cooper signed into law House Bill 951 (S.L. 2021-165), directing the Commission to take all reasonable steps to achieve reductions in the emissions of carbon dioxide in this State from electric generating facilities owned or operated by certain electric public utilities. The Commission is directed to achieve a reduction of 70% from 2005 levels by the year 2030 and carbon neutrality by the year 2050. Session Law 2021-165 limits the applicability of this requirement to Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC, together with DEP, Duke). The Commission is directed to develop by December 31, 2022, a plan (the Carbon Plan) to achieve these emission reductions and to review the plan every two years thereafter.

North Carolina General Statutes Section 62-110.1(c) requires the Commission to develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina. To meet the requirements of this statute, Commission Rule R8-60 requires that all electric public utilities develop an Integrated Resource Plan (IRP) and provide details of that IRP to the Commission with a biennial report in even-numbered years.

Because the carbon reduction framework established by S.L. 2021-165 and the analyses underlying Duke's IRPs overlap, the Commission is inclined to sync, eventually, the Carbon Plan proceedings with the IRP proceedings. However, in light of the statutory deadline of December 31, 2022: (1) the Commission will devote 2022 to the development of the initial Carbon Plan; and (2) the Commission will delay DEC's and DEP's next comprehensive IRP filings required by Commission Rule R8-60(h)(1) to September 2023. In working toward the development of the initial Carbon Plan, the Commission will look to, but will not strictly adhere to, Rule R8-60 in establishing the initial procedures to be followed, as set forth in this Order. The Commission will initiate, by separate order and subsequent to undertaking the development of the initial Carbon Plan, a rulemaking

proceeding to revise Commission Rule R8-60 to reflect the approach of syncing the Carbon Plan with the IRP proceedings.¹

Session Law 2021-165 requires that the development of the Carbon Plan include stakeholder input. In the interest of making efficient use of time and resources, particularly given the December 31, 2022 deadline established by the legislation, the stakeholder process undertaken by Duke shall take into account and shall reflect the collaborative work and the outputs of the stakeholder efforts associated with the 2019 North Carolina Clean Energy Plan and the 2020 IRPs and shall build off of the consensus achieved and resources expended during those stakeholder efforts. To ensure sufficient opportunity to receive input, Duke is directed to hold a minimum of three stakeholder meetings. So that the Commission may remain apprised of the work of the stakeholders, the Commission will direct Duke and the Public Staff to file reports, as more specifically set forth below in Ordering Paragraph No. 4.

Following the stakeholder process, Duke is directed to file a proposed Carbon Plan by no later than April 1, 2022, which complies with the requirements of Section 1 of S.L. 2021-165. Duke is directed to include in the proposed Carbon Plan the methodology used to develop the baseline 2005 level of carbon dioxide emitted in the State from their electric generating facilities and the methodologies for quantifying reductions and offsets, as more specifically set forth below in Ordering Paragraph No. 3.

The Commission generally will employ the same review process as set forth in Rule R8-60(k); however, in light of the December 31, 2022 deadline established by the legislation, the Commission will allow intervenors 60 days from the filing of Duke's Carbon Plan to make their initial filings. The Commission will hold additional process to develop the record on Duke's proposed Carbon Plan, which will be addressed in subsequent procedural orders in this docket. Further, the Commission notes the petition filed jointly by DEC and DEP on November 9, 2021, in Docket Nos. E-7, Sub 1259 and E-2, Sub 1283 (Joint Proceeding Docket) requesting that the Commission hold a joint proceeding on the Carbon Plan with the Public Service Commission of South Carolina. The Commission will consider the petition in the Joint Proceeding Docket. The issuance of this Order in this docket does not preclude the consideration of the petition filed in the Joint Proceeding Docket, nor does it preclude the possibility of holding a joint proceeding as requested by DEC and DEP. However, the accelerated time frame established by S.L. 2021-165 for the development of the initial Carbon Plan necessitates immediate action by the Commission to initiate this process prior to any possible resolution of the petition.

¹ Section 1 of S.L. 2021-165 does not impact the obligations of Dominion Energy North Carolina (DENC) under N.C.G.S. § 62-110.1 or Rule R8-60. Thus, the Commission has reserved Docket No. E-100, Sub 180 for the purpose of review of DENC's 2022 IRP, which is to be filed by DENC contemporaneously with the filing of its IRP in its Virginia jurisdiction in May 2022.

IT IS, THEREFORE, ORDERED as follows:

1. That DEP and DEC are made parties to this proceeding without the necessity of filing petitions to intervene;

2. That any other persons desiring to become formal parties to this proceeding may file a petition to intervene on or before May 31, 2022;

3. That in lieu of the filing required by Commission Rule R8-60(h)(1), Duke shall file by April 1, 2022, a Carbon Plan that is consistent with the requirements of Section 1 of S.L. 2021-165 and, in addition, includes a statement addressing:

- (1) the methodology used to determine the baseline 2005 level of carbon dioxide emitted in North Carolina by their electric generating facilities;
- (2) the methodology used to calculate the reduction in carbon dioxide emitted from their electric generating facilities; and
- (3) the methodology used to quantify the reduction associated with any offset proposed and the methodology for verifying any such offset.

4. That in developing the Carbon Plan, Duke shall conduct at least three meetings before March 31, 2022, specifically for the purpose of gathering and incorporating stakeholder input on the Carbon Plan. On or before five business days after each stakeholder meeting, Duke shall file a summary report identifying the participating stakeholders, outlining the process employed, and identifying points of consensus. The Public Staff shall participate in the stakeholder process and shall separately file a report on or before five days after each stakeholder meeting generally providing an overview of the stakeholder meeting, issues on which there is consensus, and issues in dispute; and

5. That consistent with the review process established by Commission Rule R8-60(k), recognizing the deadline created by the legislation, the Public Staff and any other intervenor may file a plan or report of its own or may file an evaluation of or comments on Duke's proposed Carbon Plan by within 60 days from the filing of Duke's proposed Carbon Plan.

ISSUED BY ORDER OF THE COMMISSION.

This the 19th day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION



Erica N.Green, Deputy Clerk