

June 23, 2023

Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Comments of North Carolina Local Governments on Duke Energy's Proposed Voluntary Customer Programs - Green Source Advantage Choice (Docket No. E-2 Sub 1314, E-7 Sub 1289) and Clean Energy Impact Programs (Docket No. E-2 Sub 1315; E-7 Sub 1288)

Dear Chair Mitchell and Commission Members,

On behalf of the Southeast Sustainability Directors Network (SSDN) and its members, I appreciate the opportunity to provide these comments and recommendations to the North Carolina Utilities Commission regarding Duke Energy's proposed Green Source Advantage Choice and Clean Energy Impact programs. SSDN and its members appreciate Duke Energy's interest in seeking and incorporating ongoing stakeholder feedback and welcome additional collaboration and discussion on any of the issues described herein with the Commission, Duke and relevant stakeholders. We urge the Commission to ensure that carbon emission reductions associated with renewable energy projects facilitated by these voluntary customer programs will be attributed solely to the corresponding program participant and will not be counted towards compliance with the emission reduction requirements of HB951, as well as consider the other recommendations contained in this letter.

SSDN is a network of local government sustainability practitioners representing over 100 city, county, and tribal governments in 10 states across the Southeast, including 28 local governments in North Carolina.¹ Through peer-to-peer learning and collaboration, SSDN and its members work together to accelerate, scale, and implement programs to build more sustainable and resilient communities. As part of this work, SSDN regularly engages in direct conversations with utilities and key stakeholders to help ensure that clean energy programs are developed and implemented as effectively as possible for customers.

Local governments in North Carolina and throughout the Southeast are establishing long-term sustainability goals to reduce greenhouse gas (GHG) emissions, invest in clean energy and electric transportation, implement energy efficiency measures, create local jobs, and deliver immediate environmental, affordability, and public health benefits. SSDN members are regional leaders in local

¹ SSDN's North Carolina members include: Apex, Asheville, Boone, Buncombe County, Carrboro, Cary, Chapel Hill, Charlotte, Chatham County, Concord, Davidson, Durham, Durham County, Greensboro, Henderson County, Hendersonville, Hillsborough, Holly Springs, Mecklenburg County, Morrisville, New Bern, Orange County, Raleigh, Rocky Mount, Wake County, Wake Forest, Wilmington, and Winston-Salem. For more information see: <https://www.southeastssdn.org/members/ssdn-members/>

clean energy and climate action, with over 60 percent of SSDN's North Carolina members tracking, measuring, and reporting on GHG emissions for government operations.

Utility-offered voluntary customer programs offer a unique, and much needed, opportunity to make significant progress towards achieving clean energy, climate and sustainability goals, and local governments have a vested interest in ensuring that customers have access to viable programs and other options to pursue energy choices to help achieve those goals. The City of Charlotte has been working to participate in Duke's GSA program since February of 2020. The 35 MW project, which was recently re-approved by Charlotte City Council, will help offset nearly a quarter of the emissions from city-owned buildings over the next 20 years and will be a huge step in the city's efforts to fully decarbonize its operations by 2030.² The City of Durham, Durham County, and Durham Public Schools recently announced their own 35MW GSA project, which is expected to be operational by the end of 2025.³

It is critical that local governments have access to customer programs that are flexible, easy to use, and available in a timely, cost-effective manner. It is also critical to ensure that participation results in procurement of additional zero-carbon resources above and beyond the amount set by the Carbon Plan that would have been implemented otherwise (i.e., result in additionality). SSDN and its North Carolina members are concerned that renewable energy resources procured under Duke's proposed GSA Choice and Clean Energy Impact programs do not achieve regulatory surplus as defined by the EPA.⁴ As drafted, both programs support projects whose emissions reductions would count only towards the HB951 carbon-reduction requirement, not as additional projects above and beyond the minimum necessary to meet that requirement. In order to be truly additional, both the RECs and the carbon attributes associated with customers' participation must be retired on behalf of the participating customers and only on their behalf, without being counted towards meeting the HB951 carbon-reduction requirements. In recently filed comments, the Public Staff indicated that the GSA Choice Program as filed would prevent the procurement of additional renewable energy beyond what Duke is already planning to procure within the scope of HB951.

A more efficient and predictable interconnection process is also critical for customers to fully take advantage of voluntary customer programs and meet decarbonization goals. Currently, the substantial delays in interconnection requests and opaque interconnection study processes result in stalled projects and create challenges for local governments and others to meet their renewable energy and decarbonization goals. While we recognize that there is a practical limit on possible interconnections in a given year, it would be inappropriate and premature for perceived interconnection limits to reduce the amount of solar slated to be procured under the Carbon Plan in order to meet the 2030 carbon-reduction requirement rather than continuing to seek to identify alternative or improved pathways.

When filing new customer programs, local governments urge Duke to continue to improve current programs as well as develop new customer solutions to meet the growing demand for renewables, energy efficiency, and other implementations based on customers' feedback and suggestions. This is

² [City of Charlotte Strategic Energy Action Plan, GSA Solar Energy Project](#)

³ Press Release: [City of Durham, Durham County Government, and Durham Public Schools join Duke Energy's Green Source Advantage program](#)

⁴ <https://www.epa.gov/green-power-markets/regulatory-surplus>

essential for local governments to reach their renewable energy, climate, and equity goals. Ideally, new programs would reflect the decreasing cost of renewables by ensuring long-term savings and allowing for increased flexibility, for example, by providing various contract length options. Local governments appreciate that the programs as proposed by Duke would be based on energy consumption rather than peak demand, as this structure allows programs to be more workable for local governments and other commercial customers that have worked to reduce their demand so that they can be sized to cover actual consumption. Further, generating resources should be located within Duke Energy's utility territories in North Carolina to ensure that economic and environmental benefits of renewables flow to North Carolinians.

SSDN and our local government members are also interested in seeing new customer programs, which would deliver benefits to communities as a whole to simultaneously support local GHG reduction and equity goals, such as community solar offerings with a carve-out for low- and moderate-income (LMI) customers (as was done in Florida) and updated energy efficiency (EE) programs. Local governments commend recent efforts by Duke to modify the cost-effectiveness test for demand-side management (DSM) programs, develop an on-tariff financing pilot, and engage stakeholders to improve EE measures and programs through the EE/DSM Collaborative and the Low-Income Affordability Collaborative.

Local governments can be important partners in designing, developing, and delivering voluntary customer programs to North Carolina residents and businesses in multiple ways, such as improving local ordinances, increasing the uptake and success of utility programs through local networks and targeted outreach, and supporting low-income weatherization and urgent repairs required to implement weatherization measures. Accordingly, in an effort to ensure expanded program eligibility serves those most in need, we look forward to collaborating with and supporting Duke Energy in the design and implementation of cost-effective EE and DSM measures, especially ones that directly serve LMI communities. We are encouraged by the Income Qualified High Energy Use Pilot, and the partnerships with local governments, such as with Charlotte, that were made possible. Programs that are designed to support collaboration with local governments on the ground to layer programs and better serve LMI households are critical.

SSDN and our members are committed to working with Duke and the Commission to facilitate the solutions outlined in this letter, which will enable local programs to benefit residents, businesses, and local government operations, and appreciate the consideration of our comments and recommendations.

Respectfully,



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