

1 PLACE: Via Videoconference
 2 DATE: Thursday, June 6, 2024
 3 TIME: 6:34 p.m. - 6:57 p.m.
 4 DOCKET: E-7, Sub 1297
 5 BEFORE: Commissioner Karen M. Kemerait
 6 Chair Charlotte A. Mitchell
 7 Commissioner Kimberly W. Duffley

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IN THE MATTER OF:
 Application of Duke Energy Carolinas, LLC, for a
 Certificate of Public Convenience and
 Necessity to Construct an 850 MW
 Natural Gas-Fired Combustion Turbine Electric
 Generating Facility in Catawba County,
 North Carolina

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A P P E A R A N C E S:
FOR DUKE ENERGY CAROLINAS, LLC, AND DUKE ENERGY
PROGRESS, LLC:
Jason Higginbotham, Esq.
Duke Energy Corporation
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P R O C E E D I N G S

1
2 COMMISSIONER KEMERAIT: Good evening. Let
3 us come to order and go on the record. I'm Karen M.
4 Kemeraït, a Commissioner on the North Carolina
5 Utilities Commission, and with me tonight are Chair
6 Charlotte Mitchell and Kimberly W. Duffley.

7 I now call for hearing Docket Number E-7,
8 Sub 1297, in the Matter of Application of Duke Energy
9 Carolinas, LLC, for a Certificate of Public
10 Convenience and Necessity to Construct an 850 megawatt
11 Natural Gas-Fired Combustion Turbine, or CT, Electric
12 Generating Facility in Catawba County, North Carolina.

13 Before we proceed further, and as required
14 by the State Government Ethics Act, I remind members
15 of the Commission of our duty to avoid conflicts of
16 interest and inquire at this time as to whether any
17 Commissioner has any known conflict of interest with
18 respect to this docket?

19 (No response.)

20 COMMISSIONER KEMERAIT: Let the record
21 reflect that no such conflicts were identified.

22 On March 14, 2024, Duke Energy Carolinas,
23 LLC, or DEC, filed with the Commission an Application
24 pursuant to North Carolina § 62-82, 62-110.1,

NORTH CAROLINA UTILITIES COMMISSION

1 62-110.9, and Commission Rule R8-61(b) for a
2 Certificate of Public Convenience and Necessity, or
3 CPCN, to construct and operate two advance class
4 simple cycle gas combustion turbine units that will be
5 approximately 425 megawatts each. In order to
6 generate electricity at the site of this existing
7 Marshall Steam Station in Catawba County, North
8 Carolina.

9 In support of the Application, DEC filed
10 four exhibits and the direct testimony of two
11 witnesses, portions of which are confidential. The
12 Application explains that the two CT units will be
13 constructed on DEC-owned land at the Marshall Steam
14 Station site, which currently consists of four
15 coal-fired electric generating units.

16 The Application provides that the two CT
17 units are estimated to have a combined total winter
18 capacity of 850 megawatts, which will facilitate the
19 permanent retirement of two of the coal-fired
20 generating units at the Marshall site. The
21 Application provides further, that the new CT units
22 have been designed to use existing transmission
23 infrastructure that coal-fired units 1 and 2 are
24 currently utilizing. The Application explains that

1 the interconnection study processes undertaken for the
2 new CT units indicate that only minimal transmission
3 network upgrades will be necessary to support the two
4 new CT units. The Application provides that the --
5 that the CT units will rely on natural gas as fuel
6 supply and will be capable of utilizing
7 ultra-low-sulfur diesel as backup fuel. The
8 Application explains that DEC will take advantage of
9 existing natural gas transmission capacity for the
10 delivery of fuel to the Marshall site. DEC has
11 proposed to construct a compressor station at the
12 Marshall site to ensure that natural gas is delivered
13 to the new units as sufficient pressure. The
14 testimony accompanying the Application discusses DEC's
15 need for, and cost of, the facility.

16 On April 10, 2024, the Commission issued and
17 Order Scheduling Hearings, Establishing Procedural and
18 Filing Requirements, and Requiring Public Notice. The
19 scheduling Order scheduled one public witness hearing
20 to be held on June 5, 2024, in Catawba County, as well
21 the second public witness hearing to be held remotely
22 by way of Webex, tonight, on June 6, 2024, beginning
23 at 6:30 p.m.

24 The scheduling Order also scheduled an

1 expert witness hearing to begin immediately following
2 the hearing in Docket Number E-100, Sub 190, which is
3 scheduled to begin at 2:00 p.m. on, Monday, July 22,
4 2024. If the expert witness hearing on the
5 Application has not concluded by August 9, 2024, the
6 hearing will resume at 2:00 p.m. on Tuesday,
7 September 3, 2024, continuing as necessary until
8 conclusion.

9 On April 12, 2024, DEC filed a request to
10 amend the public notice mailing date, which was
11 granted by Commission Order on April 15, 2024.

12 On May 31, 2024, DEC filed its Affidavit of
13 Publication confirming that public notice was provided
14 in accordance with requirements of the scheduling
15 order as amended by the April 15, 2024 order.

16 The following parties have petitioned to and
17 have been allowed to intervene in this proceeding:
18 Carolina Industrial Group for Fair Utility Rates III;
19 Carolina Utility Customers Association, Inc;
20 Environmental Defense Fund; and the Southern Alliance
21 for Clean Energy, Sierra Club, and Natural Resources
22 Defense Counsel, collectively referred to as SACE et
23 al.

24 The Public Staff, which represents the Using

1 and Consuming Public, have been made a party to this
2 proceeding in accordance with North Carolina §
3 62-15(d). The Public Staff represents, you, the Using
4 and Consuming Public. In addition, the Public Staff
5 is conducting an independent investigation of the
6 Application and will file its testimony setting fourth
7 its recommendation to the Commission on June 20, 2024.

8 So that brings us to this evening. I now
9 call upon counsel for the parties to introduce
10 themselves for purpose of the record, beginning with
11 the applicant.

12 MR. HIGGINBOTHAM: Good evening,
13 Commissioners. Jason Higginbotham, appearing on
14 behalf of Duke Energy Carolinas.

15 COMMISSIONER KEMERAIT: Good evening.

16 MR. FELLING: Good evening, Commissioners.
17 Tom Felling with the Public Staff, appearing on behalf
18 of the Using and Consuming Public.

19 COMMISSIONER KEMERAIT: Good evening.

20 For the purpose of tonight's hearing is to
21 hear from DEC's customers regarding their positions or
22 concerns about the pending Application. We appreciate
23 you being here to voice your views on this matter, and
24 we welcome your testimony and want to hear from you.

1 In order to facilitate this remote hearing,
2 we will use the following procedures: Number one, in
3 conducting this hearing the Commission functions in a
4 judicial capacity. We largely follow the North
5 Carolina Rules of Civil Procedure and Rules of
6 Evidence. Because the Commission is functioning as a
7 court, I cannot respond to your questions, rather, we
8 are here to receive evidence from you in the form of
9 your testimony. In addition, for these reasons, if
10 you choose to testify tonight, you will be asked to
11 affirm the truthfulness of your testimony.

12 Number two, witnesses will appear by audio
13 connection only. The Commission and attorneys will be
14 appearing by video and audio connection. Any
15 witnesses that wish to view a live video of the
16 proceeding may excess it on a computer via YouTube,
17 which is linked to the Commission's home web page;
18 however, please be sure to mute your computer when you
19 are called to testify to avoid any feedback. This
20 hearing is being transcribed by a court reporter, and
21 it is critical that we limit all interference with her
22 ability to hear me and those who testify.

23 Number three, witnesses will be called on to
24 testify in the order in which you have called in.

1 When it is your turn to speak, the Webex administrator
2 will send you a request to unmute. You will hear the
3 message, which will state, "You are being asked to
4 unmute yourself. To unmute, press number six." It is
5 important that you listen for this message. Once you
6 unmute yourself, please state your name to signify
7 that you are unmuted. At that time, I will ask you to
8 provide an affirmation as to the truthfulness of your
9 testimony. Once you have provided the affirmation,
10 the attorney for the Public Staff will ask you a
11 series of questions and then you will be allowed
12 testify.

13 Number five, counsel for any party may ask
14 questions of the witnesses tonight; in addition, the
15 Commissioners will have an opportunity to ask
16 questions. This means that if you provide testimony,
17 you may be asked questions by the attorneys or by the
18 Commissioner. However, as a reminder, the
19 Commissioners and the attorneys for the parties are
20 not allowed to respond to your questions during this
21 hearing.

22 And, also, importantly, each witness will be
23 allowed three minutes to provide testimony. I will be
24 timing the testimony, and I will let you know when the

1 three minute time limit has ended and I will ask you
2 at that time to complete your testimony.

3 So with that, we are ready to begin. Mr.
4 McCoy, if you could please unmute the first witness.

5 THE WITNESS: This is Matt Musson.

6 MATT MUSSON;

7 having been duly sworn,

8 testified as follows:

9 MR. FELLING: Good evening, Mr. Musson.

10 Would you please state your name and spell your name
11 for the record.

12 THE WITNESS: Yes. My name is Matt Musson,
13 M-U-S-S-O-N.

14 MR. FELLING: And would you please provide
15 your address and indicate who your electric service
16 provider is.

17 THE WITNESS: 3910 Kingsgate Place,
18 Charlotte, North Carolina. I am a Duke Energy
19 customer.

20 MR. FELLING: Thank you so much. Please
21 begin with your statement.

22 DIRECT STATEMENT BY MATT MUSSON:

23 Good evening. Thank you for giving me an
24 opportunity to speak this evening. I am speaking in

1 favor of this plant. I believe that it's a plant that
2 our North Carolina grid needs to ensure that we have
3 affordable and reliable power. What do Duke Energy
4 customers want for our supplies, we want affordable,
5 reliable, and clean. Unfortunately, there's no power
6 option on the table today that gets an A plus for all
7 three criteria, so we have to pick two. Fossil fuels
8 are reliable and affordable. Solar and wind are
9 affordable and clean, but they are not reliable.

10 What do customers like me want? We want to
11 be able to heat our homes in the winter. We want to
12 be able to cool our homes in the summer. We want to
13 be able to take our parents to the hospital to get
14 them heart surgery and not be told, "Well, the
15 operating suite is closed today because there's not
16 enough power because it's raining."

17 This is a 24-hour a day plan. It's
18 affordable. It's reliable. Gets an A plus in both
19 categories. And the plant's not perfectly clean, but
20 it's not dirty either. It's significantly cleaner
21 than coal, and much cleaner than fuel oil. Much
22 cleaner than fuel oil. It is the cleanest readily
23 available base line power choice by far. Not an A
24 plus, but it's certainly a solid C on being clean.

1 Now, some people will tell you we should
2 build solar farms because solar panels are falling in
3 price and sun shines for free. But they forget that a
4 solar farm would require a huge continuous plot here
5 of land in the Charlotte area and rising price of land
6 in Charlotte would negate the falling price of solar
7 panels. But suppose you built an 840 megawatt solar
8 farm, then you'd get 840 megawatts of energy from
9 10 a.m. in the morning to four in the afternoon. Six
10 hours a day. Six hours a day at the rated level. And
11 that's a little longer in the summer and shorter in
12 the winter, but notice it doesn't cover peak demand
13 hours of the early morning or the peak demand hours of
14 the evening. But some will still say, "Build it
15 anyway. We've got to reduce our emissions." We can
16 turn off our plants six hours a day, but if we built
17 it, we can turn it off at 10 a.m. in the morning, but
18 we'll have to start turning our plants back on at 1 in
19 the afternoon. We won't save six hours. We won't
20 save 25 percent. We'd save one and a half percent.
21 But plants are like cars, they pollute more when you
22 turn them on then turn them off. So you wouldn't
23 really save three hours, you'd maybe save an hour and
24 a half. Maybe 6 percent on your emissions if you

1 built this entire process as a solar farm.

2 So, unfortunately, this is in Charlotte
3 North Carolina, too, we have 240 overcast days a year
4 in Charlotte. 240 overcast days a year. We're not
5 the sunny solar belt. We are the overcast belt of the
6 southern Atlantic states. This is not solar
7 territory.

8 So in summation, this natural gas is not
9 perfect, but it will produce more affordable more
10 reliable and cleaner energy than any other base line
11 option on the table. And I urge you to support this
12 natural gas plant to ensure that North Carolinians
13 have the electricity -- the affordable electricity
14 that's essential to modern living.

15 That's all I have to say. Thank you.

16 COMMISSIONER KEMERAIT: Thank you,
17 Mr. Musson. Are there any questions from Duke?

18 MR. HIGGINBOTHAM: No questions.

19 COMMISSIONER KEMERAIT: Any questions from
20 the Public Staff?

21 MR. FELLING: Thank you. No questions.

22 COMMISSIONER KEMERAIT: Any questions from
23 the Commissioners?

24 (No response.)

1 Thank you for your testimony, Mr. Musson.
2 You are excused.

3 THE WITNESS: Thank you.

4 COMMISSIONER KEMERAIT: Mr. McCoy, are you
5 allowing the next witness in?

6 COMMISSIONER MCKISSICK: They are unmuted.

7 THE WITNESS: This is James Briggs.

8 JAMES BRIGGS;

9 having been duly sworn,

10 testified as follows:

11 MR. FELLING: Would you please state your
12 name and spell it for the court reporter.

13 THE WITNESS: James Briggs, B-R-I-G-G-S.

14 MR. FELLING: Thank you, Mr. Briggs. And
15 would you please provide your address and indicate
16 whether -- indicate who your electric service provider
17 is.

18 THE WITNESS: The address is 1522 Horne
19 Creek Drive in Durham, North Carolina, and my service
20 provider is Duke Energy. We've been a customer since
21 2015.

22 MR. FELLING: All right. Mr. Briggs, please
23 provide your statement.

24 DIRECT STATEMENT BY JAMES BRIGGS:

1 A little background. I'm an electrical
2 engineer. I worked for over 40 years for Eastman
3 Kodak. I'm retired now, but I come from a family of
4 power-oriented people. My father worked on nuclear
5 waste for Westinghouse for 10 years, and my brother
6 generated hydropower in Niagara Falls for the New York
7 Power Authority.

8 I'm speaking in favor of the project, and I
9 want to explain reasons why natural gas generation is
10 a good backup for wind and solar power. The first
11 reason is flexibility and reliability. Natural gas
12 power plants, especially gas turbines, can ramp up and
13 down quickly to fill the gaps when wind and solar
14 fluctuate due to changes in weather condition. This
15 load following ability helps maintain grid stability
16 and reliability. Solar power drops off at night,
17 while wind speeds are slower during the daylight hours
18 and in summer months. This intermittency requires the
19 grid to have sufficient power generation backup to
20 maintain round the clock reliability while meeting
21 load demand.

22 Cost effectiveness compared to other long
23 backup options like long duration energy storage,
24 natural gas generation is currently the most

1 competitive way to provide reliable and dispensable
2 power to compliment renewable energy.

3 Number three, it leverages existing
4 infrastructure. In the case of the Duke Energy
5 Marshall Steam Station, the existing natural gas
6 pipeline network requires only minimal upgrades in
7 terms of compressors and, similarly, the existing 230
8 kilovolt transmission line can be used with small
9 upgrades to the switch yards.

10 Number four, emissions reduction. Natural
11 gas plants emit 50 to 60 percent less carbon dioxide
12 than coal plants, making natural gas a cleaner bridge
13 fuel during the transition to a fully renewable energy
14 system. Burning natural gas for energy results in
15 fewer emissions of nearly all types of air pollutants
16 and carbon dioxide emissions than burning coal or
17 petroleum products to produce an equal amount of
18 energy. The source of these findings are listed in
19 the consumer statement of position filed with the
20 Commission on May 21st in terms of a power point
21 presentation.

22 I have a following five additional
23 recommendations for the Commission: Number one,
24 require faster installation of grid scale battery

1 energy storage systems for wind and solar power;
2 number two, expand these in terms of both power
3 capacity, megawatt, and duration megawatt hours;
4 number three, extend the life, or expand existing
5 nuclear power; number four, build additional nuclear
6 power plant sites; and number five, have Duke increase
7 participation in U.S. energy research projects,
8 especially those overseen by the National Renewable
9 Energy Laboratory.

10 And that concludes my testimony.

11 COMMISSIONER KEMERAIT: Thank you,
12 Mr. Briggs.

13 Are there any questions from Duke?

14 MR. HIGGINBOTHAM: No questions. Thank you.

15 COMMISSIONER KEMERAIT: Any questions from
16 the Public Staff?

17 MR. FELLING: Thank you. No questions.

18 COMMISSIONER KEMERAIT: Any questions from
19 the Commissioners?

20 (No response.)

21 COMMISSIONER KEMERAIT: Mr., Briggs, thank
22 you for your testimony. You may be excused.

23 And, Mr. McCoy, you may unmute the next
24 witness.

1 THE WITNESS: Marina Gomez.

2 MARINA REBOLLAR DE GOMEZ;

3 having been duly sworn,

4 testified as follows:

5 MR. FELLING: Would you please restate your
6 name and spell it for the court reporter.

7 THE WITNESS: Marina -- I'll state my whole
8 name -- Marina Rebollar de Gomez. First name,
9 M-A-R-I-N-A. Last name, R-E-B-O-L-L-A-R, space, D-E,
10 space, G-O-M-E-Z.

11 MR. FELLING: Thank you for that. Will you,
12 please, provide your address and also let us know who
13 your electric service provider is.

14 THE WITNESS: 2221 Chautauqua. That's,
15 C-H-A-U-T-A-U-Q-U-A Avenue in Durham, North Carolina
16 27707, and my energy provider is Duke Energy.

17 MR. FELLING: Thank you so much. You can
18 proceed with your statement.

19 DIRECT STATEMENT BY MARINA REBOLLAR DE GOMEZ:

20 While my proceeding -- previous witnesses
21 provided very good information, and that's a lot of
22 good points to be for this program; however, I'm
23 against it. I do remember that we were able to see on
24 the news that this was something that had been

1 rejected as far as Duke Energy providing energy
2 through gas. I don't have all of that great
3 information that the other two had; however, we were
4 not given the opportunity to opt-in for paying for
5 this for -- for purpose, or procedural, however we
6 want to call it -- sorry I'm not that aliquant --
7 however, we were not given that opportunity and those
8 of us that don't have great earnings to be able to pay
9 high bills, we were hit with those high bills. And
10 when we called Duke Energy to get explanation on how
11 this was being paid, or how this was being charged, we
12 got some brief breakdown that didn't make since.

13 So I'm just asking that you consider the
14 public that is having to pay for this grid
15 infrastructure that Duke Energy wants to construct for
16 long time affordability. Right now, it's not
17 affordable for those of us that don't make hundreds
18 and thousands of dollars. And it's coming out of our
19 pocket. And I don't see how that's fair for us to pay
20 for something that we didn't ask for.

21 That's my testimony.

22 COMMISSIONER KEMERAIT: Thank you for your
23 testimony, Ms. Gomez.

24 Are there any questions for Ms. Gomez from

1 Duke?

2 MR. HIGGINBOTHAM: No questions.

3 COMMISSIONER KEMERAIT: From the Public
4 Staff?

5 MR. FELLING: Thank you. No questions.

6 COMMISSIONER KEMERAIT: From the
7 Commissioners?

8 (No response.)

9 COMMISSIONER KEMERAIT: Ms. Gomez, thank you
10 for coming and thank you for your testimony, and you
11 may be excused.

12 Mr. McCoy, you may unmute the next witness.

13 MR. MCCOY: Commissioner, that is all the
14 callers that was left.

15 COMMISSIONER KEMERAIT: Those are the only
16 people who have called in?

17 COMMISSIONER MCKISSICK: Yes, Commissioner.
18 Only three.

19 COMMISSIONER KEMERAIT: Since we have heard
20 from all of the witnesses, are there any final matters
21 that need to be addressed before the hearing is
22 concluded?

23 MR. FELLING: None from the Public Staff.

24 COMMISSIONER KEMERAIT: And for Duke?

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MR. HIGGINBOTHAM: Nothing here. Thank you.

COMMISSIONER KEMERAIT: Thank you. Hearing none, this brings us to the conclusion of the hearing and the hearing is now adjourned.

(The proceedings were adjourned.)

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C E R T I F I C A T E

I, KAYLENE CLAYTON, do hereby certify that the Proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

Kaylene Clayton
Kaylene Clayton