

November 10, 2023

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Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

Re: ***Second Periodic Progress Report of Dominion Energy North Carolina
Addressing Infrastructure Investment and Jobs Act Developments
Docket No. M-100, Sub 164***

Dear Ms. Dunston:

Pursuant to Ordering Paragraphs 2 and 3 of the North Carolina Utilities Commission's November 10, 2022 *Order Directing North Carolina Public Utilities to Take Reasonable and Prudent Action to Obtain Federal Funding and to File Reports*, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC") respectfully submits its *Second Periodic Progress Report Addressing Infrastructure Investment and Jobs Act Developments*.

Thank you for your assistance with this matter. Feel free to contact me with any questions about this filing.

Sincerely,

/s/Andrea R. Kells

ARK:tl

Enclosure

Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina

**Second Periodic Progress Report Addressing
Infrastructure Investment and Jobs Act Developments**

Docket No. M-100, Sub 164

November 10, 2023

I. Background

On November 15, 2021, President Biden signed a \$1.2 trillion bipartisan infrastructure bill into law known as the Infrastructure Investment and Jobs Act (“IIJA” or the “Act”).¹ On February 1, 2022, the North Carolina Utilities Commission (“Commission”) issued its *Order Allowing Comments Regarding Federal Funding for Utility Service in North Carolina* in the above-captioned proceeding (“Order Allowing Comments”), in which it “dr[ew] the preliminary conclusion that it is in the public interest for the public utilities of this State to fully and carefully consider taking advantage of these available federal grants and loans, in order to promote adequate, reliable, and economical utility service to the citizens and residents of the State.”² Pursuant to the Order Allowing Comments, the Commission ordered Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“DENC” or the “Company”) and other North Carolina public utilities parties of record in this proceeding to file written initial comments by March 15, 2022 and reply comments by April 14, 2022 regarding the above preliminary conclusion and regarding the following facts and considerations:

- a. The identification of all federal programs under the IIJA that are available to North Carolina public utilities to assist them in meeting their obligations under the

¹ Infrastructure Investment and Jobs Act of 2021, Pub. L. No. 117-58, 135 Stat. 429.

² Order Allowing Comments at 2.

- North Carolina General Statutes and the Rules of the Commission;
- b. The identification of actions that are reasonable and appropriate for North Carolina’s public utilities to take to access those funds;
 - c. The identification of the entities, public or private, with which North Carolina public utilities should coordinate in order to access available federal funds;
 - d. The identification of the processes that have been either established or contemplated by other agencies of the State;
 - e. The identification of actions that may be appropriate for this Commission to consider taking in order to facilitate appropriate receipt and deployment of available federal funding within the State.³

DENC and Public Service Company of North Carolina (“PSNC”) filed their Initial Comments on March 15, 2022, responding to the five questions presented in the Order Allowing Comments.⁴ DENC identified several federal funding opportunities for electric and natural gas utilities and state agencies with which it had begun corresponding to access available federal funds.⁵ DENC and PSNC filed a Joint Letter in Lieu of Reply Comments on April 14, 2022, providing their positions to the other parties’ and intervenors’ initial comments.⁶

After the parties’ initial and reply comments filings, on November 10, 2022, the Commission issued its *Order Directing North Carolina Public Utilities to Take Reasonable and Prudent Action to Obtain Federal Funding and to File Report* in the above-captioned proceeding (the “Order”). The Order summarized the parties’ previous

³ *Id.* at 2-3.

⁴ *Initial Comments of Dominion Energy North Carolina and Public Service Company of North Carolina Regarding Federal Funding for Utility Services in North Carolina*, Docket No. M-100, Sub 164 (Mar. 15, 2022).

⁵ *Id.* at 2-5.

⁶ *Joint Letter in Lieu of Reply Comments*, Docket No. M-100, Sub 164 (Apr. 14, 2022).

filings and directed North Carolina public electric, water, sewer, and natural gas utilities to file periodic progress reports addressing:

- a. Any additional programs under the IIJA of which that the Commission and parties should be aware;
- b. Any State IIJA Procedures not previously reported;
- c. Developments in IIJA funding opportunities and procedures for obtaining funding;
- d. Efforts by the reporting party to obtain funding under the IIJA, including existing federal programs that received additional funding under the IIJA, such reports to quantify the net benefits provided or expected to be provided to customers;
- e. Any specific actions the Commission might take in the public interest to increase the opportunities for North Carolina utility customers customer to receive benefits under the IIJA;⁷

The Commission also ordered the parties to file in the docket “any funding opportunities under the IIJA that are only available to state utility regulatory commissions.”⁸ The Order directed the parties to file their progress reports as “often as reasonable and appropriate ... but ... no less often than every six months beginning from the date of the Order.”⁹

The Company submitted its first periodic progress report on May 10, 2023.

DENC hereby provides the following updated information addressing Ordering Paragraphs 2 and 3 of the Commission’s Order.

II. Reporting Obligations Pursuant to Ordering Paragraph 2 of the Order

a. Additional Programs under the IIJA

Since submitting its first periodic progress report, DENC has evaluated and/or identified the following additional programs under which the Company may be eligible for funding:

⁷ Order at Ordering Paragraph 2.

⁸ *Id.*, at Ordering Paragraph 3.

⁹ *Id.* at p. 13.

- Clean Energy Demonstration Program on Current and Former Mine Land (Act § 40342) Funding to support clean energy demonstration projects on current and/or former mine lands.
- Energy Storage Demonstrations (Act § 41001) Funding for energy storage demonstration pilot grants and long duration demonstration initiative.
- Broadband (Act § 60401) Competitive grants awarded by the Department of Commerce for the construction, improvement, or acquisition of middle mile infrastructure (infrastructure that does not connect directly to an end-user location or anchor institution).
- EPA Clean School Bus Program (Act § 71101) Provides grants to assist in the conversion of school bus fleets from traditional fuels to alternative fuel and zero emission drivetrains.
- National Electric Vehicle Infrastructure (“NEVI”) (Act § title VIII of division J)¹⁰ The NEVI formula program will provide funding to states to strategically deploy electric vehicle (EV) charging stations and to establish an interconnected network to facilitate data collection, access, and reliability.

The Company continues to evaluate any programs under the IIJA for which the Company could be eligible for funding. Specifically, the Company is focusing its evaluation on programs that may provide optimal funding opportunities and align with the Company’s operations in North Carolina. The Company will keep the Commission apprised of any additional programs identified in the IIJA that the Company believes would benefit its customers and align with its operations in North Carolina.

b. Previously unreported State IIJA Procedures

DENC continues to be unaware of any State IIJA procedures that were not previously reported.

¹⁰ By providing the list of programs above, the Company is not representing to the Commission that no other program under the IIJA is available to the Company or that the Company has or will apply for the grants available under these programs. The Company’s evaluation of the IIJA is continuous, and it may identify programs not listed above for which it qualifies, either directly or indirectly, and believes would benefit its customers.

c. Developments in IIJA funding opportunities and procedures for obtaining funding

As discussed in DENC's first periodic progress report, the Company regularly and primarily communicates with the North Carolina Department of Environmental Quality State Energy Office ("NC SEO") to keep it updated about funding opportunities.

Two types of funding opportunities are available for electric utilities: (1) direct funding, in which the eligible utility would directly apply for funding, and (2) indirect funding, which includes state competitive funding. For indirect funding, utilities are not directly eligible, yet have the opportunity to support, shape, and partner to enhance either the probability of the eligible entity's award or the optimal application of its funds. Ultimately, the State or other partners establish procedures for obtaining indirect funding. The Company will update the NC SEO on potential opportunities for obtaining funding and will apprise the Commission of the same upon further developments. The Company is determined to ensure that North Carolina customers benefit as much as possible from the programs and grants created by the IIJA.

d. Funding-related efforts

As discussed in DENC's first period progress report, the Company's realization regarding the vast amount of funding opportunities available through the IIJA prompted it to create an internal team to evaluate and apply for the grants. DENC thus created a Grants Office, which acts as a clearinghouse for all potential grant applications and as the strategic decisionmaker. The Grants Office and business unit project teams have spent considerable time and resources in understanding the IIJA programs, determining which programs may maximize benefits for customers, and drafting competitive applications. The Grants Office continues to evaluate both direct and indirect opportunities, whether it

involves a partnership or supporting the states or localities in the furtherance of the Company's service to its customers.

On December 16, 2022, DENC submitted three concept papers—an expression of intent to apply for program funding that includes short descriptions of the proposed project(s)—for funding opportunities identified by the Grants Office. Subsequently, and based on the Department of Energy's February 2, 2023, notification encouraging DENC to apply, DENC filed three applications under the Grid Resilience and Innovation Partnership ("GRIP") program for work that extends into North Carolina. GRIP, a program under the Department of Energy's Grid Deployment Office, was instituted "to enhance grid flexibility and improve the resilience of the nation's power grid against growing threats of extreme weather and climate change."¹¹ GRIP consists of three funding mechanisms: (1) Grid Resilience Utility and Industry Grants, IIJA § 40101; (2) Smart Grid Grants, IIJA § 40107; and (3) Grid Innovation Program, IIJA § 40103(b).¹²

On March 17, 2023, DENC submitted an application under the Smart Grid Grants program, IIJA § 40107, for its Analytics and Control for Driving Capital Efficiency ("ACDC") project.¹³ ACDC includes the development of 88 grid edge visibility devices in Virginia and North Carolina to increase data acquisition in support of advanced grid analytics.

On October 18, 2023, the Department of Energy announced the projects selected for award negotiations. ACDC was included among the projects selected to negotiate the

¹¹ See Grid Resilience and Innovation Partnerships Program, <https://www.energy.gov/sites/default/files/2023-04/GRIP-Overview-Fact-Sheet-April-2023.pdf> (last visited Nov. 8, 2023).

¹² *Id.*

¹³ See <https://www.energy.gov/sites/default/files/2023-10/DOE-GRIP-Virginia-Electric-and-Power-Co.pdf> (last accessed Nov. 3, 2023).

terms of a grant of \$33,654,095.¹⁴ The selection for grant negotiations means that the Company has been chosen to negotiate terms to receive the funding under the grant, but has not yet officially been awarded the grant. Per DOE's negotiation selection notification, funding is dependent upon completion of successful negotiations.

The DOE did not select the other proposals submitted directly under IIJA § 40101 or jointly with the NC SEO under § 40103(b).

On October 6, 2023, DENC applied for a project at its Roanoke Rapids facility pursuant to IIJA § 40333, Maintaining and Enhancing Hydroelectricity Incentives.

DENC will update the Commission regarding the net benefits to customers of these IIJA funding opportunities in its next update report depending on the status of these applications.

e. Specific actions the Commission might take in the public interest to increase the opportunities for North Carolina utility customers to receive benefits under the IIJA

DENC continues to not have any specific actions for the Commission to take to increase opportunities for North Carolina utility customers to receive benefits under the IIJA. DENC continues to explore and evaluate potential beneficial opportunities for its customers under the IIJA and will continue to apprise the Commission of the same. In future applications, the Company will notify the Commission if a letter of support from the Commission to the relevant agency directing the funding opportunity could assist in substantiating the Company's application.

¹⁴ See https://www.energy.gov/gdo/grid-resilience-and-innovation-partnerships-grip-program-projects?utm_medium=email&utm_source=govdelivery (last visited Nov. 3, 2023).

f. Reporting obligations pursuant to Ordering Paragraph 3: funding opportunities under the IIJA that are only available to state utility regulatory commissions

DENC continues to be unaware of funding opportunities under the IIJA that are only available to State Utility Regulatory Commissions. DENC will inform the Commission if it becomes aware of any such state-specific funding opportunities.

III. Conclusion

DENC appreciates the opportunity to provide its Second Periodic Progress Report and will file its Third Periodic Progress Report on or before May 10, 2024.

Respectfully submitted, this the 10th day of November, 2023.

/s/ Mary Lynne Grigg

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Company, d/b/a Dominion Energy North
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Second Periodic Progress Report Addressing Infrastructure Investment and Jobs Act Developments, as filed in Docket No. M-100, Sub 164, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 10th day of November, 2023.

/s/Andrea R. Kells

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