

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter)	ORDER DIRECTING NORTH
of the Federal Funding Available Under)	CAROLINA PUBLIC UTILITIES TO
the Infrastructure Investment and Jobs Act)	TAKE REASONABLE AND
)	PRUDENT ACTION TO OBTAIN
)	FEDERAL FUNDING AND TO
)	FILE REPORTS

BY THE COMMISSION: On November 15, 2021, the President of the United States signed into law the Infrastructure Investment and Jobs Act, H.R. 3684, 117th Cong. (2021) (IIJA). The IIJA contains a number of provisions that relate to utility infrastructure improvement, including electric generation and transmission, access to clean water, and improved cybersecurity.

On February 1, 2022, the Commission issued its Order Allowing Comments Regarding Federal Funding for Utility Service in North Carolina (Comments Order). In the Comments Order, the Commission draws the preliminary conclusion that it is in the public interest for North Carolina's public utilities to consider taking advantage of the federal funding programs created by the IIJA and invited interested parties to comment. The following North Carolina public utilities were made parties to the docket and ordered to comment on programs available in their respective industries: Duke Energy Progress, LLC (DEP) and Duke Energy Carolinas, LLC (DEC, collectively Duke); Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC); Piedmont Natural Gas Company, Inc. (Piedmont); Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina (PSNC); Aqua North Carolina, Inc. (Aqua); and Carolina Water Service, Inc. of North Carolina (CWSNC) (collectively, the Utility Parties). All North Carolina public electric, natural gas, water, and wastewater utilities were served with the order.

The order provided for comments to be filed by March 15, 2022, and for reply comments to be filed by April 14, 2022. The deadline for reply comments was extended to April 28, 2022.

The following entities filed petitions to intervene, which were granted by the Commission: Fayetteville Public Works Commission, Frontier Natural Gas Company, CIGFUR I, II, & III (CIGFUR), North Carolina Sustainable Energy Association (NCSEA), Carolina Utility Customers Association (CUCA), EVgo Service, LLC (EVgo), ChargePoint, Inc. (ChargePoint), and Carolina Clean Energy Business Association (CCEBA).

Initial comments were filed by Duke, DENC and PSNC, Piedmont, Aqua, CWSNC, CIGFUR, NCSEA, CUCA EVgo, ChargePoint, and CCEBA. Reply comments were submitted by DENC and PSNC, Duke, EVgo, CUCA, Piedmont, CIGFUR, and the Public Staff.

On May 3, 2022, a coalition of nonprofit entities—North Carolina Conservation Network, Vote Solar, the North Carolina Council of Churches, NC Warn, and the Sierra Club North Carolina, and the North Carolina League of Conservation Voters—filed a letter in the docket asking the Commission to oversee the implementation of the law, ensuring that the funds are deployed effectively and equitably.

Duke subsequently filed two updates in the docket, on June 10, 2022, and June 20, 2022, providing copies of its responses to requests for information issued by federal agencies.

In the Comments Order, the Commission sought comment on the following topics:

- a. all federal programs under the IIJA that are available to North Carolina public utilities to assist them in meeting their obligations under the North Carolina General Statutes and the Rules of the Commission;
- b. processes that have been established or contemplated by other agencies of the State;
- c. the entities, public or private, with which North Carolina's public utilities should coordinate in order to access available federal funds;
- d. actions that are reasonable and appropriate for North Carolina's public utilities to take in order to access those funds;
- e. 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.

CONCLUSIONS

Every party that filed comments in this docket explicitly or implicitly agreed with the Commission's preliminary conclusion that it is in the public interest for North Carolina's public utilities to seek funding under the IIJA. Thus, having received and considered the comments and reply comments of the parties to this docket, the Commission directs all North Carolina public electric, water, sewer, and natural gas utilities to take reasonable and prudent actions to access funding under the IIJA for the benefit of their customers and directs Utility Parties to make regular progress reports to the Commission.

As discussed more fully below, the Commission declines at this time and in this docket to take additional action with respect to the opportunities presented by the IIJA.

Federal Programs Under the IIJA of Potential Benefit to North Carolina Customers

The following is the collective list of programs the parties identified as having the potential to benefit North Carolina customers (IIJA Programs):

- Surface Transportation Block Grant Program. Authorizes additional funding for an existing program that provides flexible block grant funding to states and localities to address transportation-related needs. IIJA § 11109.
- Grants for Charging and Fueling Infrastructure. Provides for direct grants to state, local authorities, municipalities, Indian Tribes, and other government entities for EV charging infrastructure, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas fueling infrastructure directly related to charging or fueling a vehicle through the National Electric Vehicle Infrastructure (NEVI) Formula Program, which aims to develop a national highway charging system and for which North Carolina is expected to get \$109 million in funding over five years. IIJA § 11401.
- Carbon Reduction Program. Requires states to establish carbon reduction programs and provides that certain federal highway funds apportioned to a state may be obligated for projects to support the reduction of transportation emissions. IIJA § 11403.
- Preventing Outages and Enhancing the Resilience of the Electric Grid. Creates two grant programs, one at United States Department of Energy (DOE) and one for states and Indian Tribes, to mitigate the effect of events that disrupt operations of the electric grid due to extreme weather, wildfire, or natural disasters. IIJA § 40101.
- Electric Grid Reliability and Resilience Research, Development, and Demonstration. Provides federal financial assistance (primarily loans) to states, a unit of local government, or state utilities commissions for programs that demonstrate innovative approaches to transmission, storage, microgrids, and distribution infrastructure to harden resilience and reliability and to demonstrate new approaches to enhance regional grid resilience. IIJA § 40103(b).
- Energy Improvement in Rural or Remote Areas. Provides grants to rural or remote areas to improve the resilience, safety, reliability, and availability of energy and environmental protection from adverse impacts of energy generation in rural areas, such as developing microgrids; increasing energy efficiency; reducing greenhouse gas emissions; improving cost-effectiveness of energy generation, transmission, or distribution systems; and siting or upgrading transmission lines. IIJA § 40103(c).

- Transmission Facilitation Program. Facilitates construction of transmission lines by direct loans to utilities and the ability of the DOE to act as an “anchor customer” to allow the transmission operator to build and operate the line until it reaches financial viability. IIJA § 40106.
- Deployment of Technologies to Enhance Grid Flexibility/Smart Grid Investment Matching Program. Amends the Energy Independence and Security Act of 2007 to include Smart Grid investments in the form of grants available to utilities in order to provide flexibility and help quickly rebalance the electrical system, facilitate the aggregation or integration of distributed energy resources, provide energy storage to meet fluctuating demand, provide voltage support, integrate intermittent generation sources, increase the network’s operational transfer capacity, and anticipate and mitigate impacts of extreme weather events or natural disasters on grid resilience. IIJA § 40107.
- Enhancing Grid Security Through Public-Private Partnerships. Directs the DOE to create a program in consultation with state and federal agencies and industry stakeholders to develop and provide for implementation of models to improve physical and cyber security for the electric grid. IIJA § 40121.
- Enhanced Grid Security. Annual appropriations administered by the DOE for cybersecurity for the energy sector RD&D program, energy sector operational support for cyber-resilience program, and modeling and assessing energy infrastructure risk. IIJA § 40125.
- Carbon Capture, Utilization, and Storage. Provides for carbon capture, utilization, and storage with funds administered by the DOE and available to utilities. IIJA §§ 40302, 40304, 40305, 40308, 41202.
- Clean Hydrogen Programs. Provides funding administered by the DOE for four regional Clean Hydrogen Hubs as well as funding for hydrogen electrolyzer research, development, and demonstration. IIJA § 40314.
- Infrastructure Planning for Micro and Small Modular Nuclear Reactors. Creates a program to study the resiliency and carbon reduction benefits of small nuclear reactors, including a strategy for partnering with private industry to develop and deploy small modular reactors in remote communities. IIJA § 40321.
- Hydroelectric Incentives. Provides incentive payments to qualifying hydroelectric facilities pursuant to the Energy Policy Act of 2005. IIJA §§ 40331-40334.

- Energy Efficiency Revolving Loan Fund Capitalization Program. Provides for states to disburse grants and loans to businesses and residential customers for energy efficiency audits, upgrades, and retrofits. IIJA § 40502.
- Cost-effective Codes Implementation for Efficiency and Resilience. Provides grants to state agencies and partnerships (defined as a state agency and at least one of the following: local building code agency, local utility, consumer and environmental advocates, other entities as determined by the DOE) for implementation of updated building energy codes. IIJA § 40511.
- Energy Efficiency and Renewable Energy at Public School Facilities. Provides grants for eligible schools, nonprofit and for-profit organizations with the capacity to partner with energy improvements. IIJA § 40541.
- Weatherization Assistance Program. Provides \$3.5 billion to state and local governments to improve home energy efficiency for low-income families. IIJA § 40551.
- Energy Efficiency and Conservation Block Grant Program. Provides \$550 million to local governments under the Energy Independence and Security Act of 2007. IIJA § 40552.
- Energy Efficient Transformer Rebate Program. Provides \$10 million to various entities, including electric companies. IIJA § 40555.
- Renewable Energy Projects. Authorizes funding for the purpose of subsidizing the buildout of new solar and wind electric generation projects. IIJA § 41007.
- Office of Clean Energy Demonstrations. Provides funding for various emerging technologies including carrying out the Energy Storage Demonstration Pilot Grant Program and long-duration energy storage demonstrations through a joint program with the Department of Defense. IIJA § 41201.
- Drinking Water State Revolving Loan Funds. Appropriates additional funding in grants and below-market interest rate loans to be made available to states under the Drinking Water State Revolving Fund. IIJA § 50102.
- Assistance for Small and Disadvantaged Communities. Funds a grant program to include point-of-use filters for lead as well as educational materials on the importance of lead filtration and replacing lead service lines to connect lower income individuals to public water systems. IIJA § 50104.
- Reducing Lead In Drinking Water. Funding for lead service line replacements, regardless of ownership of the line. IIJA § 50105.

- Midsize and Large Drinking water System Infrastructure Resilience and Sustainability Program. Creates a drinking water system infrastructure resilience and sustainability program for public water systems serving communities of 10,000 people or more, provides grants to public water systems to increase resilience and reduce cybersecurity vulnerabilities. IIJA § 50107.
- Clean Water State Revolving Funds. Increases funding under the Clean Water State Revolving Funds. IIJA § 50210.
- Wastewater Efficiency Grant Pilot Program. Provides grants for establishing a wastewater efficiency pilot program for publicly owned treatment works to carry out projects, such as the installation of anaerobic digesters or methane capture, that create or improve waste-to-energy systems. IIJA § 50202.

The Commission finds this to be a comprehensive list of programs; however, if any of the Utility Parties identifies any additional programs that should be considered for the benefit of North Carolina utility customers, they should include this in their periodic progress reporting to the Commission as directed by this order.

Procedures That Have Been Established or Contemplated by Other Agencies of the State

None of the parties that commented were aware of any specific procedures adopted or contemplated by agencies of the State specifically to address new programs or funding created by the IIJA (State IIJA Procedures). To the extent the law authorized new funding for existing programs, those processes are expected to continue (e.g., Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, administered in North Carolina by Department of Environmental Quality (DEQ)). Several parties reported that they were engaging with the North Carolina Department of Transportation (NC DOT) as it develops processes to implement the IIJA funds allocated by the Federal Highway Administration for electric vehicle charging infrastructure.

The Utility Parties should update the Commission on any State IIJA Procedures that are adopted in the future.

Entities With Which North Carolina Utilities Should Coordinate to Access Federal Funds

The parties identified a broad list of entities that could either have a role in disbursing funding or that are potential partners or stakeholders in the implementation of IIJA funding: the North Carolina General Assembly; the Public Staff; NC Attorney General's Office; the North Carolina Governor's Office; North Carolina Department of Administration; DEQ; NC Department of Commerce; NC DOT; United States Department of Energy (U.S. DOE); US Department of Transportation (US DOT); the Federal Energy Regulatory Commission; U.S. Environmental Protection Agency (EPA); U.S. Nuclear

Regulatory Commission; U.S. Department of Interior – Bureau of Ocean Energy Management; NC Clean Energy; NC climate change policy advisors; Southeast Hydrogen Energy Alliance; E4 Carolinas; third party electric vehicle service providers (with respect to the NEVI program); and state and local governments and nonprofits that are eligible for funding under the IIJA as to which utilities could be secondary or indirect recipients.

Duke states that the Commission should not require utilities to engage with any particular entity or stakeholder. In this order, the Commission is not requiring any public utility to engage with any particular public or private entity. Rather, the Commission expects the Utility Parties to coordinate with any and all entities as reasonable and appropriate in order to discharge their service obligations with respect to the IIJA Programs.

REASONABLE AND APPROPRIATE ACTIONS FOR UTILITIES

Electric

The Utility Parties reported a number of steps they are taking to position themselves to receive IIJA funding. For instance, DENC has identified key programs beneficial to its operations and the steps needed to increase the likelihood of obtaining the funds. Duke is creating internal processes to identify programs in which they may be eligible to participate, either directly or through partnerships with other entities, and then analyzing which are viable and should be prioritized, given the costs associated with reporting on the use of federal funds, the available funding amount, and other requirements that may present challenges to their implementation. Duke also plans to evaluate partnerships that could support opportunities to benefit low-income and rural customers, for instance, energy efficiency programs. Duke Energy has responded to Requests for Information issued by federal agencies regarding funding opportunities under the IIJA.

Several parties, including CUCA and CIGFUR, comment that in light of the carbon emission reduction goals in N.C. Gen. Stat. § 62-110.9, there is a high likelihood of increased transmission investment in North Carolina. These parties are eager for Duke to pursue federal funding to mitigate the rate impact of these expenditures. For its part, Duke states that “North Carolina is well-positioned to take full advantage of IIJA funding opportunities” and that the IIJA “represents a significant infrastructure funding opportunity for electric public utilities and their customers in both North Carolina and South Carolina.”

The Public Staff recommends that the electric utilities investigate and develop cost-effective programs of which they could be secondary or indirect recipients of funding made available to state and local governments and nonprofits.

Water and Wastewater

Aqua, CWSNC, and the Public Staff all note that the majority of water and wastewater infrastructure funds available under the IIJA are expected to be distributed by

the EPA through the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) and that investor-owned utilities are not eligible to directly access funding from the CWSRF programs. As a result, the IIJA has the following three programs in which the investor-owned utilities in North Carolina may participate currently, the DWSRF General Supplemental Funding, DWSRF Emerging Contaminants Funding, and DWSRF Lead Service Line Replacement Funding.

CWSNC states that even though investor-owned utilities can apply for funding through the DWSRF program, according to DEQ, no privately owned utilities have been awarded fundings in the last five years in NC, with only two having been awarded in the last ten years. CWSNC states it will continue to assess projects which may be eligible for DWSRF funding, but CWSNC has not identified suitable projects at this time. CWSNC explains that it does not have customers eligible for the funds under IIJA § 50104, which expands uses for the Small and Disadvantaged Community Assistance program to include point-of-use filters for lead and replacing lead service lines. CWSNC will continue to monitor potentially eligible customers within its service territory. Similarly, CWSNC is not aware of any lead service lines in its systems that might be eligible for replacements under IIJA § 50105. Finally, CWSNC does not believe it would qualify for grants under IIJA § 50107, a midsize and large drinking water system infrastructure resilience and sustainability program created to assist public water systems that serve communities of 10,000 people or more.

Aqua is interested in pursuing funding related to emerging contaminants and system resiliency. Aqua may also consider applying for eligible lead service line (LSL) replacement projects if its systems are determined to contain LSLs under the revised lead and copper rule and if property right concerns do not make utilization of this fund by Aqua impractical.

The Public Staff states that investor-owned utilities are eligible for DWSRF loans up to \$20 million in principal balance, for terms up to 30 years, low interest rates (between 0% and one half of the 20-year bond rate), and a closing fee of 2%. There may be a possibility of forgiveness of the loans, although as of the time it filed its comments, the Public Staff had been unable to determine if loan forgiveness is available to investor-owned utilities. The Public Staff recommends that Aqua and CWSNC fully and carefully consider taking advantage of available loans and grants under the DWSRF.

Based on data requests, the Public Staff reports that in its opinion, Aqua and CWSNC have not made reasonable efforts to utilize federal funding already available to them under the DWSRF. Specifically, Public Staff learned the following:

1. Aqua has applied for DWSRF funding three times for three different projects and was awarded funds for two projects in 2013; and
2. CWSNC indicated it had not applied for DWSRF funding since at least 2008.

The Public Staff states that Aqua and CWSNC should make more concerted efforts to explore utilizing existing and forthcoming DWSRF funding. For instance, Aqua commented that “properly assessing [population socio-economic factors and affordability criteria] is a hurdle that exists for investor-owned utilities made up of tens, if not hundreds, of diverse self-contained water systems across a wide geographic footprint that maintains consolidated rates.” The Public Staff states they have met with representatives of the DEQ Division of Water Infrastructure (DWI) to discuss the funding available under IIJA. The Public Staff learned that a variety of metrics, including appraised property value, county-level population change, poverty rate, median household income, and unemployment rate, may be utilized to determine eligibility for funding directed toward supporting disadvantaged communities. The Public Staff encourages Aqua and CWSNC to coordinate with DWI to assess available appropriate metrics for determining eligibility.

Regarding the DWSRF Lead Service Line Replacement Funding, the Public Staff encourages Aqua and CWSNC to coordinate with DWI regarding funding for the inventory and replacement of lead service lines. The Public Staff has concerns about Aqua’s contention that the IIJA’s requirement that the entire lead service line from the distribution line to the home be replaced “may cause property rights concerns that could make utilization of this specific fund impractical by Aqua.” However, the Public Staff states that the same property rights issues would be encountered by a local government unit (LGU) seeking to replace lead service lines using DWSRF Lead Service Line Replacement funding, so Aqua’s concerns should not prevent it from pursuing this funding.

Regarding the DWSRF Emergency Contaminants Funding, the Public Staff urges Aqua and CWSNC to pursue funding to address PFAS and PFOA issues in their systems. The Public Staff notes that the potential savings to customers has particular significance in the context of a Water and Sewer Investment Plan (WSIP) because both utilities had previously identified changing PFAS/PFOA standards as the type of circumstance that could cause them to seek cost recovery under N.C.G.S. § 62-113.1B.(c), which authorizes the Commission to add certain unplanned emergency capital investments to an approved WSIP, even if the expenditures might cause the utilities to exceed their rate caps.

In addition, the Public Staff states that state-funded grants are currently available to LGUs and non-profit water corporations for asset inventory and assessment, and merger/regionalization and feasibility (MRF) studies could potentially be used to reimburse utility valuation expert fees incurred when an IOU purchases an LGU-owned system and establishes rate base using the fair value methodology authorized under N.C.G.S. § 62-133.1A. In addition, the Public Staff is seeking clarification from DWI regarding whether the cost of a fair value appraisal may be reimbursed through the MRF grant program, under which up to \$50,000 is available per study. The Public Staff encourages Aqua and CWSNC to coordinate with DWI on this issue.

Natural Gas

Piedmont echoes Duke's comments and states that public utilities can benefit from developing internal processes to identify in which IIJA programs that they are eligible to participate, either directly or through partnerships with other entities. Piedmont also states that public utilities should attempt to identify the funding opportunities which will result in the highest impact to their customers and service territories. Piedmont also comments that public utilities should undertake a focused and targeted review of the IIJA to not only identify potential opportunities but also prioritize those opportunities according to their impacts on the customers in the state.

The Public Staff notes that the IIJA has limited application for the natural gas local distribution companies. The IIJA provides funding for new alternative-fuel infrastructure for natural gas, hydrogen, and propane fueled vehicles that are intended to address climate change mitigation. IIJA §§ 11401 and 11403. Section 40125 discusses potential programs and funding related to natural gas networks that are intended to respond to electric grid security matters. The only reference to potential funding for natural gas transmission and distribution assets appears to be related to retrofitting existing infrastructure to allow those assets to be used for alternative-fueled transportation, including hydrogen.

Accessing IIJA Funding

Having reviewed the comments of the parties, the Commission directs the Utility Parties to take all reasonable and prudent actions to obtain, directly or indirectly, federal grants, low interest loans, or other benefits available under the IIJA to benefit North Carolina retail customers by enhancing Utility Parties' ability to provide adequate, reliable, and economical utility service (Public Utilities' Service Obligation). Such efforts should include, as reasonable and appropriate, working with entities that are direct recipients of funds that public utilities are not able to receive directly.

The Commission chose not to receive evidence in this docket and makes no finding at this time with respect to whether Aqua and CWSNC have in the past or are currently taking reasonable and prudent steps to obtain federal funding. To the extent the Public Staff's concerns remain at the time of the next rate case filed by Aqua and CWSNC, the Commission will consider them based on a developed evidentiary record.

Reporting Obligation

CIGFUR asks the Commission to establish a regular reporting obligation for the Utility Parties. Several of the Utility Parties express some reservations about such a requirement. Duke recommends against a regular reporting obligation that does not match the timelines of the IIJA Programs and instead suggests a technical conference. In addition, Duke commits to making reports to the Commission as there is information on which to report. Further, Duke believes that the Commission's awareness or support of Duke's proposals may strengthen utility applications to the various IIJA

fund-administering agencies, and accordingly, it states that it will keep the Commission apprised of developments and opportunities. As noted, Duke has indeed updated the Commission in this docket on two occasions.

Piedmont recommends that the Commission allow parties to supplement the record with documentation from other agencies establishing or describing specific funding opportunities and the processes to receive those funds.

DENC observes that some of the opportunities under the Act have short timelines, and DENC commits to inform the Commission as soon as possible when a particular opportunity that DENC is pursuing requires, or would benefit from, Commission action. DENC has concerns about a reporting requirement in light of the fact that many of the IIJA Programs are competitive.

Given the crowded hearing calendar through the fall and winter, the Commission declines to conduct a technical conference at this time. Rather, the Utility Parties are directed to promptly file a progress report in this docket on any significant developments with respect to the IIJA Programs that pertain to their industries, particularly with respect to funding opportunities and procedures for receiving funds.

In addition, the Utility Parties shall report on their efforts and success in securing federal grants, low interest loans, or other benefits available under the IIJA at least every six months. The Utility Parties should also inform the Commission of any specific actions they believe the Commission might take that would be in the public interest. If a filing contains confidential information as defined in Chapter 132 of the North Carolina General Statutes, parties may designate that portion of their filings confidential as permitted by Commission Rules.

PURPA Amendments

Two provisions of the IIJA amended the Public Utility Regulatory Policies Act of 1978 (PURPA) and require this Commission to consider the new standards, beginning no later than a year after the enactment of the IIJA and concluding no later than two years after its enactment. One standard requires the Commission to consider promoting demand response and demand flexibility. IIJA § 40104. The other requires the Commission to consider measures to promote greater electrification of the transportation sector, including establishing rates that promote affordable and equitable vehicle charging. IIJA § 40431. Several commenters—EVgo, ChargePoint, and NCSEA—urged the Commission to move forward expeditiously to consider EV-specific rate designs as required by these PURPA amendments.

The Commission will address the PURPA amendments in subsequent dockets.

Other Matters

Several parties recommend actions that the Commission determines are premature or beyond the scope of this docket.

The Public Staff states that review of specific projects, initiatives, or funding mechanisms should occur in proceedings such as general rate cases, riders, the integrated resource plans, or Carbon Plans, where the parties can more fully review the merits of projects and funding. The Commission concurs. This docket serves to share information between and among the parties and the Commission.

Accordingly, in this docket and at this time, the Commission will not direct Duke or DENC to pause grid improvements, hire additional staff, join an RTO, or invest in particular infrastructure, nor will it direct Duke and DENC to forgo pursuing particular IIJA Programs.

Similarly, the Commission is not making findings at this time regarding the prudence and reasonableness of any particular utility expenditures. The Public Staff states it will continue to work with the utilities and other parties to ensure that any projects for which the utilities seek cost recovery are fully scrutinized to ensure they are cost-beneficial to customers and that the utilities have not foregone any opportunities to obtain funding that would benefit customers.

Finally, while the Commission fully reviewed and appreciates the suggestions of the parties as to actions that it could take to facilitate deployment of federal funds for the benefit of North Carolina utility customers, it refrains from taking further action at this time. Several parties suggested that the Commission itself apply for grant funding. The Commission does not have the staffing resources at this time that it would need to apply for and monitor federal grant programs. Most grant programs that are available to the Commission are equally available to other State agencies, many of which have more experience in managing federal grants and are better positioned to successfully access and administer federal grants. The Commission will continue its own efforts to communicate and share information with other NC state agencies and other State Regulatory Commissions regarding the IIJA and other funding programs and opportunities. In addition, the Commission continues to seek technical assistance as appropriate from the Department of Energy, National Labs, and other Federally funded resources.

Other proposals, understandably, were somewhat preliminary and not fully fleshed-out. CCEBA recommends that the Commission propose specific corridors in the Duke territories as National Interest Electric Transmission Corridors in order to benefit from the lowered regulatory burdens. CIGFUR suggests the Commission could establish its own matching fund, if necessary, to qualify for federal funding. CUCA states that the Commission should assess whether further state agency or legislative action is necessary and that it may be necessary for the Commission to coordinate appropriate state action with other state agencies and/or seek state appropriations from the NC General

Assembly. EVgo and ChargePoint have suggested that the Commission should approve new rate designs and utility programs to expedite electric vehicle charger development. While the Commission declines to act on these proposals in this docket, the Commission has not prejudged their merits.

IT IS, THEREFORE, ORDERED as follows:

1. That all North Carolina public electric, water, sewer, and natural gas utilities take all reasonable and prudent actions to obtain, directly or indirectly, federal grants, low interest loans, or other benefits available under the IIJA to provide just and reasonable rates to customers by enhancing their ability to provide adequate, reliable, and economical utility service, including, as reasonable and appropriate, working with entities that are direct recipients of funds that public utilities are not able to receive directly;

2. That Duke Energy Progress, LLC; Duke Energy Carolinas, LLC; Virginia Electric and Power Company d/b/a Dominion Energy North Carolina; Piedmont Natural Gas Company, Inc.; Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina; Aqua North Carolina, Inc.; and Carolina Water Service, Inc. of North Carolina are required to submit periodic progress and informational reports in this docket upon the following as they pertain to their respective industries:

- 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;

Reports shall be made as often as reasonable and appropriate, in light of the timing of funding opportunities and actions that may be requested of the Commission, but at any rate no less often than every six months beginning from the date of this order; and

3. That the Public Staff, Duke Energy Progress, LLC; Duke Energy Carolinas, LLC; Virginia Electric and Power Company d/b/a Dominion Energy North Carolina; Piedmont Natural Gas Company, Inc.; Public Service Company of North Carolina, Inc., d/b/a Dominion Energy North Carolina; Aqua North Carolina, Inc.; and Carolina Water Service, Inc. of North Carolina shall notify the Commission via a filing in this docket of any funding opportunities under the IIJA that are only available to state utility regulatory commissions.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of November, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, reading "Erica N. Green".

Erica N. Green, Deputy Clerk