

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 163

In the Matter of Investigation Regarding the Ability of North Carolina’s Electricity, Natural Gas, and Water/Wastewater Systems to Operate Reliably During Extreme Cold Weather))))	Petition to Intervene and Initial Comments of the North Carolina Electric Membership Corporation
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NOW COMES the North Carolina Electric Membership Corporation (“NCEMC”) and, pursuant to North Carolina Utilities Commission (“Commission”) Rule R1-19 and in accordance with the Commission’s May 12, 2022 *Order Requesting Comments*, (“May 12 Order”) and July 26, 2022 *Order Granting Extension of Time*, files this Petition to Intervene.

I. Motion for Leave

NCEMC requests that it be permitted to participate in the above-referenced docket and shows unto the Commission as follows:

1. NCEMC’s attorneys, to whom all communications and pleadings should be addressed are:

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2. NCEMC is a generation and transmission cooperative organized pursuant to Chapter 117 of the North Carolina General Statutes and is responsible for the power supply of its 25 member distribution cooperatives throughout the State of North Carolina. Those 25 members, in turn, supply electricity to more than one million homes, farms, and businesses in which more than 2.5 million North Carolinians live and work.

3. As background, NCEMC notes that the Commission on January 26, 2022, issued an *Order Opening Investigation, Scheduling Technical Conferences, Requiring Responses, and Allowing Comments and Reply Comments*, concerning whether North Carolina's major electric, natural gas, water, and wastewater utilities have taken appropriate steps to assure reliable operations during extreme cold weather events. The Commission made the following entities (collectively, the "Utilities") parties to the proceeding: Dominion Energy North Carolina ("Dominion"); Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC (collectively, "Duke"); Piedmont Natural Gas Company, Inc. ("Piedmont"); Public Service Company of NC, Inc. ("PSNC"); Frontier Natural Gas Company ("Frontier"); Aqua North Carolina, Inc. ("Aqua"); and Carolina Water Service, Inc. of North Carolina ("CWSNC"). Following written responses from the Utilities, the Commission held technical conferences on March 15 and April 19, where it received additional information from the Utilities.

4. In its May 12 Order, the Commission requested that parties file comments on whether the Commission's rules require revision in order to ensure reliable utility operations during extreme cold weather. On June 29, the Utilities and the Public Staff filed comments. In addition to its comments, the Public Staff also included draft revisions to several Commission rules, including Rule R8-40 (Report of Impending Emergencies, Load Reductions and Service Interruptions in Bulk Electric Power Supply and Related Power Supply Facilities) and R8-41 (Filing of Emergency Load Reduction Plans and Emergency Procedures), both of which are applicable to electric public utilities, municipal corporations that provide electric service, and electric membership corporations ("EMCs"). The proposed rule changes would modify the current reporting obligations and filing requirements applicable to EMCs.

5. For the reasons stated above, NCEMC and its member cooperatives have direct, substantial, and pecuniary interests that would be affected by the Commission's actions in this proceeding. No other party can adequately represent NCEMC's interests in this proceeding.

6. NCEMC asks that the Commission make it a party to this proceeding and permit it to exercise all rights provided to intervenors under North Carolina law and this Commission's rules.

7. NCEMC agrees to accept electronic service of all filings in these Dockets.

II. Comments of NCEMC

8. **Comments filed by electric public utilities:** NCEMC generally agrees with the comments filed by Duke and Dominion that changes to the Commission's rules are not required at this time to ensure that North Carolina's electric suppliers can operate reliably during extreme weather events. NCEMC and its member EMCs have comprehensive programs and measures in place to coordinate system operations and outage response internally, with other electric suppliers, and with other essential service providers. NCEMC and its members also have coordinated compliance plans and reporting programs in place that meet applicable North American Electric Reliability Corporation ("NERC") and U.S. Department of Energy ("DOE") reporting requirements. As part of their efforts to ensure reliable operations and responsiveness during extreme weather events, NCEMC and its members EMCs maintain multiple communication channels with regulatory agencies, local governments, critical service providers, and with their member-owners.

9. **Potential changes to reliability rules resulting from Project 2021-07:** As noted by Duke and Dominion, NERC has initiated the "Project 2021-07 Extreme Cold Weather Grid Operations, Preparedness, and Coordination" ("Project 2021-07") initiative to develop new and modify existing Reliability Standards in response to the directives from the NERC and Federal Energy Regulatory Commission ("FERC") investigation of the February 2021 cold weather outages in Texas and the South Central United States. The results of this investigation will likely result in new and modified standards and reporting requirements that should be considered as part of any further changes to the Commission's rules.

10. **Public Staff proposed amendments to R8-40:** To the extent the Commission does proceed with rules revisions at this time, NCEMC generally supports the majority of the changes proposed by the Public Staff to update the terminology in R8-40 as well as to recognize changes in technology that provide for more expeditious and responsive information to be provided to the Commission and Public Staff. NCEMC notes that maintains electronic and telephonic contact information for Public Staff and Commission personnel that it uses to provide information and updates related to service outages and storm response. The Public Staff's rules also adjust thresholds for reporting, including amendments to R8-40(a) to lower the applicable voltage threshold from 69 kV to 44 kV, and the reduction in the threshold in R8-40(b) requiring reporting for losses in service for 15 minutes or more from 200,000 kW to loads in excess of 100,000 kW. NCEMC does not take issue with these lower thresholds, and NCEMC under its current practice and procedures has generally provided notification to the Commission and Public Staff of service interruptions at or below these proposed thresholds. As stated above, NCEMC further agrees with Duke that "reporting and compliance requirements at the state and federal levels should avoid unnecessary duplication, administrative inefficiencies, or potential issues around federal and state jurisdictional authority."¹ Similar to Duke and Dominion, NCEMC is subject to NERC and DOE reporting and compliance requirements, including NERC EOP-004-04 Event Reporting² and DOE Electric Emergency Incident and Disturbance (DOE-417) Reporting.³ To the extent that any changes are made regarding

¹ June 29, 2022 Comments of Duke in Commission Docket No. M-100, Sub 163 at pp. 11-12.

² NERC EOP 004-04. Online at: <https://www.nerc.com/pa/Stand/Reliability%20Standards/EOP-004-4.pdf>. Last accessed: August 26, 2022.

³ DOE DOE-417 Electric Emergency Incident and Disturbance Report. Online at <https://www.oe.netl.doe.gov/oe417.aspx>. Last accessed: August 26, 2022.

reporting thresholds in this docket or in changes to NERC reporting standards, NCEMC supports the requirements being consistent with those federal standards and agrees to providing copies of the applicable NERC or DOE event reports to the Commission and Public Staff to comply with R8-40, as appropriate.

11. **Public Staff proposed amendments to R8-41:** The proposed changes to R8-41 would expand the information required to be included in the annual load reduction and emergency procedure plans filed with the Commission on or before May 15 of each year to require that, in addition to gas-electric dependencies and interdependencies, that electric suppliers also include information on regarding the identification of water and other critical services dependencies and inter-dependencies that could threaten electric operations or customer service, and efforts to coordinate a plan with those critical service providers for managing the dependencies and interdependencies. NCEMC recognizes the importance of the information sought by the of the Public Staff in this proposed rule change, but has concerns regarding the scope what may be included as a water or “other critical service dependency or interdependency” for reporting purposes. For example, water dependencies may include water treatment facilities from which the electric power suppliers receive primary or secondary water service to ensure continuous provision of electric service, but may also refer to critical loads served by the electric power suppliers such as water and wastewater treatment facilities in their service territory, or both. In order to provide consistency with regard to the proposed reporting requirements applicable to EMCs and other electric suppliers, NCEMC respectfully requests that the Public Staff provide additional information to clarify what water or other critical services it proposes be included in an electric supplier’s methodology for identification and coordination

purposes. Further, as it may take some time to update current reporting frameworks, NCEMC requests that to the extent these revisions to R8-41 are adopted, that electric suppliers have at least 12 months to incorporate these efforts into its next annual report due pursuant to R8-41.

WHEREFORE, NCEMC respectfully requests that the Commission grants NCEMC's petition to intervene and accepts these comments.

Respectfully submitted this the 26th day of August 2022.

**NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION**

By: /s/ Timothy R. Dodge
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STATE OF NORTH CAROLINA

COUNTY OF WAKE

Timothy R. Dodge swears and says under penalty of perjury:

1. He is Regulatory Counsel for North Carolina Electric Membership Corporation.
2. He has read the foregoing *Petition to Intervene and Initial Comments* and knows its contents.
3. The matters stated in this instrument are true of his knowledge, except as to those matters that are stated to be on information and belief, and, as to those matters, he believes them to be true.


Timothy R. Dodge

Sworn to and subscribed before me
this the 26th day of August 2022.


Notary Public
Sharon A. Craft

My Commission Expires: 03/24/2025



CERTIFICATE OF SERVICE

It is hereby certified that the foregoing document has been served upon all parties of record by electronic mail, or depositing the same in the United States mail, postage prepaid.

This the 26th day of August 2022.

/s/ Timothy R. Dodge

Timothy R. Dodge

OFFICIAL COPY

Aug 26 2022