

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 179

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, 2022 Biennial Integrated Resource Plans and Carbon Plan)))))	ORDER DENYING THE AGO'S MOTION TO DIRECT DUKE TO PERFORM ADDITIONAL MODELING
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BY THE COMMISSION: N.C. Gen. Stat. § 62-110.9 directs the Commission to develop a Carbon Plan by December 31, 2022, that takes reasonable steps to reduce carbon dioxide emissions in this State from electric generating facilities owned or operated by Duke Energy Progress, LLC (DEP), and Duke Energy Carolinas, LLC (DEC, together with DEP, Duke) by 70% from 2005 levels by 2030 and to achieve carbon neutrality by 2050.

On August 3, 2022, the North Carolina Attorney General's Office (AGO) filed a motion requesting that the Commission direct Duke to model carbon emission reduction scenarios (Motion) in addition to the four portfolios Duke filed with the Commission on May 16, 2022, as part of its Verified Petition for Approval of Carbon Plan, as well as two forthcoming supplemental portfolios. The AGO made a similar request for additional modeling in its initial comments filed on July 15, 2022. In support of the Motion, the AGO argues that it is necessary for Duke to perform additional modeling in order to "allow the Commission to fully analyze the impacts of the various modeling problems identified in the AGO's comments¹, for apples to apples comparisons of modeling results." Motion at 1.

Prior to the AGO's Motion, on July 28, 2022, Duke filed a letter (Duke Letter) with the Commission describing two supplemental carbon emission reduction portfolios it intends to file on or about August 19, 2022. The Duke Letter specifically addressed the AGO's request for additional modeling noting certain overlaps between the AGO's request and the supplemental portfolios Duke intends to provide. Duke stated that due to the expedited schedule in this proceeding it had advised the AGO that it was unable to complete additional modeling that comprehensively addresses each of AGO's alternative recommendations. Duke also stated that it is open to continued engagement with the AGO and other parties regarding the reasonableness of the proposed Near-Term Execution Plan, which will be informed by the supplemental portfolios. Finally, Duke noted

¹ On July 15, 2022, the AGO filed comments which presented criticisms on the modeling process used to develop Duke's proposed Carbon Plan.

anticipated further engagement with the parties on modeling methodologies and approaches in advance of the 2024 Carbon Plan update.

In response to the Duke Letter, the AGO's Motion asserts that the additional modeling "leaves important and substantial modeling flaws unresolved," and that the Commission not Duke, bears responsibility for determining what assumptions and recommendations are reasonable for planning purposes. Finally, the AGO's Motion references the difficulty some parties have had in replicating Duke's modeling results and implies that the Commission may afford these parties modeling less weight as a result.

On August 5, 2022, the Carolinas Clean Energy Business Association (CCEBA) filed a letter (CCEBA Letter) in support of the AGO's Motion, which requested that the Commission "go beyond the relief requested, and require revised modeling that tracks with the CPSA's recommended solar interconnection limits starting in 2026." CCEBA Letter at 2. On August 9, 2022, NCSEA and SACE et al. jointly filed a letter in support of the AGO's Motion (NCSEA and SACE et al. Letter) that also stressed that "EnCompass modeling conducted by Duke Energy should not be given any more weight by the Commission than EnCompass modeling conducted by other parties." NCSEA and SACE et al. Letter at 1. Finally, also on August 9, 2022, Avangrid Renewables, LLC, also filed a letter in support of the AGO's Motion and also requested additional modeling from Duke.

On August 8, 2022, Duke filed a Response in Opposition to the AGO's Motion to Direct Duke to Perform Additional Modeling (Duke Response), in which Duke states that its resources are stretched thin and that modeling "requires a significant, multi-department effort and hundreds of hours of sequential computer modeling and subject matter expert time." Duke Response at 2. Therefore, Duke contends that it is not feasible or practical to respond to the AGO's request and cautions that:

If the Commission were to grant the AGO's Motion, such a ruling could open the door for other intervenors to seek similar accommodation, diverting significant (and already strained) Duke Energy resources away from developing the Planned Supplemental Portfolios and preparing its witnesses to appear at the evidentiary hearing and essentially turning the Companies into a modeling consultant for all parties.

Id. at 4.

Further, Duke argues that the AGO's Motion is untimely, coming just approximately two weeks prior the deadline for Duke to file its direct testimony. Finally, Duke contends that the AGO has failed to explain why its consultant, Strategen, cannot run the requested model when it was able to generate and did in fact generate alternative models for another party in this proceeding.

The Commission has carefully considered all arguments propounded by the parties – both in favor of and in opposition to the Commission's requiring Duke to model additional carbon emission reduction scenarios requested by intervening parties. Overall,

the Commission is persuaded that ordering Duke to run additional models requested by intervening parties would not be reasonable at this point in time given the compressed timeline for this proceeding. Further, the Commission is unpersuaded of the AGO's need for Duke to perform the alternative modeling given that the AGO has retained a consultant with demonstrated capability to model alternative scenarios.

Therefore, the Commission finds good cause to deny the AGO's Motion and the requests for additional modeling by the other parties. To the extent that parties seek to rebut Duke's proposed portfolios, the burden is on those parties to develop and present the Commission with evidence in furtherance of their positions, and those parties are encouraged to elucidate for the Commission any unresolved modeling flaws. Notwithstanding the foregoing, should Duke be able to reach consensus with parties on additional model runs, as it did with the Public Staff, nothing herein should be construed to prevent Duke from conducting further consensus modeling.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 17th day of August, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Erica N. Green". The signature is written in a cursive, flowing style.

Erica N. Green, Deputy Clerk

Commissioner Floyd B. McKissick, Jr. dissents.

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Commissioner Floyd B. McKissick, Jr., dissenting:

I dissent from the majority out of deference to the AGO, which is afforded the right to intervene in Commission proceedings on behalf of the using and consuming public pursuant to N.C. Gen. Stat. § 62-20. Further, I believe that granting the AGO's Motion would not result in undue delay in this proceeding and that the information sought could provide insights to the Commission during its deliberations. For these reasons, I would grant the Motion and direct Duke to model the AGO's additional modeling recommendations.