

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-100, SUB 179
DOCKET NO. E-100, SUB 190

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)	
In the Matter of:)	COMMENTS OF NCSEA,
Duke Energy Progress, LLC, and Duke)	THE SOUTHERN ALLIANCE
Energy Carolinas, LLC, 2022 Biennial)	FOR CLEAN ENERGY,
Integrated Resource Plans and Carbon)	SIERRA CLUB, AND
Plan)	NATURAL RESOURCES
)	DEFENSE COUNCIL IN
DOCKET NO. E-100, SUB 179)	SUPPORT OF THE PUBLIC
)	STAFF'S MOTION FOR
In the Matter of:)	ISSUANCE OF
Biennial Consolidated Carbon Plan and)	COMMISSION ORDER
Integrated Resource Plans of Duke)	
Energy Carolinas, LLC, and Duke Energy,)	
Progress LLC, Pursuant to N.C.G.S.)	
§ 62-110.9 and §62-110.1(c))	

NOW COMES the North Carolina Sustainable Energy Association (NCSEA), jointly with the Southern Alliance for Clean Energy, Sierra Club, and Natural Resources Defense Council (SACE et al.), pursuant to the Commission's April 22, 2023, *Order Requesting Comments on the Public Staff's Motion Requesting Issuance of Commission Order*, and offer the following comments in support of the Public Staff's motion to expedite the Acquisition Request for Information (ARFI) process for the three federal offshore Wind Energy Areas (WEAs). However, we believe the Commission, Public Staff, and intervenors will benefit from the ARFI process having more structure, with interim updates to the Commission prior to the next biennial Carbon Plan IRP filing.

On January 31, 2024, Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC (collectively, “Duke” or the “Companies”), amended its petition to this proceeding to request, among other things, the Commission approve supply-side development and procurement activities through 2026 that supersede the near-term actions identified in Chapter 4 of the Companies initial filing on August 17, 2023.¹ Among its amended near-term actions, the Companies requested Commission “approval to issue an [ARFI] in early 2025 to further assess the cost of procuring up to 2,400 MW of offshore wind located off the North Carolina coast.”² The Companies elaborated on their need for an ARFI in the Supplemental Planning Analysis appended to its Amended Verified Petition. There, the Companies stated the ARFI is “to provide a structure in which the WEA lessees can provide more detailed information regarding proposed acquisition structures (including proposed acquisition or development fees, structures to ensure financing and construction capability, payment structuring and risk sharing), along with updated pricing.”³ The Companies project that this process would be completed in time to report the results of the ARFI in the next Carolinas Resource Plan filings.⁴

NCSEA and SACE et al. agree with Public Staff that “[w]aiting until early 2025 to issue an ARFI, as currently planned by the Companies, will unnecessarily delay the receipt of key information necessary for examining the role of offshore wind in North Carolina’s

¹ *Verified Amended Petition for Approval of 2023-2024 Carbon Plan and Integrated Resource Plans of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC*, Dkt. No. E-100, Sub 190, 17 (Jan. 31, 2024).

² *Id.*, at 21

³ *Supplemental Planning Analysis*, Dkt. No. E-100, Sub 190, 53 (Jan. 31, 2024).

⁴ *Id.*, at 48 (citing the near-term actions for offshore wind outlined in Table SPA 4-1).

resource portfolio.”⁵ Public Staff’s request for an order expediting the issuance of an ARFI is further warranted as discovery revealed that the data and assumptions underlying offshore wind’s selection in P3 Fall Base were insufficient for resource selection beyond a generic offshore wind resource.⁶ The Commission, the Public Staff, and intervenors rely on Duke’s resource portfolios as the foundation to “fairly evaluat[e] the range of demand-side, supply-side, energy storage, and other technologies available to meet the electric public utilities’ service obligations during the Base Planning Period and Carbon Neutrality Planning Horizon.”⁷ Among those obligations is achieving the emission reduction mandates set forth in House Bill 951 in a least-cost manner.⁸ Not having portfolios grounded with sufficient, up-to-date data, that accurately reflects the potential capacity, development timeline, and costs for each WEA lease jeopardizes the validity of P3 Fall Base. For example, parties are now left speculating whether Duke’s assumptions for a generic offshore wind resource are reasonable for planning purposes, whether more offshore wind capacity greater than 800 MW can be procured earlier than 2033, and whether other large generator resources would not have been selected by P3 Fall Base if the Companies had sufficient data regarding the WEAs. Once P3 Fall Base informed Duke that offshore wind would need to be accelerated by five years to reliably serve its updated load forecast, the Companies should have immediately reengaged the WEA leaseholders to collect the relevant information outlined in its proposed ARFI to further supplement their portfolio analyses.

⁵ *Public Staff’s Motion Requesting Issuance of Commission Order*, Dkt. No. E-100, Sub 190, 7 (Apr. 17, 2024) [hereinafter “*Public Staff’s Motion*”].

⁶ *Id.*, at 6 (quoting Duke Response to Public Staff Data Request No. 31-18(h) (Attachment 1)).

⁷ Commission Rule R8-60A(d)(4).

⁸ N.C.G.S. § 62-110.9(1).

The timeline Duke proposes for issuing this ARFI also has practical, real-world implications. In its Supplemental Planning Analysis, Duke admits that conducting the ARFI on its proposed timeline likely renders P3 Fall Base stale as the ARFI impedes achieving the 2033 in-service date for offshore wind selected by its model.⁹ NCSEA and SACE et al. further agree with Public Staff that given the urgency to meet HB 951’s emission reduction mandates, and offshore wind’s role in 2030 compliance and the need to reliably serve whatever load ultimately materializes during the planning period, deems this delay unreasonable. Accordingly, we support Public Staff’s request that the Commission issue an order requiring the Companies conduct the ARFI on an expedited basis.

Nevertheless, starting the ARFI process earlier does not guarantee it reaches its conclusion earlier. As proposed, Duke plans to report the results of the ARFI within the next Carolinas Resource Plan—meaning no later than September 1, 2025.¹⁰ This proposal effectively suspends any decision-making regarding offshore wind until the end of 2026 when the Commission issues its final order in the next biennial Carbon Plan IRP. NCSEA and SACE et al. worry that this outcome does not realize the intent of the Public Staff’s motion and does not expedite the ARFI process. To assuage this concern, NCSEA and SACE et al. respectfully request the Commission to adopt a procedural schedule requiring Duke and the WEA leaseholders to provide interim updates to the Commission on the progress of the ARFI. Specifically, receiving an update through written filings and/or

⁹ See *Supplemental Planning Analysis*, at 53 (“Given the expected timeline to execute the ARFI and obtain necessary approvals, it will likely not be possible to achieve a 2033 in-service date for the first 800-MW block of offshore wind as currently modeled in Fall P3 Base. However, a 2034 in-service date may be achievable assuming proposed NTAP actions in progress.”).

¹⁰ *Id.*, at 53.

convening a technical conference for the purposes of receiving presentations from Duke and the WEA leaseholders on the ARFI and its preliminary results in the Fall of 2024 would inform the Commission's decision-making related to next steps for the development and procurement of offshore wind in this proceeding.¹¹ A decisive signal from the Commission on offshore wind in this proceeding will help open a path to market for these resources to support the goals of the Carbon Plan IRP.

Last, NCSEA and SACE et al. believe that the purpose of any ARFI should be to promote direct engagement between Duke and the WEA leaseholders. Therefore, in addition to directing Duke to proceed with the development and issuance of an ARFI on an expedited basis, we also request that the Commission direct Duke and the WEA leaseholders to jointly develop procurement schedules for each WEA lease, with achievable milestones through 2032, to guide the development of all, or a portion of, each lease to achieve, at a minimum, the proposed 2.4 GW of offshore wind generation in Duke's supplemental portfolio and analysis. Direct engagement with the WEA leaseholders will be key in this process as each lease has different characteristics and is in different stages of development. Therefore, the milestones and timeline for each lease's proposed procurement schedule may differ depending on the direct agreements reached between ARFI participants throughout the process. This additional structure, requiring full collaboration between Duke and the WEA leaseholders, will produce a more fulsome study and likely avoid the same shortcomings of the initial non-binding RFI convened in 2023.¹²

¹¹ NCSEA and SACE et al. also recommend directing a subsequent update on the progress of the ARFI in the first or second quarter of 2025 for purposes of transparency, prior to the next Carbon Plan IRP filing.

¹² See *Public Staff's Motion*, at 6 (citing Duke Response to Public Staff Data Request No. 31-18(h) (Attachment 1)).

The additional structure will also deepen Duke's understanding of the leases and improve its resource portfolios in subsequent biennial Carbon Plan IRP proceedings. Nevertheless, NCSEA and SACE et al. cannot stress enough, that swift, decisive Commission action in this proceeding on an expedited ARFI and its results is necessary for the offshore wind's path to market in North Carolina. The Commission, the Public Staff, and intervenors cannot afford further delays and further restudy on this resource in its pursuit of meeting HB 951's mandates.

WHEREFORE, NCSEA and SACE et al. support the Public Staff's motion and respectfully requests that the Commission:

1. Grant the Public Staff's motion and issue an order requiring the Companies to proceed with the development and issuance of the ARFI on an expedited basis;
2. Adopt a procedural schedule that requires interim updates from Duke and the WEA leaseholders of the ARFI and its preliminary results, including written filings and/or convening a technical conference for the purposes of receiving presentations from Duke and the WEA leaseholders on the ARFI and its preliminary results in the Fall of 2024 to inform the Commission's decision-making related to next steps for the development and procurement of offshore wind in this proceeding; and
3. Direct Duke and the WEA leaseholders to jointly develop procurement schedules for each WEA, with achievable milestones through 2032, to guide the development of all, or a portion of, each WEA to achieve, at a minimum, the proposed 2.4 GW of offshore wind generation in Duke's supplemental

portfolio and analysis.

Respectfully submitted this 25th day of April, 2024.

/s/ Justin T. Somelofske

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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service lists have been served true and accurate copies of the foregoing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 25th day of April, 2024.

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