



NORTH CAROLINA
DEPARTMENT of
COMMERCE

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GOVERNOR

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SECRETARY

April 25, 2024

North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Delivered by email: statements@ncuc.net

Re: Docket No. E-100, Sub 179, In the Matter of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC, 2022 Biennial Integrated Resource Plans and Carbon Plan

Docket No. E-100, Sub 190, In the Matter of Biennial Consolidated Carbon Plan and 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)

Dear Chair Mitchell and Commissioners,

The mission of the North Carolina Department of Commerce (“Commerce”) is to improve the economic well-being and quality of life for all North Carolinians. Clean energy not only helps to address the climate crisis, but also provides a major economic opportunity for North Carolina. The National Renewable Energy Laboratory estimates that the East Coast offshore wind supply chain is worth more than \$200 billion in capital expenditures and will be accompanied by tens of thousands of jobs over the next decade. We at Commerce are striving to capture as much of this economic development potential for North Carolina as is possible. It is with this background that I submit this Consumer Statement in accordance with the Commission’s *Order Requesting Comments on the Public Staff’s Motion Requesting Issuance of Commission Order* issued in Docket Nos. E-100, Sub 179 and E-100, Sub 190 on April 22, 2024.

The amended proposed Carbon Plan filed by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “Duke”) “request[s] Commission approval to issue an Acquisition Request for Information (‘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.”¹ The information obtained in this process would then be incorporated into Duke’s subsequent proposed Carbon Plan,² and presumably the Commission’s 2026 Carbon Plan order. Commerce is concerned that Duke’s proposal creates two years of unnecessary delay. Commerce believes the Commission should strongly consider feedback from the developers of offshore wind projects about how the development of offshore wind can be accelerated.

The Public Staff – North Carolina Utilities Commission (“Public Staff”) argues in the *Public Staff’s Motion Requesting Issuance of Commission Order* (“Motion”) that the Commission’s December 30,

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, p. 21, Docket No. E-100, Sub 190 (January 31, 2024).

² *Id.* at p. 19.

2022 order in Docket No. E-100, Sub 179 requires Duke to take action to advance the development of offshore wind now, “rather than waiting until early 2025 following issuance of a final Commission order in the current CPIRP proceeding.”³ Commerce agrees with the Public Staff’s analysis.

As an economic development agency, Commerce routinely meets with businesses looking to expand into North Carolina. This includes offshore wind developers, original equipment manufacturers, and supply chain manufacturers. We have heard from offshore wind developers that they require a path to market to continue to invest in their projects. It’s a simple business proposition: developers will only incur a certain amount of development costs without a pathway to recovering those costs. This, in turn, impacts Commerce’s ability to attract original equipment manufacturers and supply chain businesses in the State. Thus, it is imperative that the Commission provide offshore wind developers with a path to market. Commerce encourages the Commission to consider feedback from offshore wind developers about whether an expedited ARFI provides them with a satisfactory path to market to continue investing in North Carolina.

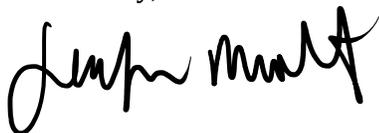
Duke’s interpretation of the Commission’s decision in the Sub 179 proceeding is already delaying offshore wind, given its belief

that it is appropriate and reasonable for the Commission to provide specific pre-approval for certain development activities. The Commission’s initial Carbon Plan Order affirmed this approach. While there is no bright line for when pre-approval is necessary, the Companies believe that pre-approval is appropriate and reasonable in the case of development activities that involve a material amount of costs and/or involve a resource that is new to the Carolinas.⁴

The Public Staff’s Motion provides the Commission with an opportunity to clarify its position on offshore wind to Commerce, Duke, the Public Staff, offshore wind developers, and the public at large.

If the Commission believes that offshore wind will play a part in North Carolina’s clean energy mix, it should provide offshore wind developers with some certainty about their path to market. This certainty will both ensure offshore wind is able to help North Carolina reach its carbon reduction requirements and trigger investment in the offshore wind supply chain in North Carolina. Commerce supports the Public Staff’s motion, and encourages the Commission to give substantial weight to feedback from offshore wind developers so that North Carolina can begin attracting investments and jobs in the offshore wind supply chain.

Sincerely,



Jennifer Mundt, Assistant Secretary of Clean Energy Economic Development
North Carolina, Department of Commerce

³ Motion at p. 6.

⁴ Motion at p. 5, quoting Duke Response to Public Staff Data Request No. 31-20.