

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-100, SUB 141

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
2015 Integrated Resource Plans and	) ORDER DENYING LEAVE TO FILE
Related 2015 REPS Compliance Plans	) COMMENTS AND DECLINING TO
	) ACCEPT COMMENTS

BY THE COMMISSION: On July 20, 2015, in Docket No. E-100, Sub 111, the Commission issued an Order Adopting Amendments to Commission Rule R8-60 (IRP Procedure Order). The IRP Procedure Order, among other things, adopted a new Rule R8-60(l) establishing guidelines for the Commission's review of the integrated resource plan (IRP) update reports filed by the electric utilities in odd-numbered years. In particular, Rule R8-60(l) requires that the Public Staff report to the Commission within 60 days after the filing of each electric utility's IRP update report whether the report complies with the requirements of Rule R8-60. In addition, Rule R8-60(l) requires intervenors to request leave from the Commission to file comments on the IRP updates. It further provides that such comments will be allowed only if the Commission deems it necessary and that the scope of the comments will be limited to issues identified by the Commission.

On September 1, 2015, Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC (DEP, collectively Duke), filed their 2015 IRP update reports in the above-captioned docket.

On September 18, 2015, the Commission issued an Order Granting Public Staff's Motion that, among other things, established November 2, 2015, as the date by which the Public Staff was required to file its report on Duke's IRPs and by which other parties were allowed to seek leave to file comments on Duke's IRPs.

On November 2, 2015, the Public Staff filed its Report on Compliance with Commission Rule R8-60. At the conclusion of the report, the Public Staff states that Duke's IRP updates meet the requirements of Rule R8-60.

Also, on November 2, 2015, North Carolina Waste Awareness and Reduction Network (NC WARN) filed a motion requesting leave to file comments. Attached to NC WARN's motion is its proposed comments. In its proposed comments, NC WARN makes four main assertions: (1) that Duke's forecasts for growth in demand for electricity are exaggerated; (2) that Duke fails to plan to use strategic purchases and cooperation with other utilities; (3) that Duke's IRPs include its continued reliance on expensive and unnecessary new natural gas and nuclear plants; and (4) that Duke fails to plan for the use of cost-effective and readily available renewable energy, energy efficiency measures,

and combined heat and power (CHP) resources. In addition, NC WARN incorporates by reference its updated report entitled “A Responsible Energy Future for North Carolina.”

With regard to Duke's electricity usage projections, NC WARN notes that both DEC and DEP base their 15-year IRP updates on a 1.2% annual growth in demand for electricity. On the other hand, NC WARN submits that electricity sales will be flat into the future, citing statistics from the United States Energy Information Administration and the American Council for an Energy-Efficient Economy, as well as actual growth for the past decade.

In addition, NC WARN contends that Duke's reserve margins over the updated IRP planning period are in excess of Duke's goal of 17%. Further, NC WARN opines that utilities in the southeast region have excess capacity that should be used among the utilities to supplement each other's generation requirements, rather than building what NC WARN maintains will be unneeded generation.

NC WARN also discusses Duke's plan to build new nuclear plants. It asserts that these plants will be prohibitively expensive, citing delays and cost overruns on nuclear projects in Georgia and South Carolina. Further, NC WARN contends that there will be negative consequences to Duke's increased reliance on natural gas plants as baseload resources, including greenhouse gases and externalized costs of fracking, refining and transporting natural gas.

Moreover, according to NC WARN a significant component of a responsible energy future is a renewable energy build-up that could provide 7% of total electricity sales in North Carolina by 2029. NC WARN submits that the development of storage technology will bolster rapid growth of renewable energy resources such as wind and solar. Further, it contends that increased development of substantial CHP systems can be an important energy resource in the future.

NC WARN concludes by asserting that Duke's business model based on its updated IRPs will result in drastic increases in Duke's rates. In contrast, NC WARN believes that its approach would provide an estimated savings of \$1.7 billion annually for North Carolina and South Carolina electricity customers, as well as job creation, a strong economy, and a healthier place to live.

On November 9, 2015, Duke filed an objection to NC WARN's motion. In summary, Duke submits that NC WARN's proposed comments restate the same opinions and allegations that NC WARN has filed and that the Commission has rejected in previous IRP dockets. Duke requests that the Commission deny NC WARN's motion and decline to accept NC WARN's proposed comments.

## Discussion and Conclusion

General Statute 62-110.1(c), in pertinent part, requires the Commission to “develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimate of the probable future growth of the use of electricity.” The purpose of the IRP process is to gather facts and opinions that assist the Commission and the utilities to plan now in order to be in a position to make informed decisions at a later time. On the other hand, the IRP process is not designed to result in Commission “directives which fundamentally alter a given utility's operations.” Instead, those directives are appropriate in other types of Commission proceedings, such as certificate of public convenience and necessity and complaint proceedings. See State ex rel. Utils. Comm'n v. North Carolina Electric Membership Corporation, 105 N.C. App 136, 144, 412 S.E.2d 166, 170, 173 (1992).

As noted earlier, the Commission amended Rule R8-60 to establish guidelines for the Commission's review of the IRP updates filed by the electric utilities in odd-numbered years. As fully discussed in the IRP Procedure Order, one purpose of the amendments is to streamline the process for the Public Staff's review and the Commission's decision on the IRP updates. The IRP update process had become cumbersome and time consuming, due in large part to repetitive filings addressing the same or substantially similar facts. In an effort to alleviate unneeded repetition, the Commission adopted Rule R8-60(l), requiring that intervenors request leave from the Commission to file comments on the update reports, and providing that such comments will be limited to issues identified by the Commission.

The proposed comments filed by NC WARN are essentially the same as the comments filed by NC WARN in the 2014 IRP biennial proceeding. The Commission carefully considered NC WARN's comments in the 2014 IRP proceeding. However, the Commission is not convinced that these same comments are helpful in the present IRP update proceeding. As a result, the Commission is not persuaded that there is good cause to grant NC WARN's motion for leave to file comments. Therefore, the Commission concludes that the motion should be denied and the comments should not be accepted.

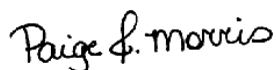
In addition, the Commission emphasizes that Rule R8-60(l) limits intervenor comments, when permitted by leave of the Commission, to those issues identified by the Commission. Thus, it is intended and will be helpful if parties will file their motion for leave to file comments and identify the issues that they seek to address.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 23<sup>rd</sup> day of November, 2015.

NORTH CAROLINA UTILITIES COMMISSION



Paige J. Morris, Deputy Clerk