

October 10, 2023

Via Electronic Filing

Ms. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: *Order Scheduling Technical Conference and Setting Procedures for Technical Conference* issued September 21, 2023, in Docket No. E-100, Sub 190

Dear Chair Mitchell and Commission Members:

On behalf of the Southern Alliance for Clean Energy, the Sierra Club, and Natural Resources Defense Council (SACE, et al.), the Southern Environmental Law Center respectfully offers the following recommendations for potential questions the Commission might ask during the October 12 technical conference on Duke Energy's proposed 2023 Carbon Plan/Integrated Resource Plan (CPIRP).

The October 12 technical conference affords the Commission, stakeholders, and the public a unique opportunity to better understand Duke Energy's CPIRP proposals. The scope and complexity of the Company's filings underscore both the opportunities and challenges presented by the state's ongoing clean energy transition. The Commission's September 21 *Order Scheduling Technical Conference* demonstrates the Commission's commitment to ensuring Duke Energy fulfills the 2030 and 2050 carbon reduction requirements set forth under N.C.G.S. § 62-110.9. However, given the short amount of time to review and adjust this cycle's CPIRP and the scope of Duke Energy's CPIRP proposals, promptly clarifying key CPIRP proposal assumptions, inputs, and outputs is critical to ensuring all reasonable steps are taken to achieve N.C.G.S. § 62-110.9's carbon reduction requirements. For example, Duke Energy's selection of portfolio P3 as its preferred planning roadmap is premised in part on the assumption that timely compliance with the 2030 carbon reduction target is prohibitively expensive and impractical. It will be crucial for the Commission to probe whether Duke Energy's assumptions are well founded.

To that end, SACE, et al. respectfully request that the Commission consider pursuing the following, broad lines of inquiry pertaining to Duke Energy's proposed gas buildout:

- (1) Comparison of base case and high capital gas cost scenarios to gas capital costs incurred by peer utilities.
- (2) Certificate of Public Convenience and Necessity (CPCN) review for proposed combined cycle/combustion turbine facilities prior to completion of the 2023-2024 CPIRP proceeding.
- (3) How the experience of Winter Storm Elliot and in particular the Public Staff and FERC's¹ investigations into the Winter Storm Elliott outages should inform the Commission's treatment of natural gas as a capacity resource, including but not limited to capacity value.
- (4) Adequacy of proposed gas supplies for Duke Energy's current and proposed gas generation facilities.
- (5) Stranded asset considerations.
- (6) The blending or use of hydrogen in Duke Energy's current and proposed gas generation facilities.

SACE, et al. recognize that the Commission set limits on stakeholder participation in its *Order Scheduling Technical Conference*. SACE, et al. do not intend to seek leave to ask questions of Duke Energy. Additionally, these recommended lines of inquiry are not intended as an end-run around the discovery process. Instead, in recognition of the short timeframe to review Duke Energy's CPIRP proposals and the potential overlap of CPCN proceedings, SACE, et al. request that the Commission consider delving more deeply into these gas buildout issues. Given the directives of N.C.G.S. § 62-110.9, SACE, et al. think it would aid the Commission to consider these issues sooner rather than later.

The October 12 technical conference can help inform the Commission's review of this cycle's CPIRP. SACE, *et al.* recognize that the questions asked of Duke Energy's personnel are ultimately up to the Commission's discretion. That said, we appreciate the Commission's willingness to consider the lines of inquiry suggested in this letter.

Sincerely yours,

/s/David Neal
David Neal

Cc: All parties of record

¹ *Presentation | FERC-NERC Regional Entity Joint Inquiry into Winter Storm Elliot*, FERC (Sept. 21, 2023), <https://www.ferc.gov/news-events/news/presentation-ferc-nerc-regional-entity-joint-inquiry-winter-storm-elliott>.