Christina D. Cress Partner ccress@bdixon.com

September 13, 2023

Via Electronic Filing

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

Re: Petition of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Requesting Approval of Green Source Advantage Choice Program and Rider GSAC

Docket No. E-2, Sub 1314 Docket No. E-7, Sub 1289

Dear Ms. Dunston:

On behalf of the Carolina Industrial Group for Utility Rates II ("CIGFUR II") and III ("CIGFUR III") (together with CIGFUR II, "CIGFUR"), please accept this letter for filing in the above-referenced dockets. This letter briefly responds to the Joint Motion for a Technical Conference ("Motion") filed on September 5, 2023 by Southern Alliance for Clean Energy ("SACE") and the North Carolina Sustainable Energy Association ("NCSEA") (together with SACE, "Movants"), inasmuch as the Motion requests relief pertaining to the GSA-C dockets (Docket Nos. E-2, Sub 1314; E-7, Sub 1289).

First, CIGFUR remains committed to continuing to discuss the issue of regulatory surplus with Duke Energy Progress, LLC ("DEP") and Duke Energy Carolinas, LLC ("DEC") (together with DEP, the "Companies"), the Public Staff, and other intervenors in the above-captioned dockets. It remains CIGFUR's goal to work together with all parties towards what CIGFUR hopes will be a mutually-agreeable consensus position to resolve the issue of regulatory surplus.

Second, CIGFUR continues to work diligently to investigate the varying standards utilized for renewable energy and carbon offset products for customers and businesses in the United States. For example, CIGFUR requested an advisory opinion regarding whether the GSA-C Program as proposed would comply with the validation standards of the Science Based Targets Initiative (SBTi), which drives ambitious corporate climate action by enabling businesses and financial institutions globally to set science-based greenhouse gas ("GHG") emissions reduction targets. As you can see in the enclosed email chain labeled as "Attachment A," SBTi informed counsel for CIGFUR that SBTi "can't provide an advisory opinion" regarding the GSA-C Program as proposed or otherwise.

Because of the fluid and continuously-evolving nature of ESG standards, verification, and validation, as well as the varying governance structures and internal decision-making processes relied upon by different third-party organizations in setting and enforcing such standards,

CIGFUR is not convinced that a technical conference would help to resolve or otherwise clarify the issue of regulatory surplus and its potential implications for customers who elect to participate in the GSA-C Program. In addition, CIGFUR has concerns that a technical conference could potentially be limited to speakers from organizations which (1) have already made their positions known regarding this issue; (2) are not intervening parties to these dockets; and/or (3) may have a self-serving interest in the outcome of this proceeding or other potential biases that other parties to these dockets would be unable to explore through cross-examination. On a related note, CIGFUR also has concerns specifically related to Movants' request for "neutral third parties" to present at a technical conference in these dockets. At the risk of sounding overly cynical, there is no such thing as a "neutral third party" to this proceeding, aside from the body charged with ruling on the Companies' Petition and deciding the contested issues in these dockets: the Commission.

Inasmuch as Movants have requested further briefing to the Commission on the regulatory surplus issue, however, CIGFUR does not object but would note that more time is needed for continued investigation of this issue and continued discussion among parties to these dockets in an effort to work toward a potential consensus resolution.

Finally, CIGFUR respectfully reiterates a theme it has raised throughout these dockets, which is that the needs of customers—specifically those customers who would be eligible to participate in the proposed GSA-C Program—should remain the central focus of this proceeding in a manner that complies with applicable law. It is worth noting that no customer advocates who are parties to this proceeding supported the Motion in its entirety.

Please contact me directly should you have any questions.

Best regards,

Electronically submitted /s/ Christina D. Cress Counsel for CIGFUR

cc: Parties of Record

CERTIFICATE OF SERVICE

The undersigned attorney for CIGFUR hereby certifies that she caused the foregoing letter to be served upon counsel of record for all parties and prospective parties to this proceeding, consistent with the Service List maintained by the NCUC Chief Clerk's office, by electronic mail.

This the 13th day of September, 2023.

/s/ Christina D. Cress

From:Paulina TarrantTo:Christina CressCc:Conant, Douglas

Subject: Re: SBTi - Request for Advisory Opinion

Date: Wednesday, August 23, 2023 5:59:37 PM

Attachments: <u>image001.png</u>

Hi Christina,

I hope this finds you well. Apologies for the delayed response.

SBTi can't provide an advisory opinion, however, if you have a specific question on use of RECs for scope 2 emissions, I'd be happy to help. Please let me know and I can check internally for an answer for you.

All the best, Paulina

On Mon, Aug 7, 2023 at 10:55 AM Christina Cress < cress@bdixon.com wrote:

Good morning, Paulina – I hope you are well. I write to follow up on my email below. If you need additional information, please let me know.

Thank you!

Christina

Christina D. Cress

Partner

Bailey & Dixon, LLP

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From: Christina Cress

Sent: Thursday, July 27, 2023 3:33 PM

To: 'paulinatarrant@sciencebasedtargets.org' <paulinatarrant@sciencebasedtargets.org>

Cc: Conant, Douglas < dconant@bdixon.com>

Subject: FW: SBTi - Request for Advisory Opinion

Paulina,

Forwarding the below to your updated email address per your auto-reply.

Thanks,

Christina

Christina D. Cress

Partner

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From: Christina Cress

Sent: Thursday, July 27, 2023 3:31 PM

To: paulina.tarrant@cdp.net

Cc: Conant, Douglas < dconant@bdixon.com > Subject: SBTi - Request for Advisory Opinion

Paulina,

Good afternoon, and I hope this email finds you well. I write on behalf of the Carolina Industrial Group for Fair Utility Rates (CIGFUR), a group of some of the largest non-residential retail electric customers of Duke Energy Carolinas, Duke Energy Progress, and Dominion Energy North Carolina. CIGFUR has intervened in a pair of consolidated dockets pending before the NC Utilities Commission for the purpose of reviewing Duke Energy Carolinas' and Duke Energy Progress' (together, Duke) joint application for approval of the Green Source Advantage-Choice Program (GSA-C Program). I've attached hereto a copy of the petition filed by Duke Energy for such purpose. After having reviewed SBTi's standards for MRV and validation of companies' emissions reductions targets, I am of the opinion that a customer's participation in Duke's GSA-C Program would comply and qualify. However, before I can recommend that one of the CIGFUR member companies choose to participate in the final approved GSA-C Program (which is awaiting disposition by the NC Utilities Commission), I would like to obtain an advisory opinion from SBTi confirming same. If there is a more formal process by which advisory opinions may be obtained, please let me know. In the meantime, thank you in advance for your assistance.

All the best,

Christina

Christina D. Cress

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--

Paulina Tarrant (she/hers)

Stakeholder Engagement Lead

Time zone: Eastern Time (EDT)

Science Based Targets initiative (SBTi)

sciencebasedtargets.org





Join our mailing list to stay informed on SBTi news and events.

The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by

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Attachment A CIGFUR II & III

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enabling organizations to set science-based emissions reduction targets.

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