



July 15, 2022

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Via Email: bmcmillen@ncuc.net

Re: Initial Comments by NC Council of Churches on Docket No. E-100, Sub 179 Proposed Carbon Plan of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC and related stakeholder process

Dear Chair Mitchell and Commissioners:

North Carolina Council of Churches advocates and educates regarding issues in the energy system through its Interfaith Power and Light (NCIPL) project. Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (“Duke Energy”) have largely run the stakeholder process through May of this year and have also petitioned for approval of a carbon plan proposal (“Duke’s Carbon Plan”). North Carolina Council of Churches has been allowed to intervene in this docket and now submits through NCIPL its initial comments on Duke’s Carbon Plan as well as the stakeholder process for this docket. NCIPL connects the faith voice of North Carolina around climate change, encouraging mitigation of the effects and resilient communities through its programs, and engaging in the public policy process by advocating with compassion. We speak for what we love and take action for the future of our children and the children of all species. NCIPL is a program of the North Carolina Council of Churches, whose members include 6,200 congregations across the state. Given the number of ratepayers represented by our members, we have a significant stake in the outcome of this docket. We also have a significant stake in the outcome of decisions which can set us on a sustainable course and entrench justice in our energy system. We thank you for your service.

As people of faith and conscience motivated by an ethical and moral commitment to the truth and care for our communities and Creation, we object to Duke Energy's Carbon Plan ("Carbon Plan") as drafted because of its impact on low-income ratepayers. A spiritual lens requires that policies take into consideration the common good, care for our neighbors, and the gift of our common home. It also requires that we care for those least able to afford residential rates as they currently exist. Simply put, Duke Energy's Carbon Plan lacks compassion for the poor and vision for the wealthy. These initial comments focuses on our two primary and interrelated concerns that of the North Carolina Utilities Commission ("NCUC") should take into account as it oversees this docket: **NCUC must adopt a Carbon Plan that meaningfully (1) invests in programs to increase energy security and decrease energy burden and poverty, and (2) incorporates community input using active outreach and engagement with low-income ratepayers.**

Without adequate oversight and accountability from NCUC on the Carbon Plan, North Carolina's carbon reduction commitments under the Clean Energy Power Plan and House Bill 951 (S.L. 2021-165) will likely not be fulfilled, likely leaving low-income ratepayers with the worst repercussions. It remains unclear why NCUC delegated the monumental task of drafting and engaging stakeholders in North Carolina's decarbonization planning process to Duke Energy when House Bill 951 clearly tasked NCUC with such responsibilities. Now is the time for NCUC to act to ensure racial and economic equity and justice are centered meaningfully during every step of the process going forward.¹ Without this, low-income individuals and families, who are disproportionately of color (approx. [89 percent](#)) and often on the frontline of the climate crisis, will continue to be unable to afford reliable access to the electricity needed for their basic needs in day-to-day life. Not to be understated, the adequacy of Duke Energy's Carbon Plan is a matter of both economic and racial justice – and getting it right will ultimately strengthen our state and nation.

Robin Wall Kimmerer, a member of the Citizen Potawatomi Nation, says that "all flourishing is mutual"—by which she means that each one of us is tied up in the well-being of others. Across faith traditions, inherent value resides in the life of each neighbor and every creature. The Dalai Lama said: "love and compassion are necessities, not luxuries. Without them, humanity cannot survive." Put another way, the well-being of others is the business of people of faith. Within the larger cannon of faith traditions many people are committed to making the poor, displaced, and the marginalized the focus by which problems and solutions are analyzed. For example—the Tanakh (Jewish Scriptures), Five Pillars of Islam, modern Catholic Social teaching, and evangelical mission's organizations like Samaritan's Purse all place the well-being of the poor at the center of their worldview. We are, as Dr. King said, "caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever effects one directly, affects all indirectly."

¹ We note that other organizations filed excellent comments along the way pointing out flaws in the stakeholder process. We particularly adopt the three sets of comments already submitted on the docket by North Carolina Conservation Network, *et. Al.* dated January 21, February 18, and April 12. We also adopt the comment submitted by Clean Aire, NC *et al.* on January 21.

So, it is with the future of North Carolina's energy system and so should it be with the NCUC's Carbon Plan.

In 2019, Governor Cooper's Clean Energy Plan was adopted, in recognition of the urgent need: "To successfully transition to a clean energy future, North Carolina must establish a 21st century regulatory model that incentivizes business decisions that benefit both the utilities and the public in creating an energy system that is clean, affordable, reliable, and equitable." Two years later, North Carolina enacted House Bill 951 creating the requirement for the NCUC to develop North Carolina's Carbon Plan. Taken together, these actions demonstrate a recognition that the status quo must be changed and that the current incentive structure is utterly broken. Current policies, plans, and procedures have created unjust arrangements which impose the costs of carbon pollution on North Carolinians through climate change impacts while incentivizing excessive fossil fuel generation to satisfy dividend demands from shareholders in investor-owned utilities.

The NCUC has been tasked by the Clean Energy Plan and by House Bill 951 with overseeing the implementation of creating new equitable and just arrangements for North Carolina's energy future. As a public utility, power is necessary for those living in North Carolina. It is the position of North Carolina Interfaith Power and Light that any future plans for how to produce, distribute, and access power must prioritize the poor, marginalized, and displaced. Then and only then, should additional interests be considered, with the full intent of maintaining a primary commitment to the poor, marginalized, and displaced.

In addition to the Provisions of HB 951, the provisions of Chapter 62 of the North Carolina General Statutes generally guide the NCUC. Including the following purposes: "To promote adequate, reliable and economical utility service to all of the citizens and residents of the State; ...To provide just and reasonable rates and charges for public utility services without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices and consistent with long-term management and conservation of energy resources by avoiding wasteful, uneconomic and inefficient uses of energy; ...To encourage and promote harmony between public utilities, their users and the environment." See [North Carolina General Statutes, N.C. Gen. Stat. § 62-2 \(a\)\(3\), \(4\), and \(5\)](#) .

Note that the guiding principles are broad. The point is to promote "reliable and economical utility service to all of the citizens and residents of the State." Utility service to the citizens and residents is the object of the policy. Both "reliable" and "economical" are qualifiers to the service question. For many residential users utilities service would be far more economical if their costs built wealth for them, through weatherization and customer owned generation on site, for example. A utility service system which places surcharges on some customers for debt service on failed nuclear plant construction projects like Shearon Harris, is not economical for those users. A utility service system which shuts off service to customers who have experienced economic loss due to fossil fuel market volatility and energy inflation is not reliable from the user's standpoint. And a utility service system which relies on expensive and environmentally damaging natural gas pipelines and nuclear reactors does not encourage harmony between the public utilities, their users and our environment.

As to our environment, the NCUC must be guided by the foundational principles set forth in the North Carolina Constitution which declares:

“It shall be the policy of this State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational, and scenic areas, to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, openlands, and places of beauty.”

See N.C. CONST. Art. XIV, § 5.

To accomplish the goals articulated in the Constitution and in the statutes directing this NCUC to develop the Carbon Plan responsive to the direction of HB 951 and the other provisions of law applicable to this decision, we see a clear direction to protect all North Carolinians from the harmful impacts of carbon pollution as well as a clear direction to protect those least able to afford it from economic hardship due to rates. Current proposals in Duke Energy’s Carbon Plan do not protect the most vulnerable from harm because of increased costs of electricity service and climate change-induced damage. As representatives of congregations with diverse approaches to worship, but common purpose to protect these values, we submit these initial comments.

1. Investments in Programs to Increase Energy Efficiency and Security, While Decreasing Energy Burden: An Equitable Clean Energy Economy for North Carolina

North Carolina’s Carbon Plan must ensure that low-wealth communities have access to affordable electricity, can generate their own electricity as the climate changes, all the while resulting in energy savings and reduced energy burdens.

North Carolina sits in the top half of states with the highest energy burden for low-income ratepayers. Energy costs to fuel the lives of North Carolinians are crippling low-income households, who face higher energy burdens, where a disproportionate percentage of their income is spent on energy costs. According to the [NC Clean Energy Plan](#), finalized by North Carolina’s Department of Environmental Quality (DEQ) in October 2019, “low-income households in NC spend a disproportionate percentage of their household income on energy costs relative to their higher income counterparts.” Around 1.4 million households live with unaffordable energy bills, where their energy burden is greater than 6 percent of their overall income. The poorest households, or those living with incomes below 50 percent of the federal poverty level, spend 33 percent of their income on energy bills. This trend is particularly true for extremely low-income renters, who live at or below the poverty line and whose energy bills may actually represent [a larger expense than their rent](#). When these ratepayers have their service cut off due to choosing between paying rent and utilities, the system which builds unneeded nuclear and gas plants is not reliable at all. Reliability must be judged from the end user

experience. Disproportionate energy burdens mean that low-income ratepayers must make the choice between keeping their electricity on and buying other essential needs such as food and medicine. In 2020, as many as [1 million families](#) in North Carolina had fallen behind on their electric, water, and sewage bills.

Substantial investments to promote energy efficiency and the production of renewable energy through customer-owned generation will translate into increased reliability and affordability for hundreds of thousands of North Carolinians. Recent analysis from the [U.S. Department of Energy](#) found that North Carolina was one of six states with the most cost-effective energy efficiency potential for low-income households. This analysis projects potential household electricity savings between 29 percent and 32 percent. The benefits of customer-owned and generated renewable energy are far-reaching:

1. *Economic benefits* – With customer-owned generation of renewable energy, generally customers decrease their overall spending on energy bills and are able to sell additional power to the grid. In turn, this helps decrease energy burdens, especially for low-income ratepayers. Similarly, increasing these types of projects will spur statewide economic development and increase jobs in manufacturing, installation, and construction.
2. *Environmental & public health benefits* – Customer-owned generation of renewable energy generally reduces local toxic air pollution and does not produce greenhouse gas emissions contributing to climate change.
3. *Reliable energy benefits* – Increasing customer-owned generation diversifies the local and regional energy supply, making it more reliable, and reducing our dependence on fossil fuels; it reduces the overall stress on central power generation and improves the voltage stability of the system.

North Carolina is well-positioned for the generation of solar energy, in particular – according to [an analysis](#) of data from the Centers for Disease Prevention & Control, the state sits in the top half of states with the greatest amount of sunlight, in terms of kilojoules per square meter (kJ/m^2).

A more just and equitable Carbon Plan would include elements that encourage low income ratepayers to lower their consumption by eliminating wasted energy. NCUC should adopt and implement: a Pay as You Save model for any energy upgrades or weatherization complemented by a Percent of Income Payment Plan (PIPP) to ensure that electric bills are affordable for low-income ratepayers. NCUC should also adopt and implement an Arrearage Management Plan to help customers pay off unpaid bills which serve as barriers to their investments in efficiency upgrades. Duke Energy's Carbon Plan does not meet the standard for approval by the NCUC and should not be adopted.

2. Adequate Stakeholder Outreach, Engagement, & Incorporation

Poor notice and public engagement during the development of North Carolina's Carbon Plan will result in the neglect of historically overburdened and underserved communities. HB 951 requires the NCUC to develop the Carbon Plan. As discussed, NCUC ordered Duke Energy to conduct stakeholder meetings and report back with a proposed plan to the NCUC, advising the public of this by means of its electronic docket management mechanism. While these dockets are public in the sense that they can be accessed by persons with access to the internet, intimate familiarity in navigating the web-portal is required to find a notice. No guidance to the public was provided once one landed on the portal. These dockets were not designed to provide meaningful participation opportunities to the ratepayers of North Carolina. Rather they are designed for use of the professional class of lawyers who specialize in utilities law.

The description for this docket itself does not promote engaging stakeholders at all. Rather the description itself reads: "Carbon Plan of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Pursuant to Session Law 2021-165." See <https://starw1.ncuc.net/NCUC/PSC/DocketDetails.aspx?DocketId=8d6cc88e-c26a-438d-9061-3dd2301b15f7> . Only those with legal research skills and prior experience with the docket mechanism would be able to decipher this obscure reference. In responding to the NCUC Order, Duke Energy Carolinas ("DEC") and Duke Energy Progress ("DEP") also relied on the NCUC's obscure docket mechanism for advising the public of its plans to conduct stakeholder meetings ordered by the NCUC. The document DEC and DEP filed may be accessed here: <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=c4afe29f-58a9-4fdb-964d-105c4332836e> As previously noted in Footnote 1, many organizations informed the NCUC in January that the stakeholder process was fundamentally flawed as they shared their concerns.

These concerns and ours are supported by the low level of participation in the docket mechanism. Since the docket was opened in October of 2021 and January of 2022, only 17 persons had signed up to this docket. By July 13, the number had swelled to over 40. But the impacted stakeholders here includes millions of ratepayers. When investor-owned utilities want to let ratepayers hear messages, they produce extensive print, television, and radio advertising campaigns all across the state to reach millions of ratepayers. When tasked with asking the ratepayers to engage with the stakeholder process they contracted to provide the NCUC with input on how the energy future should be shaped, they relied on a docket system monitored by a couple hundred industry insiders and professional advocates. NCUC must do better going forward. Adequacy of the stakeholder process is an issue of substance to be decided by the NCUC and the prior record in this docket shows that process was inadequate.

To remedy this outcome, NCUC must now create expanded public participation and engagement opportunities, where community input is encouraged and meaningfully incorporated into North Carolina's Carbon Plan and the broader state climate action planning process. Many more people are turning out for the public hearings being called, but they missed out on being in the stakeholder process. Too often, the big decisions are made and the only

folks in the room when those decisions are made are those who will most benefit from more costly generation from fossil fuels and nuclear power. Add in that pipeline developers have a circular set of economic incentives here to build more gas plants to get returns on their pipeline extensions. Meanwhile, we know that [methane leaks and fossil fuel use must be reduced](#) if we are going to meet the urgent need to protect our mutual home planet.

Now is the chance that NCUC has the power to empower and engage the millions of North Carolinians who want to be able to build their wealth, reduce their dependency on fossil fuels, and promote justice and equity in our energy system.

The NCUC must:

- A. Conduct its own active outreach and engagement to low-income communities that are often excluded from the state's regulatory processes.
- B. Create a full-time staff position focused on community outreach and engagement to low-wealth communities and communities of color.
- C. Translate hearings and materials into Spanish to ensure inclusivity.
- D. Create a new docket portal to engage stakeholders rather than blocking their access.
- E. Publicly share any relevant information at least 10 days in advance of related public meetings.
- F. Work with the Andrea Harris Social, Economic, Environmental, and Public Health Task Force to advise and guide their public engagement efforts.

For North Carolina's Carbon Plan, and the broader North Carolina climate action planning process, there should be multiple educational opportunities to bring North Carolinians up to speed on the rate-making processes and related state regulatory processes:

- A. The NCUC must provide stakeholders with the information they need to meaningfully participate, and they must do so in a timely way.
- B. The NCUC must require Duke Energy to share all non-confidential information related to the Carbon Plan, including modeling data, inputs, assumptions, and rationale, directly with the public.
- C. The NCUC must require Duke Energy to publish any and all stakeholder input Duke Energy received on the Carbon Plan, along with Duke Energy's responses.
- D. The NCUC must require Duke Energy to publish a report detailing every effort it made at engagement with environmental justice communities disproportionately impacted by climate change.
- E. North Carolina's climate action planning process and any subsequent public processes should be facilitated by a third party that is selected and directed by the meaningful involvement of stakeholder groups, including those representing the interests of low-income ratepayers.

G. Conclusion

Without a just and equitable Carbon Plan development process, the Carbon Plan excluded low wealth communities. Those that are least able to afford the damage dealt by carbon pollution and those who cannot afford the service bills they currently pay for residential utility service were left out. Without an adequate Carbon Plan, millions of North Carolinians may be left without reliable and affordable utility service to heat, cool, and light homes; charge and use health-related devices, connect to work, school, and their communities; and cook, clean, relax, and play. Low-wealth communities face the potentials of steep increases in electricity rates as North Carolina seeks to address the climate crisis. It is an absolute moral imperative to take concrete action immediately to ensure a just and sustainable future for all.

We look forward to engaging more with NCUC and Duke Energy as future opportunities arise. Please don't hesitate to contact us if you have any questions or would like to discuss these Initial Comments further.

Sincerely,

/s/

Susannah Tuttle

CERTIFICATE OF SERVICE

I certify that all parties of record have been served with the foregoing filing by electronic mail.

This the 15th day of July 2022.

/s/

James P. Longest, Jr.