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January 23, 2023

VIA ELECTRONIC FILING

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

RE: Duke Energy Carolinas, LLC and Duke Energy Progress,

LLC's Update Regarding Expedited Study Processes Available

to ESS Retrofit Projects

Docket Nos. E-100, Sub 101 & E-100, Sub 158

Dear Ms. Dunston:

Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and together with DEC, "Duke Energy" or the "Companies") hereby provide this update to the North Carolina Utilities Commission's ("Commission") regarding the expedited study processes available for energy storage system retrofit ("ESS Retrofit") projects in response to Ordering Paragraph 2 of the Commission's May 12, 2022 Order Granting Waivers to Implement Energy Storage System Expedited Study Processes and Approving Process to Establish Eligibility of Avoided Cost Rates for Retrofit Energy Storage Systems ("May 12 Order" or the "Order").

As background, the Commission's May 12 Order directed the Companies to file a report within 60 days of issuing the 2022 Definitive Interconnection System Impact Study ("DISIS") Cluster 1, Phase 1 study report providing an update on the expedited interconnection study process for ESS Retrofits that will only export between 9:00 a.m. and 5:00 p.m. and certain DC-coupled transmission-interconnected Interconnection Customers indicating 24-hour ESS Export when entering in to DISIS ("ESS Retrofit Study Process"). The Order further directed that the report should explain the Companies' plans regarding "whether to (i) extend the requested waivers for [the 2023] DISIS Cluster 2, (ii) terminate the ESS Retrofit process, or (iii) modify the NCIP to make the waiver for certain DC-Coupled transmission-interconnected Interconnection Customers indicating 24-hour ESS Export when entering in DISIS permanent."²

The Companies issued their 2022 DISIS Phase 1 Reports on November 23, 2022. However, no ESS Retrofit projects submitted an interconnection request to DEC or DEP requesting to be included in the 2022 DISIS and to be studied under the ESS Retrofit Study

¹ May 12 Order at 5 (Ordering Paragraph 2).

² Id.

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Process. In the absence of any ESS Retrofit projects participating in the 2022 DISIS Phase 1 study, the Companies have no relevant data to report to the Commission regarding expedited study of this category of facility. At this time, the Companies support extending the currently-authorized waivers to the North Carolina Interconnection Procedures ("NCIP") as approved in the May 12 Order to ESS Retrofit projects who elect to participate in the 2023 DISIS Phase 1 study and commit to providing a subsequent update to the Commission on the ESS Retrofit Study Process and whether the current waivers should be terminated or extended within 60 days of issuing the Phase 1 report for the 2023 DISIS Cluster.

If you have any questions, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Jason A. Higginbotham
Associate General Counsel
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cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Update Regarding Expedited Study Processes Available to ESS Retrofit Projects, in Docket No. E-100, Subs 101 and 113, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This is the 23rd day of January, 2023.

Jason A. Higginbotham

Jason Higginbothan

Associate General Counsel

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