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November 9, 2021

**VIA ELECTRONIC FILING**

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

**RE: Joint Petition of Duke Energy Carolinas, LLC and Duke Energy  
Progress, LLC  
Docket Nos. E-7, Sub 1259 and E-2, Sub 1283**

Dear Ms. Dunston:

I enclose the Joint Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for filing in connection with this matter.

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

Sincerely,

Jack E. Jirak

Enclosure

cc: Dianna Downey

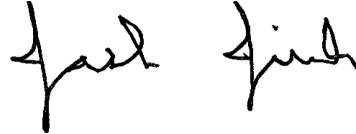
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Nov 09 2021

**CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Joint Petition, in Docket Nos. E-7, Sub 1259 and E-2, Sub 1283, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid, to parties of record.

This the 9<sup>th</sup> day of November, 2021.



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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 1259  
DOCKET NO. E-2, SUB 1283

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Joint Petition of Duke Energy Carolinas, LLC	)	<b>JOINT PETITION OF DUKE</b>
and Duke Energy Progress, LLC to Request	)	<b>ENERGY CAROLINAS, LLC</b>
the Commission to Hold a Joint Hearing with	)	<b>AND DUKE ENERGY</b>
the Public Service Commission of South	)	<b>PROGRESS, LLC</b>
Carolina to Develop Carbon Plan	)	

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NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (collectively, “Duke Energy” or the “Companies”), pursuant to N.C. Gen. Stat. §§ 62-2, 62-30, 62-48, 62-110.1(c), Part I of Session Law 2021-165 (“HB 951”) and Rule R1-5 of the regulations of the North Carolina Utilities Commission (“Commission”), and hereby petition the Commission to hold a joint proceeding with the Public Service Commission of South Carolina (the “PSCSC”) in 2022 to develop the Commission’s initial plan to achieve the least cost path to meet HB 951’s authorized carbon reduction goals (“Carbon Plan”).

Through this Petition, along with a companion petition being filed contemporaneously with the PSCSC, Duke Energy is requesting the two State regulatory authorities that regulate DEC’s and DEP’s rates and service to undertake a coordinated joint proceeding in furtherance of the Companies’ continuing energy transition to reduce carbon emissions in the Carolinas, while maintaining reliability and affordable rates for customers. The enactment of HB 951 provides crucial policy direction through a carbon reduction framework that is consistent with the strategies and themes set forth in the

Companies' Integrated Resource Plan ("IRP") filings in both North Carolina and South Carolina. This transition process, oriented around least cost achievement of targeted carbon reductions while maintaining reliable service, is also consistent with efforts underway at other utilities across the country.

DEC and DEP operate integrated utility systems spanning both States and, for decades, Duke Energy's customers in both States have significantly benefited from sharing the costs of operating these integrated systems. However, the Commission and the PSCSC independently oversee the Companies' long-term planning for new generation to meet their system-wide energy needs. The Companies are proposing the joint proceeding requested in this Petition in the interests of coordination and cooperation between the States in which they serve so that the PSCSC and other South Carolina stakeholders may participate in the important generation transition issues that will be addressed in the Carbon Plan. Simply put, both North Carolina and South Carolina stakeholders should have a seat at the table as decisions are made regarding the resources needed to meet Duke Energy customers' energy needs for the next decade. The coordination requested herein will benefit customers and communities in both States and provide needed clarity to achieve a more well-planned and efficient energy transition in the Carolinas.

Under HB 951, the Commission must develop a Carbon Plan over the next year with Duke Energy, including stakeholder input, and must establish a least cost path for transitioning the Companies' generation fleets to achieve new carbon emission reduction goals—70% by 2030 and net-zero by 2050. The adoption of a Carbon Plan as mandated by HB 951 also requires the Commission and the Companies to ensure that generation and resource changes will maintain or improve upon the adequacy and reliability of the existing

grid. Achieving these goals will require consideration of the timing of retirement of coal generation and determination of what resources will be chosen to replace that coal generation—issues of significant importance to both North Carolina and South Carolina customers and stakeholders, as demonstrated in recent IRP proceedings in both States. Apart from HB 951, achieving this system transition is critically important for the Companies in order to: (1) provide our customers with both the cleaner energy and highly reliable service they demand; (2) ensure continued access to capital funding at reasonable rates; and (3) reduce reliance on coal generation which is increasingly subject to supply and price constraints.

The Companies submit that a well-planned and coordinated energy transition is of vital importance to their customers in both North Carolina and South Carolina. Duke Energy has contemporaneously presented this request to both this Commission and the PSCSC in order to seek their coordination and cooperation to provide the Companies, stakeholders and customers with a least cost path towards transitioning the Duke Energy systems through development of a Carbon Plan that will enable the Companies to continue to provide reliable, affordable and increasingly carbon-free electricity in both of the States that Duke Energy serves. The PSCSC's coordinated participation in developing the Carbon Plan will also allow the Companies and the Commission to determine whether the resources selected as part of the Carbon Plan should be planned to serve South Carolina's future energy needs in addition to those of North Carolina. That way it will be clear whether the Companies' plans and associated costs for the transition to new cleaner generation developed in the Carbon Plan will be fully shared and embraced between the States. Absent clarity from both States, Duke Energy will be forced to evaluate decisions

on planning and running the systems differently in the future, potentially serving North Carolina and South Carolina customers separately, which could be less efficient and more costly than today's operations. As described in more detail below, the Carbon Plan supported by both Commissions would inform future IRPs and continue to be reviewed in both States.

In support of this Petition, the Companies show the following:

1. DEC and DEP are engaged in the generation, transmission, distribution, and sale of electricity to the public for compensation. The Companies also sell electricity at wholesale to municipal, cooperative, and investor-owned electric utilities, and such wholesale sales are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). DEC and DEP are public utilities under the laws of North Carolina and are subject to the jurisdiction of the Commission with respect to their operations in this State. The Companies are also authorized to transact business in the State of South Carolina, and each is a public utility under the laws of that State. Accordingly, their operations are also subject to the jurisdiction of the PSCSC.

2. The general office of Duke Energy Carolinas, LLC is located at 526 South Church Street, Charlotte, North Carolina, and the mailing address is Post Office Box 1321 (DEC 45A), Charlotte, North Carolina 28201-1006. The general office of Duke Energy Progress, LLC is located at 410 South Wilmington Street, Raleigh, North Carolina, and the mailing address is Post Office Box 1551, Raleigh, North Carolina 27062-1551.

3. The attorneys for the Companies, to whom all notice and other communications with respect to this Petition should be sent, are:

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4. As explained in more detail below, the Companies are requesting that the utility regulatory commissions of North and South Carolina conduct a joint proceeding to consider generation planning and related issues that affect both States, resulting from the requirement in Part I of HB 951. HB 951 directs the Commission to “develop a [Carbon Plan] no later than December 31, 2022, with the electric public utilities, including stakeholder input, for the utilities to achieve the authorized reduction goals” set forth in HB 951. In developing the Carbon Plan, HB 951 mandates that the Commission must ensure any generation and resource changes maintain or improve upon the adequacy and reliability of the existing grid. The Commission and the PSCSC both have significant interests in the Companies’ continued least cost planning for generation and in overseeing the Companies’ least cost path to achieving compliance with HB 951’s authorized carbon reduction goals.

5. While DEC and DEP request that the Commission and PSCSC hold a joint proceeding, they do not seek to have the two commissions issue joint orders ruling on the merits of the issues being presented. Instead, the Companies request the development of a

joint record through joint hearings and the submission of testimony and exhibits, after which the Commission must—by law—adopt a Carbon Plan on or before December 31, 2022. Recognizing that development of the least cost Carbon Plan will inform future resource planning in the Carolinas, the Companies believe the public interest would be served if the PSCSC also participates in this initial proceeding to develop the Carbon Plan. After consideration of the record of the proceedings and issuance of a Commission order approving the Carbon Plan, the Companies will seek an Order from the PSCSC requiring that the Carbon Plan be incorporated into DEC’s and DEP’s comprehensive future IRPs to be filed in that State and to confirm that the Companies’ plans and associated costs for executing the transition under the Carbon Plan will be fully shared and embraced between the States consistent with historic planning practices. Under the Companies’ proposal, the next comprehensive IRPs would be filed in both States in 2023.

6. While the Carbon Plan filing will contain many of the elements of a full IRP, the Companies propose that for the initial Carbon Plan proceeding in 2022, the Commission would handle the matter as a standalone proceeding that is not deemed to be combined with the IRP. Instead, the Companies believe the public interest would be served by delaying the Companies’ next IRP filing under Rule R8-60(h)(1) to September 2023. This deferral of the IRP will (1) eliminate potential procedural challenges that would be associated with attempting to hold a joint proceeding on an IRP; and (2) create efficiencies for future IRP proceedings through alignment of planning assumptions between the States.<sup>1</sup>

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<sup>1</sup> Deferral of the Companies’ next comprehensive IRPs to 2023 would comply with South Carolina’s resource planning requirements under South Carolina Energy Freedom Act, Act 62 of 2019 (“Act 62”). *See* S.C. Code Ann. § 58-37-40(A) (requiring the Companies to prepare and submit an IRP to the PSCSC at least every three years).



After development of the initial Carbon Plan in 2022, the Companies anticipate that it would likely be reasonable that future Carbon Plan proceedings in North Carolina would thereafter be synced with the full IRP and filed in odd numbered years (i.e., 2023, 2025, 2027, etc.). Given the many critical decisions to be made in the early years of the Carbon Plan, having a Carbon Plan proceeding two years in a row (i.e., in 2022 and 2023) would be valuable. Furthermore, this approach would align with the HB 951 requirement to consider the Carbon Plan every two years. At this time, the Companies do not anticipate that there would be a need to conduct future Carbon Plan/IRP proceedings jointly between the States.

7. The Companies believe that HB 951 provides a valuable framework for this energy transition for both States and the regulatory oversight that will be required to effectuate it. HB 951 includes carbon emission reduction goals—70% by 2030 and net-zero by 2050—that are generally consistent with those of the Companies as reflected in the preferred scenarios included in the modified 2020 IRPs recently submitted to the PSCSC.<sup>2</sup> The adoption of a Carbon Plan as mandated by HB 951 will require consideration of the timing for retirement of coal generation and the question of what resources will be chosen to replace that coal generation either to serve only North Carolina’s future energy needs or to serve the Companies’ systems as a whole. The Companies submit that those issues are

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<sup>2</sup> The modified IRPs submitted by DEC and DEP in South Carolina (which remain under review by the PSCSC) selected portfolios that are projected to produce a 66% reduction in carbon emissions by 2030. DEC South Carolina 2020 Modified IRP, at 10 Dockets 2019-224-E (filed August 27, 2021) (Table 1-B identifies a 66% System CO<sub>2</sub> Reduction by 2030 for DEC’s Preferred Portfolio C1); DEP South Carolina 2020 Modified IRP, at 10 Dockets 2019-224-E (filed August 27, 2021) (Table 1-B identifies a 66% System CO<sub>2</sub> Reduction by 2030 for DEP’s Preferred Portfolio C1).

also of vital importance to their customers in South Carolina and that it is important that the PSCSC participate in the proceedings to adopt the Carbon Plan.

8. As explained in more detail below, DEC and DEP operate systems that extend across the two Carolinas making them subject to the dual jurisdiction of this Commission and the PSCSC. The costs of operating these systems have historically been shared by customers in both States using fair, compatible, and consistent allocation methods. That cost sharing arrangement has been beneficial to customers in both States, and the Companies believe that it will continue to be beneficial as they move through the energy transition. Accordingly, the Companies are proposing a joint proceeding as a way for the PSCSC to participate in the important issues that will be addressed in the Carbon Plan and to have a “seat at the table” as decisions are made on those issues. Facilitating coordination between the two State commissions responsible for regulating Duke Energy’s Carolinas operations and overseeing resource planning will also benefit North Carolina customers as the Commission is tasked with achieving the least cost path that assures continued reliability during this transition.

**Both the Commission and the PSCSC Have the Statutory Authority to Participate in a Joint Proceeding**

9. The Public Utilities Act establishes that it is the policy of the State for the Commission to ensure the “continued service of public utilities on a well-planned and coordinated basis that is consistent with the level of energy needed for the protection of public health and safety and for the promotion of the general welfare” and directs the Commission to “cooperate with other states and with the federal government in promoting and coordinating interstate and intrastate public utility service and reliability of public utility energy supply.” See N.C. Gen. Stat. § 62-2(a)(6), (8). These policy objectives have

been further informed by HB 951’s mandate to adopt a long-term least cost Carbon Plan for DEC and DEP, and the Commission has broad general power to carry out the laws of the State regulating the operations of electric utilities. *See* N.C. Gen. Stat. § 62-30. It also has the authority to “initiate or appear in such proceedings before federal and State courts and agencies as in its opinion may be necessary to secure for the users of public utility service in this state just and reasonable service and rates[.]” *See* N.C. Gen. Stat. § 62-48. Whether it is just and reasonable for North Carolina to have a North Carolina-only Carbon Plan or a Carbon Plan applicable to both North Carolina and South Carolina, with generation and costs allocated between the two States, is an important consideration for both resource planning and in setting just and reasonable rates to be charged to the Companies’ Carolinas customers.

10. With respect to planning for future facilities, the Public Utilities Act also grants the Commission authority to work with regulators in other neighboring states:

The Commission shall 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 probable needed generating reserves, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory Commission and other arrangements with other utilities and energy suppliers to achieve maximum efficiencies for the benefit of the people of North Carolina, and shall consider such analysis in acting upon any petition by any utility for construction. *In developing such analysis, the Commission shall confer and consult with the public utilities in North Carolina, the utilities commissions or comparable agencies of neighboring states, the Federal Energy Regulatory Commission and other agencies having relevant information and may participate as it deems useful in any joint boards investigating generating plant sites or the probable need for future generating facilities.*

*See* N.C. Gen. Stat. § 62-110.1(c) (emphasis added).

11. The PSCSC similarly has authority pursuant to S.C. Code Ann. § 58-27-170 to “hold joint hearings and issue joint or concurrent orders in conjunction or concurrence with any official board or commission of any state or of the United States.” The PSCSC also has new expanded oversight of the Companies’ integrated resource planning to ensure that future IRPs represent the most reasonable and prudent means of meeting DEC’s and DEP’s energy and capacity needs as of the time the plan is reviewed. *See* S.C. Code Ann. § 58-37-40(C)(3). Recognizing the importance of the new Carbon Plan for both States, the Companies are concurrently filing a similar request with the PSCSC.

In sum, DEC and DEP believe that these provisions outlined above provide the Commission and the PSCSC with the authority to participate in a joint hearing on the Carbon Plan and that such a joint proceeding will be in the public interest.

#### **HB 951, the Carbon Plan and Its Effect on Future Resources**

12. The statutory provisions cited above show that the General Assemblies of North Carolina and South Carolina have both recognized that there are circumstances that give rise to a need for coordination and cooperation among jurisdictions and that a joint proceeding is an appropriate way to achieve that coordination. The Companies submit that the State’s adoption of HB 951 and its impact on the Companies’ future resource planning gives rise to a compelling need for coordination and cooperation between the two States.

13. As already explained above, HB 951 requires the Commission to develop, by December 2022, a least cost Carbon Plan designed to achieve a 70% reduction in carbon dioxide (“CO<sub>2</sub>”) emissions (based on 2005 emissions) from generation facilities owned or operated by DEC and DEP within the State and carbon neutrality by 2050. The legislation explicitly requires that the Carbon Plan be developed with the electric utilities and take into

account “stakeholder input.” It also requires the Commission to develop the Carbon Plan to achieve these long-term carbon reduction goals using the “least cost path” and to comply with “current law and practice with respect to the least cost planning for generation[.]” To reach these statutory goals, HB 951 requires the Commission to:

[d]evelop a plan, no later than December 31, 2022, with the electric public utilities, including stakeholder input, for the utilities to achieve the authorized reduction goals, which may, at a minimum, consider power generation, transmission and distribution, grid modernization, storage, energy efficiency measures, demand-side management, and the latest technological breakthroughs to achieve the least cost path consistent with this section to achieve compliance with the authorized carbon reduction goals (the “Carbon Plan”).HB 951, Part I, Section 1(1).

14. The issues to be addressed in the Commission’s upcoming proceeding to consider and adopt the Carbon Plan overlap closely with issues that must be included in the Companies’ IRPs filed in both States. The Companies’ 2020 IRPs—developed prior to HB 951’s enactment—remain under review by the Commission in North Carolina, while DEC and DEP are currently participating in the first IRP proceedings (Dockets 2019-224-E and 2019-225-E) conducted by the PSCSC since the enactment of Act 62, which significantly restructured the PSCSC’s oversight of the IRP process in South Carolina. As part of those proceedings, DEC and DEP submitted modified 2020 IRPs on August 27, 2021 as required by PSCSC Order No. 2021-447. In that Order, the PSCSC required the Companies to select a preferred portfolio for its consideration as the Companies’ most reasonable and prudent means of meeting DEC’s and DEP’s energy and capacity needs as of the time the plan is reviewed.<sup>3</sup> The modified 2020 IRPs submitted by DEC and DEP

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<sup>3</sup> Order No. 2021-447, PSCSC Docket No. 2019-224-E, 2019-225-E at 11-12, (June 28, 2021) (explaining that “. . . Act 62 requires that the utility select a preferred resource portfolio in its IRP, and that the Commission must determine whether that chosen portfolio represents the most reasonable and prudent means of meeting the utility’s resource needs as of the time the plan is reviewed”)

(which remain under review by the PSCSC) selected preferred portfolios that are projected to produce a 66% reduction in carbon emissions by 2030.<sup>4</sup> The 66% emissions reduction proposed by DEC and DEP in their modified 2020 IRPs is directionally comparable to the 70% reduction goal required by the North Carolina General Assembly under HB 951. That is, the emission reductions in the modified 2020 IRPs are similar to the emission reduction goals of HB 951. Recognizing the carbon reduction goals in HB 951 and those identified in the Companies' South Carolina modified 2020 IRP preferred plan, a joint proceeding between this Commission and the PSCSC on the initial Carbon Plan will be beneficial to both States in reaching a coordinated and cooperative approach to resource planning.

#### **The Benefits of Coordinated Resource Planning and System Allocation of Costs**

15. For decades, DEC and DEP have provided reliable electric service to customers in North Carolina and South Carolina through a shared system and have fairly allocated the generation-related costs of providing that service among those customers. The Commission has recently approved an allocation by DEC of those system costs of approximately 68% to North Carolina retail, 24% to South Carolina retail, and 8% to wholesale customers and by DEP of approximately 61% to North Carolina retail, 10% to South Carolina retail, and 29% to wholesale customers. Although there have been some generation-related costs through the years that have been directly assigned to one state or the other as state-specific, the majority of costs attributable to the production of electric power have been fully shared between the two States. This cost sharing has included fuel

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<sup>4</sup> DEC South Carolina 2020 Modified IRP, at 10 Docket No. 2019-224-E (filed August 27, 2021) (Table 1-B identifies a 66% System CO<sub>2</sub> Reduction by 2030 for DEC's Preferred Portfolio C1); DEP South Carolina 2020 Modified IRP, at 10 Docket No 2019-225-E (filed August 27, 2021) (Table 1-B identifies a 66% System CO<sub>2</sub> Reduction by 2030 for DEP's Preferred Portfolio C1).

costs and the costs incurred in building and operating generating facilities. The PSCSC has also regularly approved allocation of costs to both States and allowed system costs of North Carolina-located generating units to be recovered from customers in South Carolina. Similarly, this Commission has allowed the Companies to recover their prudently incurred cost to construct and operate generating facilities in South Carolina—including six of the Companies' eleven nuclear units.

16. A vital aspect to the long-term success of the cost allocation method used by the Companies and regularly approved by the two Commissions is that this Commission and the PSCSC have taken a similar approach to resource planning. Historically, DEC and DEP submitted similar IRPs to both states outlining the same plans for projecting future loads and resource plans to serve that load. The Companies followed those IRPs by constructing new facilities to serve customers in both states.

17. Because the DEC and DEP utility systems currently operate in North Carolina and South Carolina, with system costs being allocated between the States, both North Carolina and South Carolina have an interest in coordinating their approaches to utility planning to the extent possible. The HB 951 Carbon Plan and its emissions reductions goals will affect resource planning for DEC and DEP. If this Commission and the PSCSC do not continue to be aligned with regard to resource planning, the cost allocation approach that has worked beneficially for customers in both States for many years will be at risk. If alignment cannot be achieved, then it is likely that the long-standing cost allocation methods that have been used by both States for cost recovery will have to be changed, and such a shift could result in different—and more expensive—resource planning. Further, if South Carolina energy and capacity needs must be met with resources

other than those selected in the Carbon Plan, then that could change the size, scope and resources selected for the Carbon Plan, as well. For these reasons, DEC and DEP believe that a joint proceeding before the two commissions on the Carbon Plan would be in the interest of both States.

### **A Joint Proceeding Would Serve the Public Interest**

18. As described above, there are compelling reasons why it serves the interests of both North Carolina and South Carolina for their utility commissions to coordinate and cooperate with regard to the utility resource planning issues raised by the HB 951 requirement that a long-term least cost Carbon Plan be adopted that will impose requirements on DEC and DEP. The mutual interest of the two States in the impact of adoption of the HB 951 Carbon Plan illustrates the wisdom of the General Assemblies of the two States in authorizing joint proceedings.

19. Clarity regarding the energy transition is also an important consideration for the Companies' debt and equity investors who increasingly are pursuing their own climate goals and are highly focused on the costs—and allocation of costs—associated with environmental externalities and climate risks. A well-planned and coordinated least cost approach to achieving HB 951's carbon reduction goals for the benefit of the Companies' Carolinas customers will best ensure the Companies' continued access to capital funding at reasonable rates. The Companies' investors understandably desire clarity that the Carbon Plan and broader energy transition now underway is supported by both States and that the resources being financed are being planned to serve both States.

20. HB 951 also requires the Commission to include stakeholder input in reviewing and developing the Carbon Plan. The PSCSC and the Companies' South



Carolina customers are vital stakeholders in the development and implementation of the Companies' Carbon Plan, as it will inform future resource planning across the DEC and DEP systems impacting customers in both States. The Companies also anticipate that many intervening parties that have historically participated in IRP and other proceedings in both jurisdictions, including Carolinas Clean Energy Business Association, Sierra Club, Southern Alliance for Clean Energy, Natural Resources Defense Council, and Vote Solar would be interested stakeholders and will seek to participate in both the 2022 Carbon Plan proceeding as well as future IRP proceedings in both jurisdictions. A joint proceeding would create regulatory efficiencies for these parties, as well as allow the South Carolina Office of Regulatory Staff and other South Carolina stakeholders to have an active voice in a North Carolina-South Carolina proceeding to assess the Companies' long-term least cost Carbon Plan that will inform future IRPs.

21. The Companies also believe that the benefits of a joint proceeding can be attained without any encroachment on the authority or jurisdiction of either Commission. The Companies propose that, following a joint hearing and the creation of a joint record sufficient to support the adoption of the Carbon Plan, the Commission would independently carry out its statutory mandate to adopt the Carbon Plan. The PSCSC would take action on the Companies' request to that Commission that it require that the Carbon Plan be used in the preparation of the Companies' next comprehensive IRPs, which DEC and DEP propose to file in September 2023, and to confirm that the Companies' energy transition plans and associated costs under the Carbon Plan will be fully shared and embraced between the States consistent with historic planning practices.

### **Request for Expedited Decision to Explore Joint Proceeding**

22. HB 951 establishes a clear December 31, 2022 deadline for the Commission to develop and approve a Carbon Plan designed to set the Companies on a path to achieve the authorized carbon reduction goals. While the Commission has not yet issued a procedural order directing the Companies to file a proposed Carbon Plan by a specified date certain, the Companies are planning to commence stakeholder engagement to inform development of a Carbon Plan proposal in early 2022 and anticipate filing a Carbon Plan proposal by mid-year to allow a robust stakeholder engagement process to inform the development of the proposed Carbon Plan. To move the Carbon Plan development forward, procedural certainty is needed in the next approximately 60 days regarding whether this Commission and the PSCSC will undertake a joint proceeding in 2022 to facilitate coordinated system-wide development of the Carbon Plan. Accordingly, the Companies are proposing the following procedural schedule for expedited Commission exploration of undertaking a joint Carbon Plan proceeding with the PSCSC<sup>5</sup>:

- a. On or before November 17, 2021, the Commission should open a docket to explore a Joint Carbon Plan proceeding with the PSCSC and should appoint staff members to address procedural and logistical issues with the PSCSC staff relating to the joint proceeding;
- b. On or before Wednesday, December 3, 2021, the Companies, the Public Staff, and other interested parties should file comments on the Joint Carbon Plan proceeding proposal. Comments should address procedural matters

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<sup>5</sup> The Companies' companion petition to the PSCSC includes the same procedural schedule for considering this request as presented herein.

that would assist the Commission and the PSCSC to make an informed determination regarding the timing, scope, and procedure for undertaking a joint Carbon Plan proceeding. The Companies are also filing in both North and South Carolina a procedural appendix as Attachment A providing suggestions on how such a proceeding might be conducted. The Commission should also allow reply comments on or before Friday December 17, 2021.

- c. On or before January 10, 2022, the Companies request that this Commission issue an order determining whether the Commission seeks to exercise its authority under the Public Utilities Act to participate in a Joint Carbon Plan proceeding with the PSCSC in 2022. The Companies' Petition to the PSCSC similarly seeks an order by this date.

23. The Companies stand ready to work with the Commission Staff, the Public Staff, the Office of Regulatory Staff and any other stakeholders or intervenors to address any procedural or logistical issues that are identified informally or through comments. The Companies acknowledge that such issues will arise but believe that the benefits to be gained from a joint proceeding far outweigh any difficulty associated with those issues.

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC request the following relief:

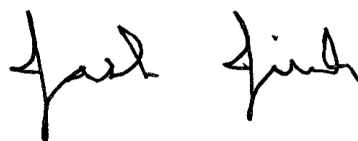
1. That the Commission issue an order establishing a docket for consideration of the Companies' request for a joint hearing and direct public notice be provided via electronic channels such as the Company's website that the request will be considered.

2. That the Commission appoint staff members to address procedural and logistical issues relating to the joint proceeding and direct those staff members to initiate such procedural conversations with the PSCSC staff.

3. That the Commission move forward to consider the request and any written comments submitted relating to it as quickly as possible given that time is of the essence.

4. That after consideration of the request and any comments the Commission issue an order approving the request for a joint proceeding contingent on similar approval by the PSCSC.

Respectfully submitted this, the 9<sup>th</sup> day of November, 2021.



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*Counsel for Duke Energy Carolinas, LLC  
and Duke Energy Progress, LLC*

## Appendix

### Proposed Procedures for Joint NC/SC Proceeding

In order to facilitate consideration of the Petition, DEC and DEP provide the following proposed procedural guidelines for the proposed joint hearing between the NCUC and the PSCSC. The Companies welcome feedback on these issues and further believe that many of these issues would be best resolved by the staffs of the two Commissions.

- All intervenors should be parties to the NCUC proceeding but should also, if desired, separately seek intervention in the applicable PSCSC docket.
- All filings would be simultaneously made in both states. While this would be a slight additional burden on parties, filing in both states would enhance transparency and should make procedural coordination easier for the two commissions. Each commission would have its own docket, but all filings would be made in both. Filings would have both NCUC and PSCSC docket numbers.
- For pro hac vice purposes, the proceeding would be considered to be conducted in North Carolina and its rules relating to the admission of lawyers not admitted to practice in North Carolina would apply. Parties seeking formal intervention in the PSCSC companion dockets would need to follow South Carolina's pro hac vice rules and requirements.
- The NCUC Chair would preside at the hearing. The NCUC has a statutory mandate to adopt a Carbon Plan for DEC and DEP, and that requirement supports a primary role for the NCUC.
- Discovery procedures in the two states are similar. NCUC discovery deadlines are shorter and should be used given that the NCUC Chair would preside and the need to facilitate expedited activity to allow the NCUC to meet the December 2022 deadline for adoption of the Carbon Plan. ORS would retain its audit rights under S.C. Code Ann. § 58-4-55 for purpose of the companion PSCSC docket.
- If the Commissions direct a formal evidentiary hearing, we propose that the order of pre-filing testimony generally follow North Carolina practice of applicant direct testimony, intervenor and Public Staff direct testimony, and applicant rebuttal testimony. Presentation at hearing would be: direct testimony; cross-examination by all parties (with ORS and then Public Staff going last); re-direct by counsel for the party calling the witness; questions from NCUC members; questions from PSCSC members; re-direct on Commissioner questions.
- The hearing would be in person at the NCUC, and the PSCSC would participate virtually.
- The NCUC would certify the transcript as the formal record of the proceeding and transmit the record to the PSCSC for inclusion in the PSCSC proceeding docket.
- All South Carolina parties will have an opportunity to object to, or move to strike, evidence from the record of the PSCSC proceeding.

- Briefing on the issues to be decided by each Commission should be done separately based on the record created in the joint hearing (as potentially modified by the PSCSC for its own docket and record).

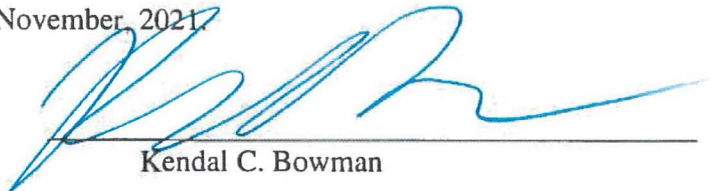
VERIFICATION

STATE OF NORTH CAROLINA     )  
                                                           )  
                                                           )  
                                                           )  
 COUNTY OF MECKLENBURG     )

DOCKET NO. E-7, SUB 1259  
 DOCKET NO. E-2, SUB 1283

Kendal C. Bowman, being first duly sworn, deposes and says that she is Vice President of Regulatory Affairs and Policy, and as such she is an Officer of both Duke Energy Carolinas, LLC and Duke Energy Progress, LLC; that she has read the foregoing Joint Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC and knows the contents thereof, and that the same is true of her own knowledge.

Dated this, the 9<sup>th</sup> day of November, 2021.

  
 \_\_\_\_\_  
 Kendal C. Bowman

Signed and sworn to before me this day by Kendal C. Bowman  
 Name of principal

Date: November 9, 2021

Peggy Holton  
 Official Signature of Notary

Peggy Holton, Notary Public  
 Notary's printed or typed name



My commission expires: 12/22/2021

I signed this notarial certificate on November 9, 2021 according to the emergency video notarization requirements contained in G.S. 10B-25.

Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization: Mecklenburg County