

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. M-100, SUB 164

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Consideration of the Federal Funding)	REPLY COMMENTS OF
Available Under the Infrastructure)	CIGFUR I, II, & III
Investment and Jobs Act)	

NOW COME the Carolina Industrial Group for Fair Utility Rates I (CIGFUR I), the Carolina Industrial Group for Fair Utility Rates II (CIGFUR II), and the Carolina Industrial Group for Fair Utility Rates III (CIGFUR III) (collectively, CIGFUR), pursuant to the Commission's April 19, 2022 Order (Order), and respectfully submit the following reply comments in the above-captioned docket.

REPLY COMMENTS

In the Order, the Commission requested comments identifying (1) federal programs and funding opportunities created through the enactment of the Infrastructure Investment and Jobs Act (IIJA), (2) what actions needed to be taken to access said funds, (3) which other entities would need to be involved in order to access said funds, and (4) recommendations for the Commission to further the goal of facilitating the receipt and deployment of all available federal funding. In these reply comments, CIGFUR responds to certain positions advanced through the initial comments offered by Duke Energy Carolinas, LLC (DEC) and Duke Energy Progress, LLC (DEP) (together, Duke), Virginia Electric & Power Company d/b/a Dominion Energy North Carolina (DENC) (together with Duke, the Utilities), as well as the intervening parties.

I. Maximizing federal funds obtained for transmission infrastructure should be a primary concern of the Utilities moving forward.

A common theme echoed in the initial comments filed by several parties to this docket, including CIGFUR, is the importance of pursuing funding IIA opportunities for transmission infrastructure upgrades. For example, the Carolinas Clean Energy Business Association (CCEBA) stated that transmission congestion is “one of the most significant roadblocks” facing the Commission and Duke in achieving the carbon emissions reduction targets set by the enactment of House Bill 951.¹ Addressing the issue through the lens of a customer-centric cost containment perspective, the Carolina Utility Customers Association, Inc. (CUCA) shares the sentiment that “Duke Energy should be required to solicit federal financing to offset the enormous costs of [expected] transmission upgrades.”²

CIGFUR agrees with CUCA and CCEBA in their assessment of the importance of seeking federal funds to help offset anticipated future transmission upgrade costs. CIGFUR likewise agrees that Duke should be required to pursue every avenue of potential federal funding to mitigate rate impacts associated with anticipated future transmission upgrades. Finally, CIGFUR reiterates that all such funding should be pursued for the direct benefit of North Carolina ratepayers, with such benefits being allocated to each class of customers in a manner that is fair and proportional to the relative rate impacts to each customer class.

¹ CCEBA Initial Comments *at* 1-2.

² CUCA Initial Comments *at* 5.

II. The Utilities should be required to provide timely, frequent updates to the Commission about efforts to pursue all federal funding opportunities made available pursuant to the IIJA.

The Utilities and Intervenors offered varying recommendations regarding the reporting that the Commission should require of the Utilities pertaining to IIJA funding opportunities, the steps the Utilities have taken to maximize receipt of such funds, how such funds were utilized for the direct benefit of ratepayers, and how IIJA programs may overlap or intersect with other pending dockets or utility planning proceedings. Though the parties varied in their specific recommendations on this point, there was a clear consensus that generally speaking, reporting to the Commission regarding the Utilities' efforts to pursue IIJA funding is necessary.

For example, Duke suggests that the Commission schedule a technical conference no earlier than the third quarter of 2022 to "further update the Commission" on Duke's plans and ongoing efforts to obtain federal funds under the IIJA.³ DENC states it "will take appropriate action with the Commission to seek any necessary Commission approvals or similar authority" when seeking participation in a federally-funded IIJA program, but they do not suggest an affirmative duty to notify or otherwise keep the Commission informed of their efforts to obtain federal funding pursuant to the IIJA on a more thorough, regular basis.⁴ CUCA calls for the Commission to require the Utilities to submit detailed plans regarding its anticipated capital investments and outline all available federal funds under the IIJA and any other applicable federally funded program.⁵

³ Duke Initial Comments *at* 12-13

⁴ DENC Initial Comments *at* 5.

⁵ CUCA *at* 14.

CIGFUR supports CUCA's recommendation, and believes that this is an important, necessary requirement to ensure pursuit of every available means of mitigating the rate impacts associated with the continued transition to cleaner sources of electricity generation. CIGFUR also reiterates its own recommendation that the Commission should require the Utilities to file a report with the Commission every six (6) months, detailing their respective efforts to obtain federal funding under the IIJA for the direct benefit of ratepayers. The Commission will be best situated to make decisions that best balance the Utilities' interests with the competing interests of ratepayers if the Commission has full, complete, and up-to-date information about the Utilities' efforts to pursue IIJA funding.

CONCLUSION

CIGFUR appreciates the opportunity to file these reply comments, and respectfully reasserts the positions and recommendations it raised in its initial comments.

Respectfully submitted this the 28th day of April, 2022.

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CERTIFICATE OF SERVICE

The undersigned attorney for CIGFUR certifies that she served by electronic mail the foregoing Reply Comments of CIGFUR I, II, & III upon the parties of record in this proceeding, as set forth in the service list for this docket maintained by the Chief Clerk of the North Carolina Utilities Commission.

This the 28th day of April, 2022.

By: /s/ Christina D. Cress
Christina D. Cress