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May 16, 2022

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 Verified Petition for Approval of Carbon Plan
Docket No. E-100, Sub 179**

Dear Ms. Dunston:

Pursuant to Sections 1 and 2 of Session Law 2021-165 ("HB 951"), the North Carolina Utilities Commission's ("Commission") November 19, 2021 *Order Requiring Filing of Carbon Plan and Establishing Procedural Deadlines* and the Commission's November 29, 2021 *Order Granting Extension of Time*, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and together with DEC, "the Companies" or "Duke Energy") hereby submit their Verified Petition for Approval of Carbon Plan in the above-captioned docket.

HB 951 is a transformational legislative milestone directing the further evolution of North Carolina energy policy in a manner consistent with prudent resource planning practices. HB 951 was the product of a uniquely bipartisan collaboration between the leadership of the General Assembly and the Governor, which resulted in support by overwhelming bipartisan majorities in the North Carolina General Assembly. The Companies believe that HB 951 will play a crucial role in the continued economic vitality and growth of the state.

It has been just over seven months since HB 951 was enacted, and the Companies have been diligently engaged in crafting an initial proposed Carbon Plan that accomplishes the goals set forth in HB 951, building on a foundation of substantial stakeholder feedback provided to the Companies through the Carbon Plan stakeholder process, as well as other stakeholder forums. The Plan presents two energy transition pathways reflected in four portfolios, all of which result in achievement of the targets established by HB 951 over the interim and long-term while maintaining reliability and affordable rates. The Plan utilizes an "all-of-the-above" strategy that includes leveraging aggressive, nation-leading EE/DSM goals to continue to "shrink the challenge," while pursuing disciplined and balanced

procurement and development activities in the near term in connection with a range of new supply-side resources, many of which are mature to the Carolinas and some of which would be new to the Carolinas (along with transmission grid investments needed to reliably integrate these new resources onto the Carolinas system). The proposed near-term activities are generally consistent with all four portfolios presented in the Carbon Plan. Under all portfolios, by the end of 2035, over 8,400 MW of coal capacity is projected to be retired, with only minimal differences in the projected retirement dates across the four portfolios. As the Companies continue the transition to cleaner energy sources, Duke Energy is also committed to engaging and assisting communities that experience adverse economic effects from fossil fuel plant closures, as well as evaluating the potential to locate replacement generation within those communities when feasible.

Today marks another key milestone on a longer journey. This Carbon Plan represents a continuation of the carbon reduction, coal plant retirements and associated replacement resources that have been the subject of the Companies' integrated resource plans in North Carolina and South Carolina.¹ Over the coming months, the Companies look forward to continued engagement with intervenors and stakeholders across both North Carolina and South Carolina. Within the context of the procedural framework established by the Commission, the Companies are fully committed to working towards achieving consensus and narrowing the field of issues in controversy to the greatest extent possible consistent with the Commission's April 1, 2022 Order Establishing Additional Procedures and Requiring Issues Report ("*Issues Report Order*"). Over the longer term, the Carbon Plan will evolve through the biennial update process contemplated by HB 951, as well as other regulatory processes in both North Carolina and South Carolina.

The Companies' proposed Carbon Plan is comprised of the main body, which consists of the Executive Summary and four chapters (Introduction and Background, Methodology and Key Assumptions, Portfolios, and Execution Plan) and twenty appendices containing in-depth technical details underlying the Companies' analysis. The Companies note that Appendix T (Cross Reference) identifies those portions of the Carbon Plan that are responsive to prior applicable Commission directives.

In addition to filing its proposed Carbon Plan today with the Commission, the Companies have also made the Carbon Plan available on Duke Energy's website at www.duke-energy.com/CarolinasCarbonPlan. Furthermore, the Companies have, as of today, made available through the Datasite platform the final EnCompass model datasets used to develop the four portfolios presented in the Carbon Plan. This information is available upon request to intervenors whose participation in this docket has been approved by order of the Commission and who have submitted an executed confidentiality agreement to the Companies. Intervenors that are interested in obtaining access to the complete and

¹ While the Carbon Plan is being filed pursuant to HB 951, the Companies believe that the Plan represents the most reasonable and prudent resource planning to reduce risk, preserve reliability and operational flexibility, and accomplishes energy transition in an orderly manner. The Carbon Plan will be filed with the Public Service Commission of South Carolina for its independent consideration and decision in future resource planning dockets.

Ms. A. Shonta Dunston, Chief Clerk

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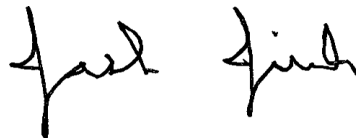
final EnCompass datasets and have not already done so should reach out to Duke Energy Associate General Counsel Jason Higginbotham (Jason.higginbotham@duke-energy.com). The Companies will host an informational session at 4:00 p.m. on May 19, 2022 to discuss the EnCompass model datasets and best practices for accessing them through the Datasite platform. Intervenorers that have executed a confidentiality agreement will be invited to attend this working session.

In the spirit of continuing to identify process efficiencies given the Commission's expectations set forth in the Issues Report Order and as previously explained in the Companies' April 5, 2022 letter in this docket, the Companies have two requests of intervenors that intend to submit modified or alternative Carbon Plan modeling results in this docket. These requests will facilitate efficient exchange of information and allow all parties to more quickly identify areas of consensus or issues of controversy as has been required by the Commission.

First, in the case of intervenors that intend to perform their own modeling with EnCompass, the Companies request that such intervenors compile all of their changes to inputs or model settings as supplied by the Companies into a single EnCompass dataset. Such dataset should be provided in Excel format in the same manner as originally provided by the Companies, along with a brief summary description indicating the rationale for any changes. The Companies request that such dataset be made available to the Companies on the same day as any such intervenor submits a filing in this docket (reply comments or otherwise) that relies on or references such modeling. Second, in the case of those intervenors that intend to perform their own modeling with a model other than EnCompass, the Companies request that such intervenors flag and annotate all changes to inputs or model settings contained within the Excel files exported from EnCompass as supplied by the Companies. Changes should be flagged by highlighting the affected cells (or range of cells), with a "note" inserted for the cells (or range of cells) briefly indicating the rationale for the change(s). The Companies request that the modified/annotated Excel files be made available to the Companies on the same day as any such intervenor submits a filing in this docket (reply comments or otherwise) that relies or references such modeling.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jack E. Jirak". The signature is written in a cursive, slightly slanted style.

Jack E. Jirak

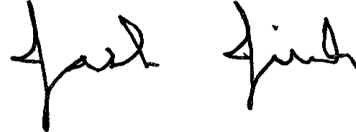
cc: Parties of Record

Enclosures

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Verified Petition for Approval of Carbon Plan, in Docket No. E-100, Sub 179, 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 16th day of May, 2022.



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