

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1289
DOCKET NO. E-2, SUB 1314

In the Matter of
Petition of Duke Energy Progress, LLC,)
and Duke Energy Carolinas, LLC,)
Requesting Approval of Green Source)
Advantage Choice Program and Rider)
GSAC)

REPLY COMMENTS OF
GOOGLE LLC

Google LLC (“Google”), by and through its undersigned counsel, respectfully submits these reply comments pursuant to the Commission’s *Order Requesting Comments* issued on February 9, 2023, in the above-referenced proceedings. In its order, the Commission seeks comments on, among other things, the *Joint Petition for Approval of Green Source Advantage Choice Program* (the “Petition”) filed by Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP,” and together with DEC, “Duke” or “Duke Energy”) on January 27, 2023.

I. Introduction

Google appreciates the opportunity to file these reply comments on the Green Source Advantage Choice (“GSA Choice”) program proposed by Duke Energy in these proceedings.

The comments from other intervenors in this proceeding demonstrate a high level of customer interest in procuring carbon-free energy, notwithstanding the various critiques of the particular features of the GSA Choice program as proposed. Together with Google’s initial comments, the suggestions of the intervening parties identify a number of features that will be critical to the success of any customer program approved by the Commission.

These reply comments briefly address two broad areas of concern raised by the various intervenors. First, the comments evidence a widespread desire to see programs that allow customers to access and enable clean energy beyond what Duke is required by law to achieve. Second, the comments submitted in this docket make clear that customers are seeking greater flexibility to create a better and more robust program. Last, these comments respond to comments from other stakeholders relating to the capacity value that renewables combined with storage offers to the grid.

II. Customer programs should enable customers—and Duke—to achieve more than Duke’s “business as usual.”

The most common comment submitted by intervenors in this proceeding was that a critical aspect of the program is that the end result of customer participation—and payment of premium rates for such participation—is that Duke achieve greater reductions in carbon emissions than Duke would achieve in the absence of the program.

The comments of SACE *et al.* highlight the need for “regulatory surplus” or “additionality,” whereby customers who voluntarily participate can “purchase something above and beyond what would otherwise have been delivered to all customers,” a feature that is necessary for programs like the Green-e Energy Program certification.¹ The comments of the Attorney General’s Office go further to suggest that the absence of additionality could be misleading to customers seeking to participate.² Both SACE *et al.* and CEBA’s comments indicate that a lack of additionality could lead to improper double

¹ Joint Initial Comments of Southern Alliance for Clean Energy, North Carolina Sustainable Energy Association, and Carolinas Clean Energy Business Association, Docket Nos. E-2, Sub 1314 and 1315, and E-7 Sub 1288 and 1289, at 2-7 (Apr. 25, 2023) (hereinafter, “SACE *et al.* Comments”).

² Comments of the Attorney General’s Office, Docket Nos. E-2, Sub 1314 and 1315, and E-7 Sub 1288 and 1289, at 2-7 (Apr. 26, 2023) (hereinafter, “AGO Comments”).

counting of carbon reduction benefits.³ And the Public Staff's comments indicate that "large commercial and industrial customers voluntarily paying a premium price for renewable energy generally want that renewable energy to be additional to what the Companies are already planning to procure."⁴

As noted in Google's initial comments in this docket, HB 951 requires Duke to demonstrate that non-participants in are "held harmless, and neither advantaged or disadvantaged" by customer participation in GSA Choice. *See* S.L. 2021-165, § 5.⁵ Duke's customer programs should be structured to provide carbon reduction benefits above and beyond what Duke would achieve in the absence of the programs. The inclusion of battery storage and other clean energy options, and hourly energy pricing and reporting requirements as recommended in Google's initial comments, can help both to incentivize efficient investment in clean energy and to track and define the benefits achieved by program participants.

III. Flexibility is key to a successful customer program.

Despite the diversity of intervenors in this docket, the need for program flexibility was another common refrain.

The Public Staff and CIGFUR each commented that the annual capacity offered through the GSA Choice program should be increased, while the Department of Defense and other federal agencies indicated the need for a substantial amount of clean energy

³ SACE et al. Comments at 12; Initial Comments of Clean Energy Buyers Association, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 5-6 (Apr. 25, 2023) (hereinafter, "CEBA Comments").

⁴ Initial Comments of the Public Staff, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 10-15 (Apr. 25, 2023) (hereinafter, "Public Staff Comments").

⁵ Initial Comments of Google LLC, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 10-15 (Apr. 25, 2023) (hereinafter, "Google Comments").

above what is available through current programs.⁶ CIGFUR also recommended lifting the size restriction on individual projects.⁷ Google agrees that the program should make available as much capacity as is reasonably possible so that all customers who desire to do so have the opportunity to obtain sufficient carbon-free energy to meet their goals. Furthermore, removing the proposed size cap for individual projects increases the likelihood that program participants will be able to obtain the desired quantities of carbon-free energy at the best prices afforded by economies of scale.

The Public Staff, CIGFUR, and CUCA each requested better coordination between Duke's solar procurement and the GSA Choice program so that projects not selected in Duke's procurement could still be selected by GSA Choice program participants.⁸ Google supports this recommendation, which appears to create efficiencies for Duke, program participants, and solar developers alike, with corresponding benefits for the system as a whole.

CEBA and CUCA each suggested that GSA Choice should allow each participant to select projects in either Duke territory, regardless of where the participant is located.⁹ Google notes that, through their Joint Dispatch Agreement, DEC and DEP already supply energy to their customers by using generation assets on both systems as needed. Flexibility in project location will allow program participants to obtain the lowest cost carbon free

⁶ Public Staff Comments at 20; Initial Comments of CIGFUR II and III, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 5 (Apr. 25, 2023) (hereinafter, "CIGFUR Comments"); U.S. Dep't of Defense and All Other Federal Executive Agencies' Initial Comments, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 10-15 (Apr. 25, 2023) (hereinafter, "DOD et al. Comments").

⁷ CIGFUR Comments at 5, 8.

⁸ Public Staff Comments at 18; CIGFUR Comments at 8-9; Initial Comments of CUCA, Docket Nos. E-7, Sub 1289 and E-2, Sub 1314, at 4 (Apr. 25, 2023) (hereinafter, "CUCA Comments").

⁹ CEBA Comments at 3-4; CUCA Comments at 5.

energy available, without regard to geographical lines that divide DEC and DEP's ever more integrated systems. Moreover, DEC and DEP are expected to seek a merger with a target date of the end of 2026.¹⁰ It makes little sense to constrain GSA Choice customers to projects available in one system or the other when the two Duke systems are likely to be merged by the time such projects come online.

CEBA and CIGFUR each commented on the benefits of the option for longer-term PPAs.¹¹ Longer PPAs can benefit both developers and program participants by ensuring long-term rate stability and creating the potential for better financing options, and Google supports the request for access to long-term PPAs.

Each of the requests noted above would expand customer access to carbon-free energy while ensuring the efficiency of customer investments, which should encourage participation in, and customer satisfaction with, the program. Accordingly, Google supports the comments of other intervenors with regard to increasing GSA Choice program flexibility.

IV. GSA Choice customers should receive the benefits of providing capacity to meet shifting net load.

Google's initial comments note that the proposed program provides only limited capacity credits to participating customers, thus failing to properly value or incentivize efficient procurement and dispatch of battery storage. The comments of SACE *et al.* and the DOD and other federal agencies further highlight the value of the capacity that renewable energy combined with storage can bring to the grid.¹² In its filings in the current

¹⁰ *E.g.*, Direct Testimony of Bateman and Stillman, Docket No. E-7, Sub 1276, at 19 (Jan. 19, 2023).

¹¹ CEBA Comments at 4-5; CIGFUR Comments at 9.

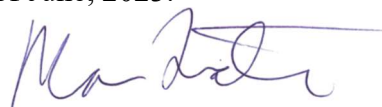
¹² SACE *et al.* Comments at 17-18; DOD Comments at 5-6.

DEP rate case, Duke indicates that increasing amounts of solar generation are expected to shift the net peak load periods to early morning hours and late evening hours when solar generation is relatively low.¹³ The ability of storage to shift some of the energy provided by solar resources to these other periods will clearly provide significant capacity benefits to the system even when generation capacity is not constrained. Participating customers should be allowed to capture some of the capacity value their investments provide to the system in order to properly incentivize investments in storage.

CONCLUSION

The comments in this proceeding have identified a number of areas in which Duke's customer program offerings can be improved. Google looks forward to continuing working with Duke and other parties to bring about customer programs that are desirable to participants and beneficial to the system as a whole.

Respectfully submitted, this 23rd day of June, 2023.



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¹³ Direct Testimony of Jonathan L. Byrd for Duke Energy Progress, LLC, Docket No. E-2, Sub 1300, at 13-14 & Exhibits 4-5 (Oct. 6, 2022).

Certificate of Service

I hereby certify that a copy of the foregoing *Initial Comments of Google LLC* has been served this day upon all parties of record in this proceeding, or their legal counsel, by electronic mail or by delivery to the United States Post Office, first-class postage pre-paid.

This the 23rd day of June, 2023.

BROOKS, PIERCE, MCLENDON,
HUMPHREY & LEONARD, LLP

By: /s/ Marcus Trathen