

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-100, SUB 178

<b>In the Matter of</b>		<b>Petition to Intervene of the North</b>
<b>Rulemaking Proceeding to Implement )</b>		<b>Carolina Electric Membership</b>
<b>Performance-Based Regulation of )</b>		<b>Corporation</b>
<b>Electric Utilities )</b>		

**NOW COMES** the North Carolina Electric Membership Corporation (“NCEMC”) and, pursuant to North Carolina Utilities Commission (“Commission”) Rules R1-7 and R1-19 and in accordance with the Commission’s October 14, 2021 *Order Requesting Comments and Proposed Rules* (“Order”), files this Petition to Intervene.

**I. Motion for Leave**

NCEMC requests that it be permitted to participate in the above-referenced docket and shows unto the Commission as follows:

1. NCEMC’s attorneys, to whom all communications and pleadings should be addressed are:

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North Carolina Electric Membership Corporation  
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2. NCEMC is a generation and transmission cooperative organized pursuant to Chapter 117 of the North Carolina General Statutes and is responsible for the power supply of its 25 member distribution cooperatives throughout the State of North Carolina. Those 25 members, in turn, supply electricity to more than one million homes, farms, and businesses in which more than 2.5 million North Carolinians live and work.

3. In the Order, the Commission requested parties to file comments and proposed rules on the implementation of performance-based regulation (“PBR”) of electric public utilities, as authorized in N.C. Gen. Stat. § 62-133.16, and made Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“Dominion”) parties to the proceeding. The Commission also authorized any other persons desiring to become formal parties to the proceeding to file a petition to intervene on or before November 9, 2021.

4. NCEMC was actively involved in the development of House Bill 951 , now codified at Session Law 2021-165, and has a direct interest in seeing the policies and goals of the Session Law implemented in a manner consistent with legislative intent. The cooperatives were identified, along with municipalities, as key stakeholders to be involved in the implementation of the Session Law before the Commission by its legislative sponsors.<sup>1</sup> As such, the perspectives of NCEMC as a stakeholder in these matters will assist the Commission in ensuring that the legislative intent supporting the Session Law is met.

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<sup>1</sup> See statement by Sen. Paul Newton on October 5, 2021, before the Senate Committee on Agriculture, Energy, and Environment, in which Sen. Newton responded to the question “Are co-ops and munis [municipal power agencies] qualifying stakeholders under the bill?” by stating affirmatively that “Yes. So if this plan is being considered, and they want a voice, and they want to address the Utilities Commission about the proposed plan going forward, they are absolutely stakeholders. I don’t want there to be any confusion about that.” Audio available online at:

5. In addition to generating power and energy, NCEMC purchases power and energy, pursuant to wholesale contracts, from DEC, DEP, and others to supply its members in 93 counties in North Carolina. NCEMC and its member distribution cooperatives also take retail service from DEC, DEP, and Dominion at multiple locations.

6. NCEMC is a member of PJM, which operates the transmission systems of several electric utilities, including Dominion. NCEMC purchases Network Integration Transmission Service from PJM over the facilities owned by Dominion to serve the loads of its six members that distribute power at retail in the geographic area served by Dominion's transmission facilities in North Carolina. The PJM-region member cooperatives rely, for load growth and economic development, on the competitiveness of retail rates in those areas, whether served by Dominion, cooperatives, or local municipalities.

7. NCEMC has joint ownership and operational interests with DEC and DEP in multiple electric generating facilities, including the following:

- a. NCEMC is a part owner in the Catawba Nuclear Station located in York County, South Carolina, which is operated and maintained by DEC. NCEMC's ownership interests consist of 61.51% of Unit 1, approximately 700 megawatts (MW), and 30.75% in the common support facilities of the station. NCEMC's ownership entitlement is bolstered by a reliability exchange between the Catawba Nuclear Station and DEC's McGuire Nuclear Station located in Mecklenburg County, North Carolina.

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[https://nccommittee.s3.amazonaws.com/20211005/Senate:%20%20Agriculture,%20Energy,%20and%20Environment%20--%20UPDATED/Auditorium%20LB\\_Senate%20%20Agriculture\\_1200PM\\_wucxdgnbdqf.mp3](https://nccommittee.s3.amazonaws.com/20211005/Senate:%20%20Agriculture,%20Energy,%20and%20Environment%20--%20UPDATED/Auditorium%20LB_Senate%20%20Agriculture_1200PM_wucxdgnbdqf.mp3).

- b. NCEMC is also a part owner in the W.S. Lee combined cycle (“CC”) plant located in Anderson, South Carolina. NCEMC’s ownership interests consist of approximately 100 MW. DEC operates and maintains the plant. NCEMC’s ownership entitlement is bolstered by a reliability exchange between the W.S. Lee CC and DEC’s Dan River and Buck CC plants.
- c. Additionally, NCEMC owns and operates approximately 680 MW of combustion turbine (“CT”) generation at sites in Anson and Richmond Counties, NC. These facilities are operated by NCEMC and include a tolling agreement with DEP for a portion of their output as peaking resources.

To the extent the rules implementing PBR in this docket result in DEC or DEP making operational changes to its generating fleet, or more specifically to the units that are owned and/or operated in a joint capacity between NCEMC and DEC or DEP, these changes in operations could have direct financial implications to NCEMC and its members, as well as impacts to the long-term overall investments and operations in these facilities.

8. The landscape of electric utility service is undergoing extensive transformation, and in many cases the lines that once separated retail and wholesale service providers, as well as transmission and distribution operators, have become increasingly blurred. At the same time, opportunities to collaborate and reduce costs for customers have increased. As noted in the in the introduction of the Task Force on Comprehensive Electricity Planning established by National Association of Regulatory Utility Commissioners (“NARUC”) and the National Association of State Energy Officials (“NASEO”):

Emerging technologies, decreasing costs, consumer preferences, new energy service providers, and state and local efforts are driving significant growth in distributed energy resources (DERs) such as solar, storage, energy efficiency, demand management, and microgrids. These investments increasingly require regulatory and policy innovation and a greater emphasis on planning to overcome system complexities and avoid unnecessary costs associated with operating the grid.

With greater alignment of resource and distribution system planning, states and utilities could:

- Improve grid reliability and resilience
- Optimize use of distributed and existing energy resources
- Avoid unnecessary costs to ratepayers
- Support state policy priorities
- Increase the transparency of grid-related investment decisions.<sup>2</sup>

9. The Commission highlighted the importance of this relationship between resource and distribution planning in its April 6, 2020 *Order Accepting Filing of 2019 Update Reports and Accepting 2019 REPS Compliance Plans*, in which it stated that:

[T]he Commission recognizes that there could be significant benefits to involving North Carolina’s electric membership cooperatives and municipally owned and operated electric utilities in this effort. One stated goal of the [Integrated Systems and Operations Planning, or ISOP] process is to improve coordination of load forecasting, project and systems planning, and operational effectiveness between the transmission system operator and the distribution system operator. In North Carolina the transmission system operator is, in the main, either DEC and DEP, but in many parts of the State the distribution system operator will be an EMC or a municipally owned utility. The Commission views the ISOP program and stakeholder involvement in that program as an important opportunity to strengthen effective communication and interaction both in planning and in operations between the Companies and the non-regulated distribution system operators that serve a significant portion of the State.<sup>3</sup>

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<sup>2</sup> NARUC-NASEO Task Force on Comprehensive Electricity Planning website. Online at: <https://www.naruc.org/taskforce/>. Date last accessed: November 8, 2021.

<sup>3</sup> April 6, 2020 *Order Accepting Filing of 2019 Update Reports and Accepting 2019 REPS Compliance Plans*, in Docket No. E-100, Sub 157, at p. 13.

10. In its April 18, 2021 *Order Scheduling Technical Conference and Requiring Filing of Report* in Docket No. E-100, Sub 165, the Commission further emphasized the importance of this collaboration between the distribution and transmission operators as necessary “in order to promote greater alignment of resources and distribution system planning across the entire grid network in North Carolina.”<sup>4</sup> The rules implementing PBR in this docket will impact investments in transmission and distribution infrastructure by the electric public utilities, and such investments may have direct operational and financial impacts on the distribution facilities operated by NCEMC and its members.

11. NCEMC and its member distribution cooperatives have developed and implemented the NCEMC Distribution Operator (“DO”), a single entity that monitors and coordinates distributed energy and demand response resources, bringing operational benefits to the distribution system, optimization in the market interface, and positive system impacts on the transmission systems upstream, including DEC, DEP, and Dominion.<sup>5</sup> The DO provides access to over 250 MW of distributed energy and demand resources, including solar, storage, microgrids, consumer devices, and behind-the-meter generation, and will continue to grow as additional resources are integrated into the DO system and processes become more automated. NCEMC continues to discuss the DO platform with Dominion, as well as with DEC and DEP to determine how the DO platform will interact with their ISOP process, which the Commission in its last rate case

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<sup>4</sup> April 18, 2021 *Order Scheduling Technical Conference and Requiring Filing of Report* in Docket No. E-100, Sub 165, at p. 2.

<sup>5</sup> French Broad EMC is not one of the 25 distribution cooperative members of NCEMC, but is a participating member in the DO platform.

proceedings for DEC and DEP directed the utilities to use to inform and justify decisions on additional grid modernization investments in future years.<sup>6</sup>

12. For the reasons stated above, NCEMC and its member cooperatives have direct, substantial, and pecuniary interests that could be materially affected by the Commission's actions in this proceeding. No other party can adequately represent NCEMC's interests in this proceeding.

13. NCEMC asks that the Commission make it a party to this proceeding and permit it to exercise all rights provided to intervenors under North Carolina law and this Commission's rules.

14. NCEMC agrees to accept electronic service of all filings in the Docket.

**WHEREFORE**, NCEMC respectfully requests that the Commission grants NCEMC's petition to intervene.

Respectfully submitted this the 8th day of November 2021.

**NORTH CAROLINA ELECTRIC  
MEMBERSHIP CORPORATION**

By: /s/ Timothy R. Dodge  
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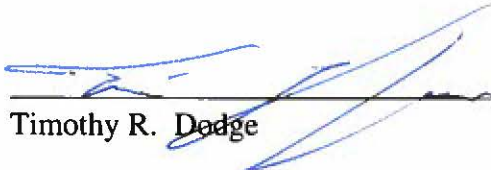
<sup>6</sup> See Finding of Fact No. 38 in the Commission's April 16, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase and Requiring Customer Notice*, Docket No. E-2, Sub 1219, and Finding of Fact No. 41 in the Commission's March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase and Requiring Customer Notice*, Docket No. E-7, Sub 1214.

STATE OF NORTH CAROLINA

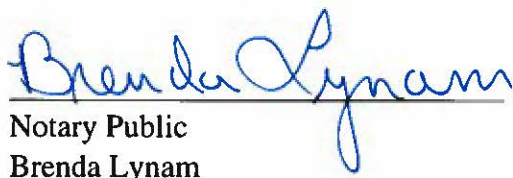
COUNTY OF WAKE

Timothy R. Dodge swears and says under penalty of perjury:

1. He is Regulatory Counsel for North Carolina Electric Membership Corporation.
2. He has read the foregoing *Petition to Intervene* and knows its contents.
3. The matters stated in this instrument are true of his knowledge, except as to those matters that are stated to be on information and belief, and, as to those matters, he believes them to be true.

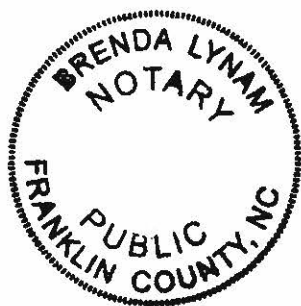
  
\_\_\_\_\_  
Timothy R. Dodge

Sworn to and subscribed before me  
this the 8th day of November 2021.

  
\_\_\_\_\_  
Notary Public  
Brenda Lynam

My Commission Expires: 11/18/2023

[SEAL]





**CERTIFICATE OF SERVICE**

It is hereby certified that the foregoing document has been served upon all parties of record by electronic mail, or depositing the same in the United States mail, postage prepaid.

This the 8th day of November 2021.

/s/ Timothy R. Dodge  
Timothy R. Dodge