

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1300

In the Matter of Duke Energy Progress, LLC's Request to Initiate Technical Conference Regarding the Projected Transmission and Distribution Projects to be Included in a Performance-Based Regulation Application))))))	Petition to Intervene of the North Carolina Electric Membership Corporation and Notice of Intent to Participate in Technical Conference
--	----------------------------	--

NOW COMES the North Carolina Electric Membership Corporation (“NCEMC”) and, pursuant to North Carolina Utilities Commission (“Commission”) Rule R1-19 and in accordance with the Commission’s June 15, 2022 *Order Scheduling Technical Conference and Setting Procedures for Technical Conference* (“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:

Timothy R. Dodge, Regulatory Counsel
North Carolina Electric Membership Corporation
3400 Sumner Boulevard
Raleigh, NC 27616
Telephone: (919) 875-3111
Email: tim.dodge@ncemcs.com

Michael D. Youth
Government and Regulatory Affairs Counsel
Telephone: (919) 875-3060
Email: michael.youth@ncemcs.com

With a copy to

Charles Bayless, Senior Vice President and General Counsel
Telephone: (919) 875-3085
Email: charlie.bayless@ncemcs.com

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. The distribution cooperatives have approximately 106,000 miles of lines that provide electricity to almost 45 percent of North Carolina's land mass, with each distribution cooperative independently owning and operating the distribution system used to serve its membership.

3. In addition to generating its own power and energy, NCEMC purchases power and energy, pursuant to wholesale contracts, from Duke Energy Progress, LLC ("DEP"), Duke Energy Carolinas LLC ("DEC"), and others to supply its members in 93 counties in North Carolina. NCEMC also has joint ownership and operational interests with DEC and DEP in multiple electric generating facilities in North and South Carolina. Further, NCEMC and its member distribution cooperatives take retail service from DEC and DEP at multiple locations.

4. On June 8, 2022, DEP filed a letter with the Commission stating their intention of a subsequent filing of a general rate application that includes a performance-based regulation application ("PBR Application") as authorized under N.C.G.S. § 62-133.16, and , pursuant to Rule R1-17B(c), requesting the Commission initiate a technical

conference regarding the projected transmission and distribution (“T&D”) projects to be included in DEP’s PBR Application.

5. In the Order, the Commission scheduled a technical conference to be held on Monday, July 25, 2022, and stated that parties wishing to participate in the technical conference must file a petition to intervene in the proceeding and provide notice to the Commission of their intent to participate no later than July 11, 2022. The Commission also directed DEP, no later than July 15, 2022, to file the T&D information required by Rule R1-17B(c)(2), includes the following:

- a. A comprehensive list of programs and major projects accompanied by, for each program and project, the purpose (e.g., capacity increase or reliability), a timeline for construction including the estimated placed in-service date, projected costs, cost-benefit analyses, and any other information, justifying each program and project. Cost benefit analyses shall not be required if a program or project is required by law; and
- b. An explanation of the need for the proposed transmission and distribution expenditures and how the overall proposal advances R1-17B-2 system efficiency, reliability, or is necessary to comply with applicable federal operational or design requirements.

6. The T&D investments to be considered as part of the technical conference, as well as resulting operational changes, could have direct financial implications to NCEMC and its members, as well as impacts to the long-term overall investments and operations to the T&D resources and generation facilities owned and operated by NCEMC and its members.

7. 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 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.¹

8. 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

¹ NARUC-NASEO Task Force on Comprehensive Electricity Planning website. Online at: <https://www.naruc.org/taskforce/>. Date last accessed: December 14, 2021.

operations between the Companies and the non-regulated distribution system operators that serve a significant portion of the State.²

9. 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.”³ This collaboration will be central in the Commission’s implementation of North Carolina Session Law 2021-165, (commonly referred to as “House Bill 951” or “H951”). As evidenced by DEC and DEP in their May 16, 2022 draft carbon plan in Docket No. E-100, Sub 178, compliance with the carbon plan requirements in Section 1 of H951 will have significant impacts to the T&D infrastructure investments by DEC and DEP in both North and South Carolina, and such investments will also have direct operational and financial impacts on the distribution facilities operated by NCEMC and its members.

10. 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 Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“Dominion”).⁴ The

² 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.

³ April 18, 2021 *Order Scheduling Technical Conference and Requiring Filing of Report* in Docket No. E-100, Sub 165, at p. 2.

⁴ French Broad EMC is not one of the 25 distribution cooperative members of NCEMC, but is a participating member in the DO platform.

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 with DEC and DEP how the DO platform will interact with their ISOP process, which the Commission in its last rate case proceedings for DEC and DEP directed the utilities to use to inform and justify decisions on additional grid modernization investments in future years.⁵ The T&D investments may have direct operational and financial impacts on the DO platform and other distributed resources operated by or under development by NCEMC and its members.

11. 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.

12. 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.

13. NCEMC also provides notice to the Commission of its intent to participate in the July 25 technical conference.

14. NCEMC agrees to accept electronic service of all filings in these Dockets.

⁵ 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, Subs 1219 et al, 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 et al.

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

Respectfully submitted this the 30th day of June 2022.

**NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION**

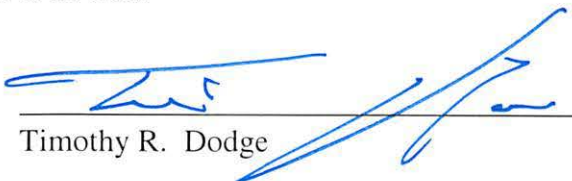
By: /s/ Timothy R. Dodge
Timothy R. Dodge
Regulatory Counsel
3400 Sumner Blvd.
Raleigh, North Carolina 27616
Telephone: (919) 875-3111
Email: tim.dodge@ncemcs.com

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 30th day of June 2022.



Notary Public
Sharon A. Craft

My Commission Expires: 03/24/2025



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 30th day of June.

/s/ Timothy R. Dodge

Timothy R. Dodge