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E-2 SUB 1089

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Sent: Thursday, February 25, 2016 6:06 PM

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Subject: FERC "Guidance Principles for Clean Power Plan Modeling" vs DEP's Reply Comments to Additional Comments of Brad Rouse

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Clerk's Office
N.C. Utilities Commission

Hi Bo, Peggy, Robert, and Jason,

To be clear, I was the person who first talked about looking at a scenario where the Asheville coal units are decommissioned after installing a 200 MW NGCC unit, with a range of Smart Grid, distributed energy, and efficiency programming (Smart Grid DEEP) options in play across WNC. I first brought this up last summer as a City of Asheville Clean Energy Policy task force member.

Actually I first started talking about North Carolina's Smart Grid, Distributed Energy, and Efficiency Program back in 2006. Duke Energy at the Lynn Good and BOD level needs to admit it is the right time and right case study for everyone to adopt a sense-making NC Clean Power Plan right here in WNC... right now. I hope NCUC gets it too.

In my E-2 Sub 1089 Petition to Intervene I recommend 4-5 scenarios that look at the best options available today in clean power planning... that is reliable and doesn't hurt poor people who are DEP ratepayers nonetheless.

This is the **scenario phase** of any good strategy. I wasn't asking for a Duke Energy commitment to buy this or that equipment up front just because I say so. The parties just need to help everyone see the true options available as of 2015 here in WNC. I think the WNC analysis on grid modernization outside Duke Energy offices is really appalling. I asked City of Asheville how they used research on these matters. There was no comment.

During a follow-up task force meeting a local architect named Duncan McPherson tried to tell me that Mountain True executive director and now Asheville city council member Julie Mayfield came up with my solution. Richard Fireman then mentioned my insight. Now its Brad Rouse, even though everyone heard me on January 26 saying a a 200 MW NGCC unit should go in first, plus a Smart Grid DEEP package.

As I repeat in my E-2 Sub 1089 Petition to Intervene, it is FERC that recommends allowing for such "Study Methodology and Interactions Between Studies" (scenarios) in their recently released *Guidance Principles for Clean Power Plan Modeling*. The 2015 DEP IRP was worse than the 2014 IRP so the DEP perspective is not the only place to start any longer.

We did not see this kind of information upfront in this docket that is available as of 2015 and 2016 that would have generated the optimum strategy for all parties in this Joint Western Carolina Grid Modernization Program process. I would be happy to assist and that's why I am rolling out the Sustain NC professional development initiative:

<http://sustainnc.com/>

Keep in mind the first FERC recommendation is focus on "Transparency and Stakeholder Engagement". I do not see the essentially inexpensive scenario work that avoids technological error, business model damage, and overall community pain here in the Asheville area.

In fact my awarded Petition to Intervene authorizes my collaboration with all stakeholders.

The Mountain Energy Act states at least 175 MW of NGCC needs to be installed to turn off the coal units at the DEP Asheville plant. There is no prohibition on further strategy to solve the rest of the equation. So the NCUC commission can do its duty by creating a phased plan where A) 200 MW of NGCC goes in; 2) the Asheville coal units are decommissioned; 3) there's a serious NC Clean Power Plan starting with WNC, and 4) then we see how much of the big centralized power plants we really need here.

By the way, by options I mean what's in the DOE *Quadrennial Technology Review* and other current research and strategy. Not mere local folklore and just what Duke Energy wants.

I hope there are important lessons learned from the perspectives of all parties in this case that goes back a few years now. More than scenarios and lessons learned reports, we need the responsible strategy.

Best wishes,

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On Feb 25, 2016, at 4:52 PM, Holton, Peggy <Peggy.Holton@duke-energy.com> wrote:

You are being served electronically with a filing by Duke Energy Progress, LLC in Docket No. E-2, Sub 1089: Reply Comments to Additional Comments of Brad Rouse.

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