

1 PLACE: Building, Raleigh, North Carolina
2 DATE: Monday, April 4, 2022
3 TIME: 10:30 a.m. - 11:46 p.m.
4 DOCKET NO: E-100, Sub 179
5 BEFORE: Chair Charlotte A. Mitchell, Presiding
6 Commissioner ToNola D. Brown-Bland
7 Commissioner Daniel G. Clodfelter
8 Commissioner Jeffrey A. Hughes
9 Commissioner Floyd B. McKissick, Jr.
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12 IN THE MATTER OF:
13 Duke Energy Progress, LLC, and
14 Duke Energy Carolinas, LLC,
15 Stakeholder Meeting Update
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NORTH CAROLINA UTILITIES COMMISSION

1 A P P E A R A N C E S:

2 FOR DUKE ENERGY PROGRESS, LLC, AND DUKE ENERGY
3 CAROLINAS, LLC:

4 Jack Jirak, Esq., General Counsel

5 Brett Breitschwerdt, Esq.

6 Rebecca Dulin, Esq., Director of Stakeholder
7 Engagement

8

9 FOR CLEAN POWER SUPPLIERS ASSOCIATION:

10 Ben Snowden, Esq.

11

12 FOR NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION:

13 Peter Ledford, Esq.

14

15 FOR CAROLINA CLEAN ENERGY BUSINESS ALLIANCE:

16 John Burns, Esq.

17

18 FOR SOUTHERN ALLIANCE FOR CLEAN ENERGY, THE SIERRA
19 CLUB, AND THE NATURAL RESOURCES DEFENSE COUNCIL:

20 Gudrun Thompson, Esq.

21 Nick Jimenez, Esq.

22

23

24

NORTH CAROLINA UTILITIES COMMISSION

1 A P P E A R A N C E S (Cont'd.):

2 FOR PUBLIC STAFF:

3 Nadia Luhr, Esq.

4 Jeff Thomas, Engineer, Energy Division

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NORTH CAROLINA UTILITIES COMMISSION

P R O C E E D I N G S

CHAIR MITCHELL: Good morning. Let's come to order and go on the record, please. I'm Charlotte Mitchell, Chair of the Utilities Commission, and with me this morning are Commissioners Brown-Bland, Clodfelter, Hughes, and McKissick.

Session Law 2021-165 directs the Commission to develop by no later than December 31st, 2022, a Carbon Plan that takes reasonable steps to reduce carbon dioxide emissions in this state from electric generating facilities owned or operated by Duke Energy Progress and Duke Energy Carolinas by 70 percent from 2005 levels by 2030 and to achieve carbon neutrality by 2050.

On November 29th, 2021, the Commission ordered Duke to file a proposed Carbon Plan by no later than March 16th, 2022.

The Session Law further directs the development of the Carbon Plan to include stakeholder input.

The Commission has ordered Duke to conduct at least three stakeholder meetings prior to May 13th, 2022. The first of these meetings occurred on

NORTH CAROLINA UTILITIES COMMISSION

1 January 25th, the second occurred on February 23rd,
2 and the third occurred on March 22nd. All of these
3 meetings have been moderated by a third-party
4 facilitator, Great Plains Institute.

5 The Commission is closely monitoring the
6 stakeholder process and we are here this morning for
7 the purpose of receiving a third update on the
8 sufficiency of the process.

9 This session is being transcribed and the
10 transcription will be filed in the docket as it has
11 been previously.

12 This morning we are going to take the same
13 approach that we've taken in the previous two
14 updates, we'll begin with Duke. Duke should attempt
15 to limit comments to about 10 minutes in duration.
16 Following Duke, we will take questions from
17 Commissioners if there are any and then we'll hear
18 from the Public Staff. The Public Staff should do
19 its best to limit your remarks to five minutes if
20 possible and then we'll see if Commissioners have
21 questions for you.

22 Intervenors to this proceeding who have
23 preregistered to provide an update will be allowed
24 around five minutes to do so and may be asked

1 questions by the Commission as well. The following
2 intervenors have preregistered and we'll take them
3 in this order: NCSEA; CCEBA; Southern Alliance for
4 Clean Energy; Sierra Club and Natural Resources
5 Defense Council; and then finally the Clean Power
6 Suppliers Association.

7 Just, again, as I've done in the past I
8 want to stress that you-all should do your best to
9 limit your remarks to sufficiency of process.
10 That's why we are here this morning. Please avoid
11 going into substantive issues, just focus on process
12 this morning. With that, we will go ahead and get
13 started. Duke, you-all may proceed. And counsel,
14 make sure to introduce yourselves for the record
15 when you get to the stand.

16 MR. JIRAK: Good morning, Chair Mitchell,
17 Commissioners. Jack Jirak here on behalf of Duke
18 Progress and Duke Energy Carolinas. I'm joined by
19 co-counsel Brett Breitschwerdt with the Law Firm of
20 McGuireWoods. And, for the record, I want to note
21 that I do have Carolina blue on my tie, my suit and
22 my shirt so I'm doing my best to keep all the bases
23 covered this morning on a momentous day in the
24 Carolinas.

1 CHAIR MITCHELL: Smart move, Mr. Jirak.

2 MR. JIRAK: Thank you. Thank you. I'm
3 going to quickly turn things over to Rebecca Dulin
4 who has previously presented to this Commission
5 regarding the stakeholder process, and so I'll turn
6 things over to her now.

7 MS. DULIN: Great. Thank you, Jack. And
8 for the record, I am Rebecca Dulin. I am Duke
9 Energy's Director of Stakeholder Engagement. And
10 good morning, Chair Mitchell, Commissioners. It's a
11 pleasure to be back with you this morning. And the
12 Companies appreciate the opportunity to provide you
13 an update on the stakeholder process that we are
14 undertaking related to the development of the Carbon
15 Plan.

16 As Chair Mitchell mentioned earlier, we
17 held our last large stakeholder meeting on March
18 22nd. And again, we had a really broad attendance,
19 robust attendance, approximately 400 people attended
20 virtually. The agenda was developed in large part
21 responsive to what we heard from stakeholders in the
22 previous stakeholder meeting. And also the
23 discussion that we had with you earlier in March we
24 made a point to emphasize to stakeholders how we

1 were taking their feedback into account. Based on
2 the conversations we had in this room, we felt that
3 it was important for stakeholders to understand how
4 we were taking their feedback into account and also
5 provide specific examples.

6 Chair Mitchell, I believe you mentioned
7 this in our last conversation around this, to
8 provide specific examples to stakeholders of how the
9 process has been changed to take their feedback into
10 account and also how our modeling inputs and
11 assumptions were evolving based on the stakeholder
12 feedback that we were hearing.

13 We addressed a number of specific topics
14 at the meeting, again, largely responsive to what we
15 heard from stakeholders as being of interest to
16 them. Some of those were based on what we heard
17 from Public Staff in this setting the last time we
18 were together where they identified a number of
19 topics that they thought would be of interest to
20 serve as technical subgroups but, given the amount
21 of time that we had leading into the March 22nd
22 meeting, we took those topics and put them as
23 specific topics for the March 22nd meeting. That
24 includes demand response, distributed energy

1 resources, and the Companies' methodology for
2 calculating estimates of transmission costs.

3 We also heard an update or stakeholders
4 heard an update from Duke on the EE/DSM
5 collaborative at which had held a specific meeting
6 dedicated to the Carbon Plan development, so the
7 larger stakeholder group heard an update from the
8 folks leading that work, and we also brought in a
9 third party to provide a primer of sorts on the
10 North Carolina Transmission Planning Collaborative
11 process. We understood there to be some confusion.
12 A lot of folks newly interested in the North
13 Carolina Transmission Planning Collaborative, so we
14 brought in Rich, his last name is Wodyka, Rich
15 Wodyka who is the third-party administrator and
16 facilitator of the NCTPC process. So, we
17 intentionally targeted these topics as responsive to
18 what we understood stakeholders wanted to hear more
19 about.

20 In the meeting we also provided an update
21 on our current development of modeling assumptions,
22 how those assumptions were being developed, and how
23 that was responsive to what stakeholders, I'm sorry,
24 to what we have heard from stakeholders, and

1 provided a significant amount of detail around those
2 modeling assumptions, understanding that those are
3 still a preliminary draft under development, but
4 thought it was important to go ahead and provide
5 that information as much as we could to stakeholders
6 at that point in time.

7 We also provided details on the portfolios
8 and pathways that are being developed. There were
9 at that point in time six potential portfolios and
10 pathways. And we provided detail down to the
11 specific technologies and the specific volumes of
12 those technologies that we were incorporating into
13 each of those six draft preliminary portfolios that
14 were under development.

15 We also heard from one of the stakeholder
16 groups who requested to present to -- in the
17 stakeholder meeting to present their own modeling
18 analysis through their own consultant and so we
19 really appreciated that, appreciated the request
20 from the stakeholder which we were able to
21 accommodate. And so I think that was helpful for
22 stakeholders to hear a different perspective other
23 than just what Duke has under development.

24 With regard to information sharing, we

1 have talked about this and heard from stakeholders
2 their desire to receive additional information, even
3 if it is preliminary, understanding that it's
4 preliminary in draft, but to receive information
5 prior to the filing of the Carbon Plan on May 16th.
6 And so we, in the March 22nd stakeholder meeting, we
7 provided a plan to stakeholders that detailed that
8 we would be providing draft preliminary modeling
9 inputs and assumptions, a subset of those, on April
10 15th, and we also committed to sharing the full
11 EnCompass dataset by May 16th. And so this is a
12 conversation that we had last time with regard to
13 how quickly Duke could provide the full EnCompass
14 dataset and so we had committed in the March 22nd
15 meeting to be able to provide that on the day that
16 we file on May 16th.

17 I think all of this was quite relevant to
18 come up in the stakeholder meeting because just a
19 few hours later your Order came out providing us
20 guidance, and we appreciate the guidance on
21 information sharing, and requiring the Companies to
22 make -- to provide certain information and make a
23 filing with regard to specifically the inputs and
24 assumptions that will be shared in advance of

1 filing. We are -- we're looking at that and
2 preparing for a filing to be made later this week, I
3 believe tomorrow.

4 We do think that what we shared with
5 stakeholders exceeds the requirements that are set
6 forth in your Order with regard to providing the
7 full EnCompass dataset on May 16th and to also --
8 the commitment to share the initial subset of
9 information on April 15th.

10 The Commission's Order also encourages
11 additional technical subgroups and we're continuing
12 to evaluate that. I think that a lot of what we
13 shared in the March 22nd meeting speaks to the
14 intent of this as at least as it's described in the
15 Commission Order in order to facilitate additional
16 information sharing.

17 So you will see in the presentation
18 material there was significant detail shared about
19 where the modeling assumptions stand today and how
20 those portfolios are being developed. And we are
21 continuing to evaluate what subgroups will be
22 appropriate for the future. We are planning for a
23 subgroup to address the environmental justice issues
24 that are so important and also to address the

1 community impacts to those communities that will or
2 may experience coal retirements, closures --
3 sorry -- coal facility closures, coal retirements in
4 the future.

5 Those are important conversations to have
6 and it's important that the Company approaches it in
7 a very thoughtful way, so we are working through the
8 best way to do this and are planning to begin that.
9 And I should emphasize that that's an ongoing
10 conversation, not just a one meeting and done, but
11 planning to begin those meetings in late April or
12 early May with the intent that they're, as I said
13 they're ongoing conversations through the
14 development and the execution of the Carbon Plan.

15 I think that's all that I had to share for
16 the update this morning. I can't emphasize enough
17 that we appreciate the meaningful participation of
18 stakeholders throughout this entire process and,
19 also, appreciate the Commission's interest and
20 information that's been shared with us to help guide
21 the stakeholder process, and this opportunity to
22 hear from stakeholders and from the Commission as we
23 all go through this for the first time together.
24 Thank you.

1 CHAIR MITCHELL: Thank you, Ms. Dulin.
2 Anything to add, Mr. Jirak?

3 MR. JIRAK: No, not at this time. Thank
4 you.

5 CHAIR MITCHELL: Let me check in with
6 Commissioners to see if there are questions for
7 Duke? Do you have questions?

8 COMMISSIONER McKISSICK: Commissioner
9 Clodfelter, go ahead.

10 CHAIR MITCHELL: Commissioner Clodfelter.

11 COMMISSIONER CLODFELTER: So when I looked
12 at the slide deck for the third meeting I saw the
13 word "pathways" and it jumped out at me because
14 that's a topic of interest. And when I looked at
15 the presentation materials to the workshop, it seems
16 that pathways is being used in a different sense
17 than what I would have assumed. It's being used in
18 a sense of describing different end states. I think
19 of pathways as more connoting milestones,
20 timetables, sequencing, and those sorts of things,
21 not alternative end states. So, my question is
22 really, has there been any discussion in the
23 stakeholder meetings about those kinds of issues:
24 Timing, sequencing of retirements and additions, or

1 changes, or modifications, and how those might
2 affect the issue of least cost? Has that been a
3 topic that's been discussed in the stakeholder
4 meetings?

5 MR. JIRAK: Good question and thank you
6 for asking it. I guess I would not necessarily
7 think of the -- obviously, there are -- the end
8 state informs somewhat the particular steps that are
9 going to be required to get there, and so I think
10 while it was presented in the form of an end state
11 that has embedded in it a series of assumptions
12 about a certain thing that has to happen to get to
13 those end states. And I wouldn't say we had
14 detailed conversation about each and every step
15 along the way, but I think for those who are
16 familiar with the range of regulatory processes and
17 specific decisions that will be required to get to
18 those end states, I think presenting the end states
19 does really paint, you know, show a picture of what
20 it's going to take to get there.

21 So, to get into the level of depth of the
22 specifics of every schedule that's required to get
23 to those end states, no, we're not at that point to
24 have those discussions, but I think the end state

1 picture we gave is meaningful and does give a lot of
2 information about the necessary steps that we take
3 to get there.

4 COMMISSIONER CLODFELTER: Thank you for
5 that. I'm trying to stay away from substantive
6 questions but I'm just interested in what's been
7 discussed. And as you know in the IRP process, we
8 get a short-term action plan but frankly I consider
9 that something of a black box. And I was just
10 interested in whether there was a discussion of,
11 much more a granular discussion, of how you get from
12 A to B and how that might affect or inform your
13 choice about what B is.

14 MR. JIRAK: Yes, that is a great question
15 and we will -- I mean, that is something we're
16 teasing out ourselves and we anticipate providing a
17 lot more information as we are putting it ourselves
18 together in our findings.

19 COMMISSIONER CLODFELTER: Got it. I'll
20 stay with the process questions for now. Thanks.

21 CHAIR MITCHELL: Commissioner McKissick?

22 COMMISSIONER MCKISSICK: Thank you, Chair
23 Mitchell. Just a couple of questions. And I also
24 was concerned about Duke's approach to cost-related

1 issues. It seems that one of the things which I'm
2 reading there is that in identifying different
3 approaches that could be taken to achieve the goals
4 of the Carbon Plan, there will be some type of cost
5 that will be extrapolated to more or less evaluate
6 different strategies and their effectiveness which
7 goes back to kind of some of the least cost issues
8 raised by Commissioner Clodfelter.

9 Can you share right now preliminarily, I
10 mean, how that is going to take place? And I think
11 about it particularly in the context of issues that
12 have come up before relating to cost estimates and
13 cost comparisons, particularly when you're looking
14 at things from a very broad and big picture level
15 and what I call probably a 30,000 or 50,000 foot
16 level. So, can you help with that some? How
17 discrete? What type of analysis? How would the
18 models that you are using attempt to address it?

19 MR. JIRAK: So absolutely. Our modeling
20 is required to make a broad range of assumptions
21 around future costs and that's inherent in any
22 long-range modeling exercise and this one is no
23 different in that respect and it occurs in an IRP.
24 So, obviously as we have gone about the stakeholder

1 process, one of the key things that we've asked for
2 is stakeholder input into data sources and market
3 data and real world project data that the
4 stakeholders have that they can give to us so that
5 we can do our best to make the most accurate
6 projection of the assumed costs that are then baked
7 into the modeling that results in an output of the
8 modeling. So, we've -- at various points in the
9 stakeholder process both formally and informally, we
10 have received some amount of input from
11 stakeholders. We continue to remain open to further
12 stakeholder input on that. But certainly agree with
13 your point that the assumptions that one makes about
14 costs will certainly have a very important impact on
15 the outcome of the modeling exercise.

16 COMMISSIONER McKISSICK: Okay. And I
17 guess -- you know, when I sit back and I think about
18 what we're doing right now, I mean, it's an initial
19 Carbon Plan. It's going to be updated every two
20 years. When those updates occur how broad and
21 expansive can we expect them to be? Are we looking
22 at a tweaking like certain frequencies and in a more
23 broader reevaluation on others? What is anticipated
24 at this time so I can get some sense as to what

1 that scope will be, the complexity will be, and the
2 intervals where there will be what I call a thorough
3 drill down versus perhaps a more skeletal approach?

4 MR. JIRAK: Well, first, I'm just trying
5 to survive until May 16th, Commissioner McKissick --

6 COMMISSIONER MCKISSICK: Yeah.

7 MR. JIRAK: -- and get you a very, a good
8 document on May 16th. But you raise a good
9 question. So, I would say we're still thinking
10 ourselves about what the future looks like. We will
11 obviously look for direction from the Commission in
12 terms of its expectation about reporting and check
13 ins and what future Carbon Plan processes may look
14 like. We'll obviously open a stakeholder input on
15 what that looks like. But I can say very
16 confidently that future updates will include very
17 specific updates on a set of actions and executable
18 decisions that we've taken since we last -- since
19 you last gave us direction on what the Carbon Plan
20 is, and then we'll also involve redoing, taking a
21 new view of the Carbon Plan modeling. So,
22 absolutely over time there will be reiteration,
23 reiterative process as we continue to look at the
24 short and long-term actions. And so I anticipate we

1 would be reporting to you about what we've done in
2 the short term, how we've taken specific steps to
3 keep us on the particular pathways while also
4 revisiting the longer-term views of the Carbon Plan
5 and how changes and assumptions, changes in
6 circumstances, changes in -- and a variety of
7 factors may influence our decisions about the
8 longer-term pathways.

9 COMMISSIONER McKISSICK: Okay. Thank you.
10 Another issue that seems to have come up is the
11 extent to which in the evaluation which is being
12 conducted today you'll be looking at potentially
13 what could occur and the cost implications if we
14 were joining PJM or RTO. And to what extent do you
15 anticipate as this moves forward that will be one of
16 the parameters that will be given some thought and
17 reflection? Evaluation I guess is a better way of
18 putting it.

19 MR. JIRAK: Yeah, so I think as we
20 tried -- as we've stated at the stakeholder -- in
21 the response to those requests from stakeholders our
22 view at this time that it's two-fold. First, we
23 don't see an indication in the H.B. 951 that there
24 was an intention for us to evaluate that much of a

1 fundamental departure from our current regulatory
2 construct in the Carolinas.

3 Equally as important though is the immense
4 complexity of what it means to try to model that
5 when we are in the midst of what is currently, just
6 what we have on the table in an immensely complex
7 modeling exercise. So, I think those two factors
8 have led us to the conclusion that this is not the
9 right time or context or forum in which to evaluate
10 that issue.

11 COMMISSIONER McKISSICK: Okay. And then
12 lastly the non-disclosure agreements that would need
13 to be signed for parties to get access to I guess
14 data dealing with the modeling that's being
15 conducted. And I guess -- when will the full
16 EnCompass modeling information be shared with
17 interested stakeholders? I mean, let me just -- I
18 want to make sure I'm clear on that date, because I
19 gather there are two dates that are --

20 MR. JIRAK: Correct.

21 COMMISSIONER McKISSICK: -- are
22 definitive.

23 MR. JIRAK: So, in response to your Order
24 and as Rebecca explained, we've already been heading

1 in this direction and announced these plans on March
2 22nd, we're going to develop a preliminary, a list
3 of draft EnCompass inputs and assumptions that will
4 be made available on April 15th. So very shortly
5 those will be made available in a data room site
6 that stakeholders, excuse me, intervenors with NDAs
7 can access. And then we are working night and day
8 to make sure that we have the full EnCompass
9 dataset, the entire set of information that we use
10 to run the EnCompass model. This is the set of
11 information that anyone who has EnCompass can take
12 that dataset and replicate our modeling process and
13 then make any changes they want to the modeling
14 process. So, that entire set of information, every
15 single bit of it, will be made available on May 16th
16 in a data room for all intervenors that have
17 executed confidentiality agreements.

18 And you mentioned confidential agreements,
19 so we will have a process in place and we will be
20 describing that process in our filing with the
21 Commission tomorrow to let intervenors know how to
22 go about accessing those NDAs, executing them so
23 that they're ready in advance of April 15th and
24 obviously May 16th to get that information. And

1 it's our standard NDA form that we've executed
2 hundreds of times with intervenors in these
3 regulatory processes.

4 COMMISSIONER McKISSICK: So, it's a
5 standard-type form? Nothing unique about knowing
6 this is going to be submitted?

7 MR. JIRAK: That's correct.

8 COMMISSIONER McKISSICK: Okay. Thank you.

9 CHAIR MITCHELL: Commissioner Hughes?

10 COMMISSIONER HUGHES: Yes, thank you. I
11 appreciate all of the examples of how things I think
12 went. How -- and I just wondered, humor me, not
13 every ball goes through the basket, was there
14 anything that we should know about that maybe you
15 would do differently next time around? The next
16 Carbon Plan we do.

17 MS. DULIN: Oh gosh!

18 MR. JIRAK: You guys are way ahead of us.

19 COMMISSIONER HUGHES: No, no, no, no. But
20 in all seriousness I imagine we may hear some
21 limitations later in the morning, so I just would
22 like to hear it from your perspective.

23 MR. JIRAK: Let me start it and then I'll
24 hand off to Rebecca. I think the biggest thing to

1 realize is we're, I won't call it a perfect storm
2 but something in the vein of a perfect storm, where
3 we have an incredibly tight timeline. We have a
4 first of its kind, immensely complex filing, and we
5 have a new model. So, I think the combination of
6 those three factors has led to a lot of challenges
7 in this process from a timing perspective and I
8 think is somewhat at the root of some of the
9 frustration we've heard from some stakeholders
10 regarding their abilities to do things in advance of
11 May 16th.

12 So, without over-promising or being too
13 optimistic, I think I'm hopeful that the tenor and
14 ability for us to engage on these issues prefiling
15 is going to be a really different picture of future
16 Carbon Plans. Not saying it's going to be perfect.
17 Not saying there's going to be -- everyone is going
18 to be happy, or that we do everything that
19 stakeholders have asked of us or expect of -- that
20 some stakeholders have asked of us and expect of us,
21 but I'm hopeful that future Carbon Plan cycles will
22 be a little different because of getting past those
23 three really significant challenges that we've been
24 tackling in a very compressed timeline of just a

1 couple of months.

2 Is there anything you'd add to that,
3 Rebecca?

4 MS. DULIN: Yeah, I would agree with that.
5 I think one of the -- and one of the issues to
6 tackle as well is this notion of attempting to
7 achieve consensus on certain issues through a
8 stakeholder process. I think it's really
9 challenging given a number of the factors that Jack
10 has laid out, but -- and from the chair where I sit
11 particularly the timing aspects of things. So,
12 trying to change this from a two and a half month,
13 three month stakeholder engagement process at most
14 to potentially additional time for that. And -- but
15 I think that's one that will continue to challenge
16 us is this notion of how do you achieve consensus or
17 work to achieve consensus with so many different
18 stakeholder interests represented and in the room.
19 What does that look like? And so I think that's one
20 that we'll continue with.

21 I do think with having this as an
22 experience to reflect back on that we'll be able to
23 hopefully plan meetings in a way that allows for
24 more targeted stakeholder engagement with particular

1 groups that have particular interests, kind of like
2 we did with these technical subgroups and that that
3 will -- I think that having more of those will be
4 very helpful to the development.

5 We're just so hamstrung by the timing of
6 things. And when certain information needs to be at
7 a near final state in order to actually do the
8 modeling then it challenges us to be able to operate
9 that paradigm that may work better going forward.
10 But I think our laundry list of lessons learned will
11 be very long and with a little more time to reflect
12 on it and talk with our other stakeholder groups
13 about it, we'll have more clarity around it.

14 MR. JIRAK: And maybe if I can tag on
15 that. I think great points that she's raising. She
16 got me thinking about, sort of, stakeholder
17 consensus and what that looks like. And I think
18 your Order obviously creates some very substantial
19 and good expectations about the need to continue to
20 drive and seek to achieve consensus post-filing.
21 So, obviously, from the date on which we file on May
22 16th to the date that you've requested us to submit
23 that issues list, I mean, we're -- the stakeholder
24 engagement is going to be continuing in full force

1 and effect in that time period. And I think that's
2 an important point to just affirm again that
3 stakeholder engagement doesn't end with the filing
4 date. And I think when I -- you know, we have in
5 the past achieved some consensus on some very
6 important issues prefiling. I would suggest, and I
7 think I might have mentioned this last time, I would
8 suggest that most times when we've done that it's on
9 very discrete topics and in very targeted ways where
10 we can come to consensus, for example, on queue
11 reform is a very specific issue. And I think with a
12 complex issue like the Carbon Plan, it's closer to a
13 rate case. And if you think about rate cases, the
14 consensus items tend to emerge post-filing as you
15 kind of go through the regulatory process and
16 parties are required to not just talk in a room.
17 There's value in talking in a room, but there's also
18 value in putting firm positions on paper and making
19 filings that can help to facilitate consensus
20 building in a way that's not, not better than, just
21 different than the stakeholder engagement that
22 occurs prefiling.

23 So I think as we continue to think about
24 lessons learned from this process we will both be

1 looking at what we did pre-filing as well as what we
2 learned about stakeholder consensus that can be
3 built post-filing. And I think we remain optimistic
4 there will be some opportunities for that in this
5 proceeding as well.

6 COMMISSIONER HUGHES: Thanks for that
7 thoughtful response.

8 CHAIR MITCHELL: Commissioner Clodfelter?

9 COMMISSIONER CLODFELTER: One additional
10 question. In the stakeholder meetings has there
11 been any significant discussion or time spent on
12 understanding and discussing your technology screens
13 that you're using to develop the different
14 scenarios? Has that been a topic that anybody has
15 wanted to talk about?

16 MR. JIRAK: And we say technology -- I'll
17 start and then hand off to you. Technology screen
18 can mean a lot of different things to different
19 people. We certainly have talked about the
20 technologies that we think are most likely to be
21 part of the Carbon Plan and that, by definition, is
22 sort of in some form or fashion you're sort of
23 acknowledging that there's other potential future
24 technologies that are not ready to be modeled at

1 this time.

2 COMMISSIONER CLODFELTER: Or potential
3 present technologies that are not being modeled?
4 And that's really the point of the question is has
5 there been any discussion about the topic of which
6 technologies are ready to be modeled? Has that been
7 a topic of discussion in the stakeholder meetings?

8 MR. JIRAK: Yeah, I believe it has but you
9 can add --

10 COMMISSIONER CLODFELTER: Can you say a
11 little bit more about, sort of, is there consensus
12 or is there additional sessions or workshops on that
13 topic or, sort of, what's happened?

14 MS. DULIN: Sure. I can give it a stab.
15 So, I think that it has been part of the
16 conversation from the beginning. One of the issues
17 that's of most interest to stakeholders is what
18 resources are selectable by the model and what are
19 the costs and operational assumptions that are
20 included when you're modeling that particular
21 resource. So from the very beginning that's
22 something that we've talked about as we have shaped
23 up what are the technologies that we are considering
24 and again the assumptions underlying those. And

1 this is just my view and others may have different
2 views of this. I think that it was fairly
3 clear what was -- I think there was reasonable
4 consensus around what the types of technologies are
5 that should be included. More of the conversation
6 has been around what are the assumptions, the
7 specific assumptions associated with each of those
8 technologies and less of a conversation around I
9 think you should include this other particular
10 resource type. It should be a selectable in your
11 model and you don't have that resource under
12 consideration right now.

13 I trust that my colleagues who will
14 present later will give their views on that if they
15 see it differently. But, Commissioner Clodfelter,
16 the conversation has been much more interested in
17 for those selectable resources what are the
18 assumptions driving the selection of those resources
19 as opposed to, oh, I think there's this new
20 technology where we take space dirt from Mars and
21 create a -- I'm trying to come up with something
22 that would not actually be. We're not actually
23 talking about the substance of things. So, it's
24 a -- I think that's been a -- that's my view of

1 where the conversation has been.

2 COMMISSIONER CLODFELTER: You heard it
3 here first "space dirt from Mars".

4 CHAIR MITCHELL: Any additional questions
5 for Duke? Commission McKissick?

6 COMMISSIONER MCKISSICK: One quick one.

7 I know you said the environmental justice
8 subgroup would be continuing to meet. To what
9 extent will those meetings, the same meetings of
10 that particular subgroup and other groups continue
11 as this moves forward? I mean, you have the
12 deadlines coming up very quickly so, I mean, what
13 type of substantive meaningful engagement will this
14 subgroup that I identified and others have as things
15 move forward?

16 MS. DULIN: Sure. We see these subgroups
17 as different than, for instance, the technical
18 subgroups that were focused on modeling assumptions.
19 These are important conversations with communities,
20 with particular stakeholders who have a very
21 important and discrete interest in -- this is almost
22 more toward the implementation and execution of the
23 Carbon Plan, but the conversations are so important
24 that we want to start now as opposed to waiting

1 until we actually have a Carbon Plan in the
2 beginning of next year. So, these are -- and you
3 see these conversations taking place all over the
4 country as utilities and communities are moving
5 together toward a path of decarbonization.

6 So, I really think of this as important
7 holistic conversations that are important regardless
8 of the Carbon Plan but become so much more
9 heightened as a result of the Carbon Plan. And
10 again, I can't emphasize enough that it's important
11 to Duke that they are done in a thoughtful way,
12 because these are -- they can be difficult
13 conversations to have. We haven't done this before.
14 And so that's really a part of Duke's continued
15 community engagement and working with communities
16 that have historically been overlooked from the
17 energy economy standpoint. So, it's very important
18 to us and it will be an ongoing conversation.

19 COMMISSIONER McKISSICK: I appreciate that
20 perspective. And it is important that they remain
21 ongoing and I think that type of thoughtful
22 interchange in dialogue can be meaningful and
23 insightful and significant. So, I take it from your
24 remarks is that you would assume that these

1 subgroups will continue to function and operate even
2 after the Carbon Plan is submitted, just in terms of
3 more generally providing a resource and tool where
4 exchanging ideas and openly facilitating
5 communications?

6 MS. DULIN: That's absolutely the case.
7 And we'll take our cues also. We haven't talked to
8 stakeholders to begin with on what they want from
9 the conversations and how they see the cadence of
10 these meetings taking place and what their needs
11 are. And so I'm just giving you my perspective as
12 we sit today that's not informed by hearing from
13 these communities yet and hearing from these
14 historically underserved populations. So I just
15 want to emphasize again that may adjust based on
16 what we hear from them, but that is certainly the
17 view that we have today.

18 COMMISSIONER McKISSICK: Thank you very
19 much.

20 CHAIR MITCHELL: One last call, questions
21 for Duke?

22 Thank you, Ms. Dulin, Mr. Jirak. Next up
23 we have NCSEA or actually Public Staff. I'm sorry.
24 Ms. Luhr?

1 MS. LUHR: Good morning. Nadia Luhr with
2 the Public Staff and with me is Jeff Thomas with the
3 Energy Division in case there are any more technical
4 questions.

5 So, with regard to the third stakeholder
6 meeting, the Public Staff appreciated the
7 discussions that took place particularly around
8 distributed energy resources and transmission
9 planning as well as the continued opportunity for
10 stakeholders to ask questions and make comments
11 during the meeting.

12 We first note as Ms. Dulin stated earlier,
13 that Duke has now provided information to
14 stakeholders regarding when it will be sharing
15 inputs, assumptions and other data. It has
16 committed to sharing its draft preliminary modeling
17 assumptions by April 15th and the full set of final
18 modeling assumptions on May 16th when it files its
19 proposed Carbon Plan. We think this is a good
20 compromise. It enables stakeholders to begin their
21 analysis sooner and we appreciate this commitment.

22 We also note that the Commission's recent
23 Order issued on March 22nd directed Duke to provide
24 a comprehensive list of inputs and assumptions by -

1 that can be released prior to the filing of the
2 Carbon Plan - by April 5th which is tomorrow, and
3 this will be helpful for stakeholders as well and we
4 look forward to reviewing that list.

5 With regard to discovery, Duke has stated
6 that discovery will begin on May 16th with the
7 filing of the proposed Carbon Plan. The Public
8 Staff plans to submit one or more data requests
9 ahead of May 16th and to share them with other
10 parties with the expectation that Duke will not
11 begin working on them until it files its Carbon Plan
12 on May 16th, but we hope that by providing data
13 requests early other stakeholders will be able to
14 review those and avoid duplicate requests. And the
15 Public Staff has no further comments at this time on
16 the stakeholder process.

17 CHAIR MITCHELL: Mr. Thomas, anything you
18 want to add?

19 MR. THOMAS: Nothing from me.

20 CHAIR MITCHELL: Questions for the Public
21 Staff? Commissioner McKissick?

22 COMMISSIONER MCKISSICK: Give me too long
23 I might.

24 CHAIR MITCHELL: I know. I'm just, I'm

1 pausing just to make sure.

2 COMMISSIONER CLODFELTER: Not a question,
3 but thank you for your moving ahead with circulating
4 your draft data requests. That's a very good step.
5 Thank you.

6 CHAIR MITCHELL: Ms. Luhr, one of the
7 things we heard Mr. Jirak and Ms. Dulin talk about
8 was the plan to or perhaps they have already, Duke
9 has already engaged in letting stakeholders know
10 where stakeholder feedback is being incorporated
11 into the processes that Duke will use. Can you
12 talk, sort of, talk more about what you heard from
13 Duke on those points?

14 MS. LUHR: Well, we did -- you know,
15 during the third stakeholder meeting there were --
16 Duke did indicate where it had taken feedback from
17 stakeholders and incorporated that into its
18 planning. And I expect that we will see in its
19 filing of its proposed Carbon Plan an indication
20 again of where it has incorporated stakeholder
21 feedback.

22 CHAIR MITCHELL: Thank you for that.
23 Checking in one last time to see if there are
24 questions for Ms. Luhr, Mr. Thomas? Thank you both

1 very much. We appreciate it.

2 MS. LUHR: Thank you.

3 MR. THOMAS: Thank you.

4 CHAIR MITCHELL: NCSEA? Mr. Ledford,
5 you're up.

6 MR. LEDFORD: Good morning, Chair
7 Mitchell, Members of the Commission. My name is
8 Peter Ledford and I'm here on behalf of the North
9 Carolina Sustainable Energy Association. NCSEA
10 appreciates the opportunity to present this morning
11 on the adequacy of Duke's Carbon Plan Stakeholder
12 Process.

13 As I noted in our presentation last month,
14 NCSEA is concerned about the differences in timing
15 between Duke's filing of its proposed Carbon Plan
16 and the Bureau of Ocean Energy Management, or BOEM,
17 offshore wind lease block auction for the Wilmington
18 East area.

19 We greatly appreciate Duke sharing
20 preliminary information with stakeholders at the
21 last stakeholder meeting, but there was not
22 substantive discussion of the timing differences
23 between the two issues at that stakeholder meeting.

24 Since that last stakeholder meeting, BOEM

1 has announced the date of the Wilmington East lease
2 sale which will be May 11th, five days before Duke
3 files its proposed Carbon Plan.

4 NCSEA has a strong interest in seeing wind
5 generation developed offshore of North Carolina
6 regardless of whether the offtaker is Duke or
7 another utility. As such, we believe the
8 transparency is paramount and all bidders to the
9 auction should know whether Duke's proposed Carbon
10 Plan calls for offshore wind or not.

11 NCSEA requests that Duke or the Commission
12 direct Duke to file a letter with the Commission by
13 May 1st detailing first if its proposed Carbon Plan
14 will call for offshore wind and if so how many
15 megawatts and in what year. NCSEA believes that
16 this will create a level playing field for the lease
17 auction and will help North Carolina move forward as
18 a HUB for offshore wind energy in the southeast.
19 Thank you.

20 CHAIR MITCHELL: Thank you, Mr. Ledford.
21 Let me see if there are questions for you.
22 Commissioners?

23 (Pause).

24 Mr. Ledford, just one question. Help us

1 understand why directing Duke to file the
2 information that NCSEA has requested creates a level
3 playing field. Just connect those dots for us.

4 MR. LEDFORD: Duke is registered to be a
5 bidder in the BOEM offshore lease auction as well as
6 approximately 15 other businesses, including a
7 number of NCSEA's members. Only Duke will know at
8 the time of the BOEM auction if their Carbon Plan
9 calls for offshore wind so they will have an
10 advantage over other participating bidders as to
11 whether or not that's a viable offtake solution for
12 the lease auction.

13 CHAIR MITCHELL: Thank you. Anything else
14 for Mr. Ledford? Commissioner McKissick?

15 COMMISSIONER MCKISSICK: Yes. I
16 understand why you want to obtain the information
17 which you've identified, but ultimately at this
18 point in time we don't know what the outcome of the
19 bidding will be. We don't know who will be the
20 successful bidder. We don't know the viability
21 longer term of building that generated capacity or
22 what it would take transmission-wise to get it to
23 where the power is actually needed. It seems like
24 there's a lot of unknowns that might best be

1 addressed when we perhaps do an update of the Carbon
2 Plan two years out. Can you comment upon those
3 observations?

4 MR. LEDFORD: I acknowledge that the
5 timing is less than ideal but the fact is that the
6 BOEM auction has been announced for May 11th and
7 businesses need to make financial decisions as to
8 whether they are going to participate there.

9 The auction for the Virginia Beach and the
10 northeastern part of North Carolina's offshore wind
11 occurred several years ago and all of those issues
12 were in place then. Where would they interconnect?
13 Where would they -- what would the offtaker be? The
14 business that won that auction has entered into the
15 PJM interconnection queue and is preparing to move
16 forward with that.

17 Anybody who wins this auction is going to
18 have some business uncertainty associated with that
19 in terms of interconnection costs, timing,
20 everything there. But we think that the information
21 should at least be known among all the bidders so
22 that they're on a level playing field.

23 COMMISSIONER McKISSICK: Got it. And it
24 seems like I read recently they even changed the

1 configuration of the tracts.

2 MR. LEDFORD: Yes. They have moved things
3 around, yes.

4 COMMISSIONER McKISSICK: Thank you.

5 CHAIR MITCHELL: All right. If there is
6 nothing further for NCSEA, thank you, Mr. Ledford.

7 Next up, we will hear from CCEBA.
8 Mr. Burns?

9 MR. BURNS: Thank you. Good morning,
10 Madam Chair, Commissioners. My name is John Burns.
11 I'm General Counsel of the Carolinas Clean Energy
12 Business Association. I'd first like to echo
13 CCEBA's or state CCEBA's support for the request
14 that Mr. Ledford just made regarding the wind
15 information. We think that would be valuable to all
16 bidders and would promote information parity among
17 those that seek to bid into that process.

18 Thank you for continuing to monitor and to
19 provide the carbon -- and to guide the Carbon Plan
20 stakeholder process. CCEBA appreciates especially
21 the involvement of our fellow stakeholders and
22 Duke's willingness to consider and in many ways and
23 instances accept comments and input from us and from
24 other stakeholders. It's very much appreciated.

NORTH CAROLINA UTILITIES COMMISSION

1 And when they report that that is accurate. They
2 have done that on several instances.

3 The March 22nd stakeholder meeting was
4 informative and helpful, especially those parts
5 which dealt with the TPC process. For those who
6 were new to that process, bringing in the
7 third-party administrator of the TPC to address us
8 was very helpful and we appreciated that.

9 We look forward to reviewing the proposal
10 which will be issued in May and we particularly look
11 forward to tomorrow's list of the inputs and
12 assumptions that Duke will provide consistent with
13 your Order of March 22nd.

14 We do also appreciate Duke's commitment to
15 issue the full EnCompass dataset along with the Plan
16 on May 16th. We think that's vital and provides us,
17 I'm not going to say sufficient time to evaluate it
18 because I think the whole process is very truncated,
19 but certainly as much time as can reasonably be
20 allowed.

21 We will closely review and provide
22 feedback on Duke's comprehensive list. We believe
23 that among those inputs and assumptions should be
24 the assumptions regarding modeling of transmission

1 upgrades as well as the basis for interconnection
2 caps and restrictions that are assumed, we think, in
3 the entire modeling process, particularly that
4 latter issue of interconnection caps and limitations
5 on solar interconnection that are -- have been
6 assumed in the stakeholder process. So far, some of
7 the presentations that Duke has made have indicated
8 some caps of the amount of solar interconnection but
9 the basis and assumptions behind those caps and why
10 they are at the level they are has not been as
11 transparent. And we urge Duke and the Commission to
12 provide and require that amount of transparency.

13 While most of the focus during the
14 stakeholder process has been on resource plan
15 modeling, it has been clear that transmission and
16 interconnection assumptions will have a tremendous
17 affect on the outcome of that resource plan
18 modeling. We urge Duke to provide such information
19 as soon as possible and no later than with the
20 release of the proposed Carbon Plan.

21 CCEBA believes that the stakeholder
22 process thus far has been valuable. We appreciate
23 Duke's responsiveness on many issues and the clear
24 adjustments they've made when their statements in

1 earlier meetings drew comments and suggestions from
2 participants.

3 I would -- you've asked us not to go into
4 specifics but there were particular issues related
5 to exporting of carbon production into other states
6 outside of North Carolina. Duke listened to our
7 comments on that, made adjustments and made
8 commitments on March 22nd that were very helpful and
9 appreciated.

10 We do ask that the same responsiveness
11 apply to the transmission interconnection issues
12 that I mentioned. What is the nature and basis for
13 constraints on interconnection that are built into
14 the 2022 procurement and the Carbon Plan process?
15 How will the Carbon Plan process work with the TPC
16 process to accomplish the kind of proactive
17 transmission planning that is agreed among almost
18 all stakeholders and Duke itself? There is broad
19 consensus that such proactive transmission planning
20 is needed, but what is unclear is how the TPC
21 process and the Carbon Plan process will work
22 together to achieve it. And these are absolutely
23 vital and will inform our understanding and critique
24 of the eventual draft Carbon Plan.

1 That concludes my remarks. And I
2 appreciate the opportunity to address you today and
3 will be happy to answer any questions had you might
4 have.

5 CHAIR MITCHELL: Thank you, Mr. Burns.
6 Let me check in with colleagues. Questions for
7 CCEBA? Commissioner McKissick?

8 COMMISSIONER MCKISSICK: Yes. One quick
9 question.

10 I would agree with your assessment that
11 the more information you have on these caps is
12 important. What type of information has been
13 provided at this time related to those limitations,
14 because I can see how they would have far-reaching
15 implications?

16 MR. BURNS: It has been discussed really
17 at a high level where Duke has said that there would
18 be a certain cap, for instance, on the 2022
19 procurement. It has provided Duke staff members to
20 answer questions as part of the stakeholder process,
21 but the level of detail doesn't really dig down into
22 why this particular limit. Why -- it's more of a we
23 need to cap it because we have interconnection
24 limitations. We have areas of the State that need

1 upgrades. It's more of a general discussion and we
2 think there's more detail needed.

3 We joined CPSA in issuing a data request
4 last week which Duke responded to and said that they
5 would provide information as part of the discovery
6 process. We will provide that data request to the
7 Public Staff and we do appreciate the Public Staff's
8 commitment to provide theirs early. We hope that
9 that level of detail that was presented in that data
10 request is the level of detail that will be
11 presented by Duke. It's hard for me really to dig
12 in because I don't have the technical expertise to
13 tell you what's missing, honestly.

14 COMMISSIONER McKISSICK: I appreciate your
15 remarks and I guess we'll wait to see what occurs,
16 but I can see why that level of specificity would
17 be -- will be needed and desirable.

18 MR. BURNS: Thank you.

19 CHAIR MITCHELL: Thank you, Mr. Burns, you
20 may step down. We'll hear from SACE next.
21 Mr. Jimenez?

22 MR. JIMENEZ: Good morning, Commissioners.
23 Thank you, Chair Mitchell. Nick Jimenez with the
24 Southern Environmental Law Center on behalf of

1 Intervenor SACE, Sierra Club and NRDC, collectively
2 SACE et al. Thank you for this opportunity
3 to update the Commission.

4 We appreciate the Order regarding inputs
5 and assumptions. We have tried to work with Duke on
6 a mutually agreeable timeline for production of
7 modeling inputs and just part of the stakeholder
8 process and believe those discussions have been
9 productive.

10 We want to identify three items not
11 specifically stated in the Commission's Order that
12 nonetheless will be important for Duke to provide to
13 stakeholders and recommend the Commission consider
14 requiring, making these requirements.

15 First, the inputs and assumptions provided
16 under the Order should also include the data sources
17 from which the inputs were derived and, of course,
18 the inputs should be provided for all scenarios not
19 just, for example, the referenced case.

20 Second, following up on Commissioner
21 McKissick's question, the Order requires datasets to
22 be provided as soon as possible which we have
23 learned will be May 16th. It would be helpful to
24 have a specific timeframe, such as, as soon as

1 possible but not later than 10 days after Duke files
2 the list of inputs and assumptions with the
3 Commission. And, finally, stakeholders need to be
4 informed of any changes that Duke might make to the
5 inputs and assumptions after they have been filed.

6 The second issue I want to touch on
7 briefly is transmission. It's come up a number of
8 times. SACE et al. appreciated the presentation
9 from Mr. Wodyka, consultant to the NCTPC, on the
10 process and overview of the NCTPC. Presentations or
11 stakeholder review of those presentations thus far
12 indicate that we will -- the State will need quite a
13 lot of transmission to meet the 2030 and 2050 goals.
14 So clearly, the NCTPC process will be crucial to the
15 Carbon Plan itself, but there's still no clear
16 connection between the Carbon Plan and the NCTPC
17 process that we have come across. So, I think the
18 Public Staff in its report on the stakeholder
19 process identified some of the questions that have
20 come up and I would just like to highlight some of
21 those and add to them.

22 One is, for example, will Duke submit a
23 public policy study scenario for its proposed Carbon
24 Plan to the NCTPC? And relatively we would ask

1 whether there will be one based on the final Carbon
2 Plan. And could a study be completed in time to be
3 considered before the Carbon Plan is approved at the
4 end of this year? We recommend the Commission
5 investigate with the NCTPC how to align these two
6 processes and how they will inform one another and
7 take stakeholder comment on the response.

8 And I just want to identify one bigger
9 picture question regarding transmission that's also
10 noted in the Public Staff's report, and that's
11 whether our existing transmission planning process
12 will be adequate to comply with the Carbon Plan
13 requirements and H951 or whether we need a more
14 active or proactive transmission planning process.

15 The last point I want to highlight is the
16 Clean Energy Plan. So, in its first Order in this
17 docket the Commission, back in November, the
18 Commission required the Carbon Plan stakeholder
19 process to build on the Clean Energy Plan and the
20 2020 IRPs. The Commission wisely recognized that it
21 would be efficient and advisable to build on the
22 years of stakeholder and agency staff work that went
23 into the Clean Energy Plan and the principal reports
24 that came out of it, the one on carbon reduction

1 policies sometimes called the A-1 report and the
2 utility business model report or the B-1 report, but
3 so far the Clean Energy Plan has not showed up in
4 the Carbon Plan stakeholder process. So, SACE et
5 al. are just unsure how Duke's initial Carbon Plan
6 will build on those reports but we certainly think
7 it should.

8 Thank you for your time. I'd be happy to
9 take any questions.

10 CHAIR MITCHELL: Questions from
11 Commissioners? Commissioner McKissick?

12 COMMISSIONER McKISSICK: I know you've
13 identified these three concerns this morning, have
14 you addressed them with Duke prior to today?

15 MR. JIMENEZ: We have raised these
16 concerns during the stakeholder process not in this
17 exact list for sure.

18 COMMISSIONER McKISSICK: Okay. But not as
19 succinctly, okay. What feedback or reaction have
20 you received to date? I guess that would be a good
21 thing to know.

22 MR. JIMENEZ: So we've had a good
23 discussion about providing stakeholder inputs and
24 providing data inputs and assumptions. We -- I'm

1 trying to recall the agreement we came to with Duke,
2 but we started to arrive at an agreement before the
3 Commission's Order as I think Duke discussed in its
4 presentation. Transmission -- I should correct
5 myself. I don't think we've had a discussion with
6 Duke following that presentation but there was
7 certainly discussion of it in the comments during
8 that presentation in the Zoom comments. And I don't
9 believe we've gotten a response about kind of how to
10 align those two processes. And again, with the
11 Clean Energy Plan process, I know that's been
12 brought up in those comments and I don't recall a
13 clear response.

14 COMMISSIONER McKISSICK: Thank you.

15 CHAIR MITCHELL: Anything further for
16 SACE?

17 (Pause).

18 Mr. Jimenez, you may step down. Thank you
19 very much for your comments today.

20 Mr. Snowden, CPSA?

21 MR. SNOWDEN: Thank you. Ben Snowden with
22 the Law Firm of Fox Rothschild for the Clean Power
23 Suppliers Association. We'd like to thank you
24 for your continued interest in the stakeholder

1 process and for giving us the opportunity to present
2 our views.

3 We have appreciated Duke's continued
4 engagement in the stakeholder process. At the --
5 and Ms. Dulin mentioned this -- at the meeting on
6 March 22nd Duke presented additional detail
7 regarding its modeling for the Carbon Plan including
8 some specifics about pathways to compliance.

9 Without getting into specifics I will say that we
10 believe Duke clearly has made some changes to its
11 modeling in response to stakeholder feedback which
12 is a positive sign. We also believe that the level
13 of detail provided at the March 22nd meeting was a
14 step in the right direction and we eagerly await the
15 filing from Duke tomorrow on when additional detail
16 will be provided.

17 CPSA had the opportunity at the March 22nd
18 meeting to present our own preliminarily, I'm sorry,
19 preliminary modeling of Carbon Plan compliance.
20 Great Plains, the facilitator, and Duke were very
21 open to this. This presentation has generated some
22 additional constructive dialogue among stakeholders
23 and we very much appreciated the opportunity to
24 present that information.

1 With regard to the Commission's Order also
2 on March 22nd, we very much appreciate your focus on
3 transparency and also efficiency in this process.
4 We note that the Commission's Order encouraged Duke
5 to conduct additional technical working group
6 sessions with stakeholders. CPSA has requested that
7 an additional working group session be held to dig
8 into Duke's assumptions about the constraints on the
9 ability to interconnect new generation each year. I
10 echo Mr. Burn's concerns and statements about
11 the impact of those assumptions on the Carbon Plan.

12 I will say in response to Commissioner
13 McKissick's questions Duke has presented some
14 information on these constraints. There was a
15 previous technical working group on solar
16 interconnection. I was not there. I was not able
17 to attend that but I have reviewed the presentation
18 materials and talked to folks who were. My
19 understanding is that, you know, Duke has certainly
20 presented information about past rates of
21 interconnection. The primary, I think, intelligence
22 we've gotten on the assumptions about future
23 constraints has to do with the scheduling of line
24 outages. I think that's one of the major reasons

1 cited, but I think beyond that we haven't gotten a
2 lot of detail. I'm sure Duke can probably respond
3 to that.

4 And, of course, the impact of line outages
5 on timing also depends on what upgrades have got to
6 be made to the system. I think one of the main
7 things that we're focused on is if there are
8 short-term limitations on -- well, if we assume
9 short-term limitations on the rate of
10 interconnection what are the potential impacts of
11 those assumptions and that uncertainty on the
12 ultimate plan, the end state, and also what are the
13 steps that will be taken over the medium to
14 long-term to ramp up the rate at which
15 interconnections can be accomplished. So we would
16 very much appreciate it if Duke would take us up on
17 our request to have further -- a further session on
18 that.

19 Now, with regard to transmission,
20 certainly I would like to reiterate as I have before
21 the importance of deliberate transmission planning.
22 CPSA believes and we think that Duke and other
23 stakeholders agree that 951 compliance is probably
24 not possible or at a minimum will be significantly

1 more expensive without proactive transmission
2 planning and construction. In the stakeholder
3 process and in other contexts Duke has identified at
4 least a few key upgrades to its system that it
5 believes will undoubtedly be required to achieve 951
6 compliance. With regard to the TPC process, which
7 we have been pretty engaged with, I would echo the
8 comments from Mr. Burns and Mr. Jimenez that despite
9 being pretty engaged in that process we are still
10 struggling to understand what the linkage will be
11 between the TPC process and the Carbon Plan, how
12 those two processes will inform each other, and
13 ultimately how proactive transmission planning is
14 going do get done through the TPC.

15 Now, I think it's not surprising that
16 there are a lot of question marks. This is -- this
17 kind of process is really outside of what the TPC
18 has previously done even with its prior public
19 policy studies. So, to some extent, I think Duke,
20 the TPC, other members of the TPC are sort of trying
21 to build the airplane in flight and really trying to
22 figure out how this is going to work. But it has
23 been done in other jurisdictions for some period of
24 time, so we think it's important to move forward

1 with this. We do believe, though, I will say that
2 Duke has been, I think, constructively engaging with
3 CPSA and with other stakeholders and, sort of,
4 figuring this out.

5 CHAIR MITCHELL: Mr. Snowden, I'm going to
6 interrupt you. What jurisdictions?

7 MR. SNOWDEN: New Jersey and Maryland have
8 both done this and there are other interstate
9 efforts that have been driven by ISOs and
10 reliability organizations.

11 CHAIR MITCHELL: Specifically, what have
12 Maryland and New Jersey done?

13 MR. SNOWDEN: I can -- I'm happy to
14 provide additional information. I think that with
15 Maryland it was related to additional wind
16 procurements and I think there was a renewables
17 procurement in New Jersey that incorporated that
18 kind of planning, but happy -- that's -- per our
19 consultant that's what has been done. We'd be happy
20 to provide additional detail.

21 CHAIR MITCHELL: Okay. I just wanted to
22 make sure I knew what you were talking about.
23 Please proceed.

24 MR. SNOWDEN: Okay. Thank you. So,

1 suffice it to say, we believe Duke has been
2 constructively engaging with this process. There's
3 not a lot of time to, sort of, get this right. So,
4 we appreciate the Commission's attention to the TPC
5 process and we would just ask that you-all continue
6 to remain engaged with that process going forward.

7 One final note on transmission as it
8 relates to transparency and I'll echo a bit of what
9 Mr. Burns has said here. Most of the attention with
10 regard to transparency in this process and requests
11 for information kind of related to resource plan
12 modeling to the EnCompass models which, of course,
13 are really the critical thing for the Carbon Plan.
14 But it is important that stakeholders get more
15 information about how Duke is modeling the
16 transmission upgrades that will be required for the
17 Carbon Plan and, of course, in particular the
18 constraints on interconnection, so we have asked
19 Duke for specific modeling information on this issue
20 and we hope that this information can be provided to
21 the stakeholders when the Carbon Plan is filed
22 rather than just through discovery after the fact.

23 So, thank you very much, and I'm happy to
24 answer any questions.

1 CHAIR MITCHELL: Questions for
2 Mr. Snowden?

3 (Pause).

4 Mr. Snowden, thank you very much.

5 MR. SNOWDEN: Thank you.

6 CHAIR MITCHELL: Duke, any additional
7 responses you would like to provide?

8 MR. JIRAK: Thank you, Chair Mitchell. We
9 will try to be as brief as possible here. But we
10 want to begin by just reiterating the appreciation
11 we have for the stakeholder input we received today
12 as well as throughout this process. It's been very
13 helpful to us. We know we have not always been on
14 the same page on every issue, and, but we do
15 appreciate sincerely all of the engagement we've had
16 from stakeholders on this. And we appreciate the
17 thoughts we've heard this morning as well from a
18 variety of perspectives. We also appreciate the
19 Public Staff's perspective and their creative
20 thinking around developing discovery ahead of time
21 so that we can do that in the most efficient way
22 possible and certainly agree that that will be time
23 well spent to facilitate efficient information
24 exchange. So, thank you for that idea.

1 We'll just very briefly hit about three or
2 four topics that were addressed, just as a few
3 follow-up items and then kind of wrap things up.
4 So, I'd say first, briefly, I want to touch on the
5 comments regarding the BOEM, the timing of the
6 Carbon Plan filing as it relates to the timing of
7 the BOEM auction. You know, a lot can be said about
8 that issue. I think it's a very complex one. I
9 think most fundamentally I would say in our
10 discussion on March 22nd we provided a preliminary
11 pathway view of what role offshore wind will play in
12 our preliminary draft, non-final, proposed view of
13 what the Carbon Plan may look like as well as the
14 amounts of it. So as best I can tell that's a lot
15 of what was being asked has already been provided so
16 I'm not sure what else we would say in advance of
17 May 16th that we haven't already said in that
18 presentation.

19 Just a couple of other thoughts on that.
20 I mean that option is but one of a myriad of complex
21 commercial, technical, siting issues, procurement
22 decisions, and investment decisions that are going
23 to be impacted over the next two, three, four, five
24 years of this Carbon Plan process. I mean, there's

1 really -- it seems odd to single out this one
2 particular decision that could be impacted in some
3 form or fashion by what is just a draft proposed
4 Carbon Plan for the Company and not even a final
5 Carbon Plan approved by this Commission. So,
6 singling out that particular commercial decision
7 amongst the myriad of other decisions being made by
8 a range of market participants just feels odd from
9 our perspective and unnecessary.

10 And further, you know, the parties, the
11 dozen plus parties that are going to be submitting
12 hundreds of millions of dollars at BOEM's auction
13 are sophisticated, technically savvy parties who are
14 no doubt doing their own technical analysis of the
15 value of the project and are assessing the value of
16 the project not only as it may play a role in H.B.
17 951 but as it may play a role in other resource
18 plans in other areas, other utilities.

19 So, the point that was made about
20 information parity, I think we kind of disagree with
21 that as well because Duke is not being given insight
22 into the complex analysis being done by these other
23 parties so to, sort of, require that of Duke
24 honestly doesn't feel consistent with that theme of

1 information parity.

2 So again, there's a March 16th (sic)
3 deadline for a reason. We're going to be working
4 hard and heavy over the next month to meet that
5 deadline. And we don't think there's really any
6 justification at this time based on that factor to
7 require release of a draft Carbon Plan in advance of
8 the 16th.

9 Just a few other quick points in response
10 to issues raised on behalf of SACE by Mr. Jimenez.
11 There seems to be a little lack of clarity in terms
12 of the timing of when the draft modeling inputs and
13 assumptions being made available. So just to be
14 really clear the draft input, the first batch of
15 draft inputs and assumptions we made available on
16 April 15th. So we will be making a filing tomorrow
17 to describe what it is we intend to provide and then
18 we'll move forward to providing the first batch of
19 that on April 15th. So, I just want to make sure
20 that was clear.

21 Just briefly I'll mention -- well, I think
22 we'll move past that because I think we're getting a
23 little too far into substantive issues.

24 We will absolutely in our Carbon Plan

1 filing explain the ways in which the CEP, the clean
2 energy process, has informed what we've done here.
3 A lot of it has been helpful and informative. Some
4 of it is reflected actually in H.B. 951 in the
5 legislative mandates therein. But we absolutely
6 will have a description of how that has informed
7 what we are proposing.

8 You heard a lot obviously about
9 transmission and interconnection issues. So again,
10 without going too far into substantive issues there,
11 we absolutely hear the concerns that have been
12 articulated. We sought to try to answer a lot of
13 those questions to the best of our ability at the
14 March 22nd meeting by providing a more fulsome
15 description of both our views of what we know today
16 about the transmission needs on the system as well
17 as providing a front row seat to hear about the
18 NCTPC process. We appreciate the engagement from
19 many stakeholders now who are diving into the NCTPC
20 process and we think that's a good thing and we
21 think that will drive that process to accomplish the
22 goals that -- and we think it can accomplish, so we
23 appreciate that. And we will certainly in the
24 Carbon Plan filing on May 16th have a wealth of

1 information about how we see all the pieces of the
2 transmission puzzle fitting together to achieve the
3 long-term, the goals of the Carbon Plan including a
4 detailed description of the basis for our
5 interconnection limits and why we think that was a
6 reasonable approach to the modeling process in a way
7 in which it's consistent with many other ways in
8 which modeling has to also be synced with real world
9 operational considerations. And so that's just but
10 one of many ways in which our modeling is both a
11 math exercise but also marrying that math exercise
12 with the real world challenges of what it is we're
13 undertaking here in the Carbon Plan.

14 So, again, we hear loud and clear the
15 desire for more information on that. We're working
16 on providing it in a variety of forms and we believe
17 that through the rest of this Carbon Plan process
18 we'll have a lot of chances for folks to understand
19 it even better and give us more feedback as we seek
20 to improve the ways in which we do that. So, with
21 that, I'll let Rebecca offer some final thoughts as
22 well.

23 MS. DULIN: Jack, I think you've covered
24 it. I think one of the themes that we've heard here

1 has been disconnection between transmission, the
2 transmission build out of the future potential for
3 solar interconnection. And I guess I would just
4 reiterate that these are -- what we're doing here is
5 just made up of a whole lot of forecasts and
6 estimates and so we're working to provide as much
7 clarity as we can under -- based on where we are in
8 the process underlying what those, what's driving
9 those estimates. I think that the transmission
10 piece is certainly one that's gotten a lot of
11 attention and that has a lot of attention of the
12 Company as well. We look forward to continuing to
13 engage with stakeholders through both the North
14 Carolina Transmission Planning Collaborative process
15 and through other avenues of stakeholder outreach as
16 we go forward to try to marry these processes in a
17 way that just hasn't been a consideration.

18 We've never seen this much attention on
19 the -- the Transmission Planning Collaborative has
20 been going on for quite some time. And in the
21 stakeholder meeting, Rich Wodyka offered for anyone
22 who wants to be a member of the -- a TAG
23 participant, the Transmission Advisory Group, to
24 please sign up and provided information on how to do

1 that. I don't think that he was expecting that he
2 would have such an outreach as he did by informing
3 the stakeholders of the ways in which they can
4 participate in that process.

5 And so Duke is still considering how we
6 are going to participate in that process and how we
7 can work with stakeholders to achieve what we all
8 know is required of the future, which is a
9 transmission strategy that supports whatever ends up
10 being in the Carbon Plan which is what you will
11 decide. So, thank you for your attention and
12 interest in this, we really appreciate it.

13 CHAIR MITCHELL: Thank you, Ms. Dulin and
14 Mr. Jirak. I'll see if there are questions for you.

15 COMMISSIONER McKISSICK: One quick remark
16 and that's simply this. I'm pleased to hear your
17 collective comments about continuing the engagement.
18 I think that a lot of concerns raised this morning
19 are genuine concerns that need to be addressed in a
20 meaningful and significant way, and particularly
21 when it comes to the transmission planning and the
22 limitations that are out there, I mean, that needs
23 to be addressed in terms of the inputs that are
24 being reused as data sources that ought to be a part

1 of it all. So, I look forward to this unique
2 collaboration working with the stakeholder groups as
3 this process moves forward.

4 CHAIR MITCHELL: With that, I think we are
5 done for the morning. Thank you very much everyone
6 for your participation today, and we will be
7 adjourned. Thank you. Let's go off the record,
8 please.

9 (The proceedings were adjourned)

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C E R T I F I C A T E

I, KIM T. MITCHELL, DO HEREBY CERTIFY that
the Proceedings in the above-captioned matter were
taken before me, that I did report in stenographic
shorthand the Proceedings set forth herein, and the
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Kim T. Mitchell

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