

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 179
DOCKET NO. E-100, SUB 190

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 179)	
)	
In the Matter of)	
Duke Energy Progress, LLC, and Duke)	
Energy Carolinas, LLC, 2022 Biennial)	
Integrated Resource Plans and Carbon Plan)	
)	ORDER REQUESTING
DOCKET NO. E-100, SUB 190)	COMMENTS ON THE PUBLIC
)	STAFF'S MOTION REQUESTING
In the Matter of)	ISSUANCE OF COMMISSION
Biennial Consolidated Carbon Plan and)	ORDER
Integrated Resource Plans of Duke Energy)	
Carolinas, LLC, and Duke Energy Progress,)	
LLC, Pursuant to N.C.G.S. § 62-110.9 and)	
§ 62-110.1(c))	

BY THE PRESIDING COMMISSIONER: North Carolina General Statutes Section 62-110.9 (Carbon Plan Statute) directs the Commission to take all reasonable steps to achieve a seventy percent reduction in emissions of carbon dioxide in the State from electric generating facilities owned or operated by Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP; collectively with DEC, Duke), from 2005 levels by the year 2030 and carbon neutrality by the year 2050 subject to certain discretionary limitations. In accordance with the Carbon Plan Statute, the Commission issued an Order Adopting Initial Carbon Plan and Providing Direction for Future Planning on December 30, 2022, in Docket No. E-100, Sub 179 (Initial Carbon Plan). The Carbon Plan Statute directs the Commission to review the plan every two years after the adoption of the Initial Carbon Plan. The Initial Carbon Plan provided for the consolidation of the Carbon Plan and Integrated Resource Plan (IRP) processes (CPIRP, as consolidated) and required Duke to file its first proposed biennial CPIRP by no later than September 1, 2023.

On August 17, 2023, Duke filed a verified petition seeking the Commission's approval of its proposed 2023 CPIRP, and on September 1, 2023, Duke prefiled direct testimony and exhibits of witnesses in support of its verified petition and proposed 2023 CPIRP. Duke subsequently amended its proposed 2023 CPIRP on January 31, 2024 (Amended Petition). In pertinent part, Duke requests that the Commission approve its plans to issue an Acquisition Request for Information (ARFI) in early 2025 for up to 2,400 MW of offshore wind off the coast of North Carolina "to better determine the cost and availability

of offshore wind resource options for the Companies' customers on the timelines identified in the Plan." Amended Petition, 31. Duke further requested that the Commission provide preapproval for it to incur up to \$1.4 million to develop and administer the ARFI. *Id.* at 31.

On April 17, 2024, the Public Staff filed a Motion Requesting Issuance of Commission Order (Motion) which urges the Commission to issue an order requiring Duke to proceed with the development and issuance of the offshore wind ARFI on an expedited basis. Motion, 7. In support of the Motion, the Public Staff states:

It is imperative that Duke proceed with the development and issuance of the ARFI as soon as possible, rather than waiting until early 2025 following issuance of a final Commission order in the current CPIRP proceeding. The parties are aware of the urgency inherent in meeting the emission reduction goals set forth in [N.C.G.S. § 62-110.9] in a least-cost manner while ensuring a reliable grid. Resource planning in this context requires accurate and up-to-date resource information, and when such information must be obtained by third parties, solicitation must be conducted in a timely manner. Waiting until early 2025 to issue the ARFI, as currently planned by the Companies, will unnecessarily delay the receipt of key information necessary for examining the role of offshore wind in North Carolina's resource portfolio.

Id. at 6-7.

Further, the Public Staff notes that the Initial Carbon Plan directed Duke to evaluate the three wind energy areas (WEAs) off the coast of North Carolina. Specifically, the Commission required that Duke:

study and consider each of the three WEAs off the coast of North Carolina before pursuing acquisition of a leasehold. This evaluation should include best estimates of all relevant costs to acquire and develop a WEA and deliver energy to the point of injection into Duke's grid. To the greatest extent practicable, this evaluation should compare the WEAs on a similar basis to one another, including a comparison of the levelized cost of energy to the point of injection into Duke's grid.

Initial Carbon Plan, 102. The Public Staff maintains that in accordance with the Initial Carbon Plan, Duke issued a non-binding Request for Information (RFI) to the entities holding leaseholds for the three WEAs, which gathered information regarding in-service dates, capital and development costs, operating costs, transmission costs, generation profile, and net capacity factor so as to calculate a levelized cost of energy (LCOE) for various project scenarios across the three WEAs. However, the Public Staff contends that additional information to be sought by Duke's proposed ARFI is critical enough to warrant expedited approval by the Commission and that the proposed ARFI's scope falls within the perimeters of the offshore wind study already authorized by the Initial Carbon Plan.

The Motion finally notes that the Public Staff was authorized by Duke to represent that while Duke does not agree “that the 2022 Carbon Plan Order requires the Companies to issue an ARFI or equivalent RFI, the Companies are willing to proceed with the ARFI on an expedited basis if the Commission finds that it is reasonable to do so.” *Id.* at 7.

Based on the foregoing, the Presiding Commissioner notes that the Public Staff’s Motion provides the positions of both the Public Staff and Duke, and therefore finds good cause to request comments on the Public Staff’s Motion from other interested parties. Accordingly, any other interested party may file brief comments responsive to the Public Staff’s Motion by no later than Thursday, April 25, 2024. The Commission will not receive reply comments on this matter.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 22nd day of April, 2024.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, reading "Tamika D. Conyers".

Tamika D. Conyers, Deputy Clerk