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March 28, 2022

VIA ELECTRONIC FILING

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Progress, LLC Western Carolinas Modernization Project
Annual Report on Community Engagement
Docket No. E-2, Sub 1089**

Dear Ms. Dunston:

Pursuant to the Commission's March 28, 2016 *Order Granting Application in Part, with Conditions, and Denying Application in Part* (the "Order"), I enclose for filing in connection with this matter the Annual Community Engagement Report of Duke Energy Progress, LLC ("DEP" or the "Company") for the Company's Asheville Steam Electric Generating Plant in Buncombe County. In compliance with ordering paragraph No. 6 of the Order, DEP reports accomplishments to date on efforts to work with customers in the Western Region to reduce peak load through demand-side management, energy efficiency and other measures and on DEP's efforts to site solar and storage capacity in the Western Region. DEP will continue to update the Commission on community engagement efforts until DEP has met its commitment to build at least 15 MW of solar generation and 5 MW of storage capacity.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

Jack E. Jirak

Enclosure

cc: Parties of Record

OFFICIAL COPY

Mar 28 2022

Duke Energy Progress, LLC
Western Carolinas Modernization Project
Annual Report on Community Engagement for Demand-Side Management,
Energy Efficiency and Technology
Docket No. E-2, Sub 1089
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I. Community Engagement for Demand-Side Management and Energy Efficiency

As highlighted in Duke Energy Progress’ (“DEP” or the “Company”) 2018, 2019, 2020, and 2021 Integrated Resource Plans, the contingent combustion turbine has been pushed out beyond the mid-2030s in part through this community collaboration in Buncombe County. One of the key strategies of the Energy Innovation Task Force (“EITF”) was the formation of the Blue Horizons Project, an outward facing marketing/engagement effort to connect with customers.

The Blue Horizons Project Community Council (“BHPCC”) is now established with a focus on helping the broader Buncombe County community advance its renewable energy goals. Additionally, the BHPCC is working on low income energy efficiency home improvements, home energy-use conversations and a community-based solar program called Solarize Asheville.

This group formed and started meeting virtually in late 2020 and continues to hold monthly meetings. DEP is a member of the BHPCC. The focus of the BHPCC is to help advance the City of Asheville and Buncombe County’s respective goals to achieve the 100 percent renewable targets for operations by 2030, and for all homes and businesses by 2042. This is in addition to keeping a keen eye toward further reduction in peak demand, as the city and county continue to grow.

II. Technology: Solar, Storage, Microgrid Development

To that end, DEP’s commitments to fully leverage technology to help achieve these goals is steadfast. Below is a discussion of those commitments and continued development.

Project Update:

1. Mt. Sterling Microgrid (Docket No. E-2, Sub 1127)
 - Haywood County
 - Approximate Capacity – 10 kW Solar PV and 95 kWh Battery Storage Facility
 - NCUC Order Granting certificate of public convenience and necessity (“CPCN”) – April 2017
 - Completion Date – May 2017

2. Asheville Rock Hill Battery
 - Buncombe County
 - Sited at utility-owned substation

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- Approximate Capacity – 9 MW Battery Storage Facility
 - In-Service Date – August 2020
3. Hot Springs Microgrid (Docket No. E-2, Sub 1185)
 - Madison County
 - Approximate Capacity – 2 MW Solar PV and 4 MW Battery Storage Facility
 - NCUC Order Granting CPCN – May 2019
 - In-Service Date – December 2021 (commercial operation pending final testing).
 4. Woodfin Solar (Docket No. E-2, Sub 1257)
 - Buncombe County
 - Approximate Capacity – 5 MW Solar PV
 - CPCN received May 2021
 - Anticipated In-Service Date – August 2022
 5. Riverside Battery
 - Buncombe County
 - Sited at utility-owned substation
 - Approximate Capacity – 5 MW Battery Storage Facility
 - Anticipated In-Service Date – 2023
 6. Asheville Solar and Battery
 - Buncombe County
 - Sited at utility-owned CC plant
 - Approximate Capacity – 9.5MW Solar PV and 17 to 18 MW Battery Storage Facility
 - CPCN application for Solar PV has not been submitted
 - Anticipated In-Service Date – 2024 - 2025
 7. Craggy Battery
 - Buncombe County
 - Sited at utility-owned substation
 - Approximate Capacity – 25 MW Battery Storage Facility
 - Anticipated In-Service Date – 2026

The current pipeline of solar and storage projects in the western region shown above will allow DEP to meet the Commission’s order to deploy at least 15 MW of new solar generation and 5 MW of utility-scale storage.

Located at one of the highest peaks in the Great Smoky Mountains National Park, the Mt. Sterling Microgrid continues to power communication equipment for rangers in remote areas of the park. The battery cells were refreshed in 2020, ensuring the microgrid will provide reliable, clean power for years to come. In the City of Asheville, the approximately 9 MW Asheville Rock Hill Battery was placed in-service last year and is operating next to

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a DEP substation. The project is primarily used to help the electric system operate more efficiently through frequency regulation and other grid support services. It will also enable additional renewable energy in region and is the Company's largest battery in North Carolina.

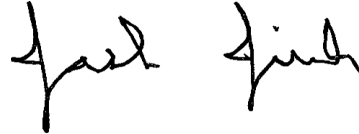
The Hot Springs Microgrid (approximately 2 MW solar and 4 MW storage) began construction in 2020 and is planned to reach commercial operation May 2022. Critical learnings continue to be uncovered through the interconnection process that will pave the way for future microgrids. The Woodfin Solar facility (approximately 5 MW) received a CPCN on May 20, 2021 and will be key to meeting the WCMP order, given the challenges of adding solar generation in this part of the service area. The site is planned to be in service by August 2022.

As summarized above, the Company continues to develop multiple solar and storage facilities planned on Company-owned land in Buncombe County. These projects are in various stages of the generator interconnection process. The Company is also considering a full range of options, including non-wires alternatives such as solar and storage, when grid needs are identified through the integrated systems and operations planning ("ISOP") framework, further demonstrating the benefits of distributed energy technologies in DEP's western region.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's Annual Report on Community Engagement, in Docket No. E-2, Sub 1089, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 28th day of March, 2022.

Handwritten signature of Jack E. Jirak in black ink.

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