

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. M-100, SUB 164

In the Matter of)	REPLY COMMENTS OF
Consideration of the Federal Funding)	OF THE CAROLINA UTILITY
Available Under the Infrastructure)	CUSTOMERS ASSOCIATION
Investment and Jobs Act)	

The Carolina Utility Customers Association, Inc. (“CUCA”), by and through counsel, respectfully submits these reply comments pursuant to the Commission’s Order Allowing Comments issued on February 1, 2022, regarding federal funding available under the Infrastructure Investment and Jobs Act (the “IIJA”).

REPLY COMMENTS

In its Initial Comments, CUCA commended the Commission for proactively seeking comment in this proceeding so that North Carolina might maximize access to federal infrastructure funding in support of the Commission’s ongoing initiatives and focused its comments on potential opportunities impacting the electric grid. CUCA respectfully offers the following additional comments responsive to the initial comments filed by other parties.

First, as acknowledged by various parties, access to federal funds will, in some cases, require coordination between intrastate governmental entities, potentially including the Commission. *See, e.g.*, Comments of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC, at 4 (“Effective implementation of the Act requires not only the development of new programs, but also coordination among numerous individuals and entities involved in federal, state, and local governments.”). Understanding that in many

cases full guidance has not yet been issued by the relevant federal agencies, states that are able to present well-thought-out and coordinated proposals will be in a better position to receive funding. Given this, the Commission may wish to initiate stakeholder engagement or other processes immediately to ensure that opportunities are identified, priorities are established, and coordination between state agencies can occur.

Second, CUCA strongly agrees with the observations of various stakeholders that maximizing the state's participation in available funding programs is consistent with, and compelled by, the "least cost" requirements of S.L. 2021-165.

To this point, CUCA agrees with CIGFUR's observation that:

Maximizing federal funds for the direct benefit of ratepayers is critical to ensuring this energy transition happens in the least-cost way, preserving and continuing reliability and economical service for all classes of the Utilities' ratepayers. To that end, CIGFUR believes ratepayer benefits would flow both from grant programs that would serve to reduce overall costs, which would otherwise be incurred and borne by ratepayers, as well as loan programs that could potentially allow the Utilities access to capital in a way that reduces the overall cost of capital and/or would allow the costs to be spread over a longer period of time to reduce the overall burden on ratepayers.

Initial Comments of CIGFUR I, II, & III, at 4. *See also* CCEBA Initial Comments, at 4 (advocating use of federal funds to address transmission congestion issues to ensure carbon goals are achieved consistent with least cost requirements).

Consistent with this sentiment, CUCA would observe that recent Carbon Plan stakeholder meetings have included discussion regarding "future" technology such as hydrogen and other yet-to-be-implemented "renewable energy combustion technology." Given that such resources are under active consideration as means of achieving carbon goals, utilities and the state should explore funding opportunities to lay the groundwork in advancing these future technologies.

Finally, CUCA concurs with NCSEA's observation that "[f]unding under the IIJA, whether loans or grants, should be utilized to achieve the long-term statutory goals in North Carolina including the carbon reduction and eventual carbon neutrality mandate contained in S.L. 2021-165 and to enable markets in North Carolina which will allow for a clean energy transition at the least cost for ratepayers." NCSEA's Initial Comments, at 2. As stated in CUCA's Initial Comments, it is evident that a broad range of stakeholders agree that certain market reforms are an essential component of carbon reduction and a future where distributed energy resources are predominant.¹ As pointed out by NCSEA, use of federal funds to help facilitate the transition to clean energy can also help position the state to enable market participation, whatever form that might take, for the benefit of customers.

Respectfully submitted, this 14th day of April, 2022.

**CAROLINA UTILITY CUSTOMERS
ASSOCIATION, INC.**

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¹ See, e.g., Public Staff Report on Duke Energy Carbon Plan Stakeholder Meeting 2, Docket No. E-100, Sub 179 (Mar. 2, 2022), at 2; Duke Report on Carbon Plan Stakeholder Meeting 2, Docket No. E-100, Sub 179 (Mar. 2, 2022), at 5.

Certificate of Service

I hereby certify that a copy of the foregoing *Reply Comments of Carolina Utility Customers Association* has been served this day upon all parties of record in this proceeding, or their legal counsel, by electronic mail.

This the 14th day of April, 2022.

BROOKS, PIERCE, MCLENDON,
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/s/ Marcus Trathen

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