

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**  
**DOCKET NO. E-100, SUB 177**

In the Matter of:	)	
	)	
Rulemaking Proceeding to	)	SUPPLEMENTAL REPLY
Implement Securitization of Early	)	COMMENTS OF SIERRA CLUB AND
Retirement of Subcritical Coal-Fired	)	NATURAL RESOURCES DEFENSE
Generating Facilities	)	COUNCIL
	)	
	)	

PURSUANT TO the North Carolina Utilities Commission’s (“Commission”) January 4, 2022 Order Granting, in part, Motion for Leave, the Sierra Club and the Natural Resources Defense Council (“NRDC”) respectfully submit the following supplemental reply comments in the above-captioned docket.

In their January 3, 2022 motion for leave to file additional comments, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (together, “Duke”) complained that the “post-financing order pre-bond issuance process” proposed by the Sierra Club and NRDC in their reply comments could have been raised in initial comments and could not reasonably be characterized as responsive to the rules proposed in initial comments. In fact, the Sierra Club and NRDC included the proposed “post-financing order pre-bond issuance process” in their reply comments to fill a gap that they identified upon reviewing the coal retirement securitization proceeding proposed by Duke in its initial comments. Duke proposed a coal retirement review and approval process and a financing order issuance process, but omitted from its proposed rule a post-financing order – pre-bond issuance process. Such a process is necessary to ensure adequate time for the Bond Advisory Team and, specifically, the Advisor to the Commission, to participate fully and in advance on all matters related to the structuring, marketing and pricing of the bonds

and to conduct independent review and evaluation of the public utility's proposed issuance advice letter. The post-financing order – pre-bond issuance process helps to ensure that the Commission has the information it needs to minimize ratepayer costs when issuing a coal retirement financing order. For these reasons, the proposed post-financing order – pre-bond issuance process is considered a national best practice when regulatory commissions issue securitization financing orders. Similar processes have been used by regulatory commissions in Texas, West Virginia, and Florida, saving ratepayers tens of millions of dollars in the securitized bond issuance process. Duke itself has experience with a similar process established by the Florida Public Service Commission in its financing order on Duke Energy Florida's petition for issuance of a financing order in connection with the retirement of the Crystal River 3 nuclear unit.<sup>1</sup>

The Sierra Club and NRDC appreciate the opportunity to file these supplemental reply comments, and respectfully request that the Commission consider these comments in adopting rules to implement the securitization provisions of S.L. 2021-165.

Respectfully submitted this 12th day of January, 2022.

s/Gudrun Thompson  
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<sup>1</sup> Florida Public Service Commission, Docket No. 150171-EI, Order No. PSC-15-0537-FOF-EI (November 19, 2015), <http://www.floridapsc.com/library/filings/2015/07364-2015/07364-2015.pdf>, “Financing Order Finding of Fact” paragraphs 98, 99, 100; “Ordering Paragraphs” paragraph 72.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Supplemental Reply Comments of the Sierra Club and Natural Resources Defense Council as filed today in Docket No. E-100, Sub 177 has been served on all parties of record by electronic mail or by deposit in the U.S. Mail, first-class, postage prepaid.

This 12th day of January, 2022.

s/Gudrun Thompson\_\_\_\_\_