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Mar 06 2018

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Timberland
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Vail Resorts
VF Corporation
Vulcan, Inc.
Worthen Industries

Companies listed in bold have significant operations in North Carolina

March 5, 2018

RE: Business Comments on Building a 21st Century Electrical Grid in North Carolina **(Docket No. E-7, Sub 1146)**

Dear North Carolina Utilities Commissioners:

As the representative of a network of major employers and large electricity customers across the United States, I am writing to you on behalf of the Ceres BICEP (Business for Innovative Climate and Energy Policy) Network. The Network is made up of many companies with operations and employees in North Carolina. On behalf of this group of major employers and large electricity consumers, I write to urge North Carolina regulators to embrace a clean, reliable, customer-friendly and modern electric grid.

Current regulatory structures in North Carolina are outdated: they are designed for fossil fuels rather than for clean, distributed or smart technologies. The grid must be updated to embrace the needs of a 21st century economy and efforts to decarbonize the electric sector. **However, current proposals for regular grid upkeep, maintenance, and investments in transmission and distribution in the state are being misrepresented as large-scale grid modernization and mischaracterize the opportunities and needs of North Carolina's electrical grid and the businesses that rely upon it.**

As corporate energy consumers, businesses prioritize clean resources and cost effectiveness. Like many leading businesses, BICEP Network members have made ambitious commitments to reduce greenhouse gas emissions and are looking to power their operations with clean, renewable energy.[i] Investing in renewable energy, energy efficiency, and electric vehicles helps companies save money and hedge against the volatility of fossil fuel prices.

Businesses are also major energy consumers and ratepayers, and they understand firsthand how North Carolina's energy policies and investments affect the cost of doing business and the state's economic competitiveness.

Therefore, as regulators consider Duke Energy's Power/Forward Carolinas proposal, we urge you to consider the following priorities when defining grid modernization projects.

A modern grid should have the following characteristics and embrace the following priorities:

I. A *Clean Grid that facilitates reliable, universal access to cost-effective clean energy resources.*

- Facilitate a rapid transition to clean resources. Clean resources include renewables like wind and solar, energy efficiency, the electrification of transportation, and storage.
- Provide clean resources with equitable access to the grid. Grid modernization should level the playing field, allowing clean resources to compete in a market that fully values and leverages their environmental, public health, resilience, customer independence and electric system benefits.

II. A *Reliable Grid that cuts energy waste, reduces peak demand, deploys smart technologies and storage, and facilitates the integration of low cost clean energy within and across geographies.*

- Integrate energy storage and improve transmission and distribution infrastructure to ensure universal access to cost-effective renewable energy resources and to fully utilize variable resources like wind and solar.
- Optimize investment and local grid benefits by prioritizing local clean energy resources and non-wire alternatives. Prioritize cost-effective transmission with proactive consideration of community and environmental impacts.
- Leverage distribution system and resource planning processes to accelerate the transition from inefficient fossil fuel assets to cleaner, integrated and responsive resources.
- Promote smart energy management technologies, storage, and demand optimization in transportation, appliances, buildings, industry and grid management.
- Enable wider use of demand response, cost-effective efficiency, and distributed generation through innovative financing mechanisms and access to energy-use data.
- Promote innovative, transparent rate reform that fully values all benefits of clean resources. Institute decoupling and time-varying rates to reduce peak demand, incentivize efficient behavior, and drive innovation in demand response, storage and efficiency technologies.

III. A *Customer-Friendly Grid that unleashes competition, enables consumer choice, and responds to customer needs.*

- Encourage engagement and collaboration among utilities, regulators, and other stakeholders to redefine utility business models and provide incentives for utilities to drive customer savings, efficient individual control, and clean energy choices.
- Enable customer choices and increase efficiencies by allowing third-party participation in grid services and renewable energy contracting.
- Reduce overall energy load by improving grid efficiency through advanced transmission and distribution technology, advanced metering, and smart grid deployments, which would ultimately reduce customer costs.
- Increase customer control over their energy use and costs by integrating smart technologies, allowing data access, and implementing well-designed time-of-use rates.
- Ensure that the benefits of clean resources flow through to all consumers by designing structures that fully value – and are of an adequate scope to fully capitalize on – the benefits of clean resources: from reducing local air pollution in disproportionately-affected communities to global climate considerations to distribution and grid-wide benefits.

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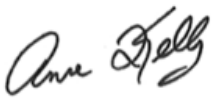
- Ensure ease of interconnection. Connecting value-add services and resources should be swift, predictable, and affordable.
- Promote the strategic co-location of clean resources and uses, such as: renewables with data centers, transmission or storage with load centers, biodigesters utilizing swine and poultry waste, or electric-vehicle charging with commute corridors.

States that are quick to invest in a modern and resilient grid that supports transformational technologies such as energy storage, electric vehicle integration, smart energy technology, and distributed energy generation will reap the economic benefits. Grid modernization efforts should be executed with careful deliberation and stakeholder input. We encourage utilities, regulators, energy consumers, and other stakeholders to discuss and identify solutions for meeting the needs of a 21st century electric grid. The BICEP Network stands ready to engage, collaborate, and continue the dialogue.

Thank you for your consideration. We look forward to working with you to advance a clean electric grid of the future in North Carolina. Please reach out with any questions.

Sincerely,



Anne Kelly
Senior Policy Program Director, Ceres
On behalf of the Ceres BICEP Network

The Ceres BICEP Network comprises influential companies advocating for stronger climate and clean energy policies at the state and federal level in the U.S. For more information on the Ceres BICEP Network, visit www.ceres.org/BICEP.

For additional information, please contact esteves@ceres.org.

[i] Ceres. *Power Forward 3.0: How the largest U.S. companies are capturing business value while addressing climate change*. April 2017. https://www.ceres.org/resources/reports/power-forward-3

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