

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 147

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of |) | ORDER STRIKING NC WARN'S |
| 2016 Biennial Integrated Resource Plans and |) | FILING AS COMMENTS AND |
| Related 2016 REPS Compliance Plans |) | ACCEPTING THE FILING AS A |
| |) | STATEMENT OF POSITION |

BY THE CHAIRMAN: On July 20, 2015, in Docket No. E-100, Sub 111, the Commission issued an Order Adopting Amendments to Commission Rule R8-60 (IRP Procedure Order). The IRP Procedure Order, among other things, adopted a new Rule R8-60(l) establishing guidelines for the Commission's review of the integrated resource plan (IRP) update reports filed by the electric utilities in odd-numbered years. In particular, Rule R8-60(l) requires the Public Staff to make a filing with the Commission within 60 days after the filing of each electric utility's IRP update report to inform the Commission whether the report complies with the requirements of Rule R8-60. In addition, Rule R8-60(l) requires intervenors to request leave from the Commission to file comments on the IRP updates. It further provides that such comments will be allowed only if the Commission deems comments to be necessary, and that the scope of the comments will be limited to issues identified by the Commission.

On May 1, 2017, Dominion Energy North Carolina (DENC) filed its 2017 IRP update report in the above-captioned docket.

On August 10, 2017, the Commission issued an Order Granting Motion to File Combined Comments in this docket. The Order, among other things, granted the Public Staff's request to file its IRP update report and REPS compliance review regarding the IRP updates of DENC, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) in a single combined filing on or before October 31, 2017. The Order further confirmed that October 31, 2017, was the deadline for parties to file a motion for leave to file comments on DEP's and DEC's IRP updates.

On September 1, 2017, DEP and DEC (collectively Duke), filed their 2017 IRP update reports.

On October 12, 2017, North Carolina Waste Awareness and Reduction Network, Inc. (NC WARN) filed initial comments, with an attachment entitled "North Carolina Clean Path 2025" (hereinafter, comments). In its comments, NC WARN states that Duke's 2017 IRP updates contain lower load forecasts than Duke's 2016 IRPs. In addition, NC WARN generally criticizes Duke as using the same resource additions as in past years, without giving full consideration to renewable resources and energy efficiency.

On October 18, 2015, Duke filed a Motion to Strike NC WARN's Comments. In summary, Duke notes that NC WARN failed to file a motion requesting leave to file

comments, and submits that NC WARN's comments restate the same opinions and allegations that NC WARN has filed and that the Commission has rejected in previous IRP dockets. Duke requests that the Commission decline to accept NC WARN's proposed comments.

On October 30, 2017, NC WARN filed a response to Duke's motion to strike. In summary, NC WARN cites Commission Rule R8-62(k), the provision that allows intervenors to file their own alternative IRP, and asserts that its Clean Path 2025 constitutes an alternative IRP. NC WARN further states that it sent its Clean Path 2025 to Duke officials and requested a meeting to discuss the merits of the proposal. In addition, NC WARN requests that if the Commission does not accept its filing as comments or an alternate IRP, that the Commission accept it as a statement of consumer position. Finally, NC WARN states that because there will not be an expert witness hearing on the 2017 IRP updates, there is little or no difference between its filing being designated as comments or a statement of consumer position.

Discussion and Decision

As noted earlier, the Commission amended Rule R8-60 to establish guidelines for the Commission's review of the IRP updates filed by the electric utilities in odd-numbered years. As fully discussed in the IRP Procedure Order, one purpose of the amendments is to streamline the process for the Public Staff's review and the Commission's decision on the IRP updates. The IRP update process had become cumbersome and time consuming, due in large part to repetitive filings addressing the same or substantially similar facts as those addressed in prior IRP proceedings. In an effort to alleviate unneeded repetition, the Commission adopted Rule R8-60(l), requiring that intervenors request leave from the Commission to file comments on IRP update reports, and providing that such comments will be limited to issues identified by the Commission.

NC WARN relies on the provision in Commission Rule R8-62(k) that allows intervenors to file their own IRP, and requests that the Commission accept its Clean Path 2025 as an alternative IRP. Under the rule, if the Public Staff or an intervenor chooses to file an alternative IRP, the intervenor's IRP should conform to the information and analytic requirements of Rule R8-60(c) through (i). In general, these subsections require qualitative and quantitative analyses of supply-side resources, demand response (DR), energy efficiency (EE), and purchased power resources, with the goal of planning for a mix of least-cost resources that meets the safety, reliability and environmental standards required by the Commission.

NC WARN's Clean Power 2025 includes an extensive high-level discussion of possible electric service resources, such as DR, EE, renewable energy and battery storage. However, the document includes very little quantitative analysis regarding the actual cost of NC WARN's proposed resource options, and how those resources would meet the Commission's safety and reliability standards. For example, NC WARN states that under its plan the state's EE savings would be 20% by 2025, thereby reducing electricity consumption from 130 million megawatt hours (MWh) in 2015 to approximately 104 MWh per year in 2025. See Clean Power 2025, at 76. However, NC WARN does not provide any specifics about the EE programs that would achieve these savings, the

potential participation rate of electric customers in the programs, or the cost of the programs. In addition, NC WARN states that:

NC Clean Path 2025 assumes the following:...2) on-bill financing programs will be established to allow customers to add solar, storage, DR, and EE at no upfront cost and with a net reduction in monthly bills, and 3) DR and EE must be opt-out programs to assure maximum customer participation.

Id., at 41. These assumptions are a major leap from the present situation in North Carolina, particularly given the provisions of G.S. 62-133.9(f), which permit industrial customers to opt-out of participation in DR and EE programs. Further, NC WARN fails to provide any quantitative analysis of the cost of providing on-bill financing for solar, storage, DR, and EE at no upfront cost for all electric customers. Moreover, with regard to reliability concerns, Clean Power 2025 does not provide due consideration to factors such as load profiles, capacity factors of renewable resources, and the trend toward DEC and DEP becoming winter peaking systems. As a result, the Chairman finds and concludes that NC WARN's Clean Power 2025 does not meet the Rule R8-60 requirements for an alternative IRP.

Conclusion

NC WARN's Clean Path 2025 is not an alternative IRP under Rule R8-60(k). Further, NC WARN did not follow the Rule R8-60(l) requirement that intervenors request leave from the Commission to file comments on IRP update reports. Therefore, the Chairman finds good cause to strike NC WARN's filing as comments, but to accept the filing as a statement of consumer position.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of November, 2017.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, reading "Linnetta Threatt".

Linnetta Threatt, Acting Deputy Clerk