



Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building, Fifth Floor
430 North Salisbury Street
Raleigh, North Carolina 27602

March 1, 2021

RE: Large Energy User Comments on Duke Energy’s Proposed 2020 Integrated Resource Plans (Docket No. E-100, Sub 165)

Dear Members of the North Carolina Utilities Commission:

As a group of commercial and industrial (C&I) energy customers and ratepayers with operations across North Carolina, we write today to provide comments regarding Duke Energy’s proposed 2020 Integrated Resource Plans (IRPs) and to encourage utilities and regulators to prioritize cost-effective clean energy in grid-planning activities.

Like many businesses across North Carolina, our companies have made ambitious commitments to reduce our carbon footprint and to power our operations with clean, renewable energy. Companies across the country are striving to do their part to reduce emissions in line with what science says is needed to avoid the worst impacts of climate change. Many of North Carolina’s largest employers have set goals to cut emissions, scale up renewable energy, and invest in energy efficiency and other clean energy technologies. Meanwhile, more than 66 businesses in North Carolina have made public commitments to transition to 100% renewable electricity.¹ Clean energy helps businesses save money, reduce risks, increase competitive advantage, and meet the expectations of our employees, customers, and shareholders.

We appreciate that Duke Energy has also set a corporate commitment to reduce its operational emissions—laudably committing to cut carbon emissions in half by 2030 and to achieve net-zero emissions by 2050. We also applaud the goals outlined in the North Carolina Clean Energy Plan to reduce in-state power sector greenhouse gas emissions by 70% below 2005 levels by 2030 and to attain carbon neutrality by 2050. We recognize that utilities, regulators, ratepayers and lawmakers all have an important role to play in adopting policies, programs and initiatives that will help realize these goals.

Our businesses value a clean, reliable, affordable and flexible electricity grid. The strategic deployment of forward-thinking and cost-competitive clean energy resources can help North Carolina realize this vision. With this in mind, we respectfully offer the following comments regarding Duke Energy’s proposed 2020 IRP:

- 1. We encourage utilities and regulators to better prioritize cost-effective clean energy resources over polluting, uneconomical ones.** Continuing to operate uneconomic coal plants when cleaner

and more cost-effective solutions exist is not in the best interest of customers.ⁱⁱ Meanwhile, building new natural gas plants creates significant risk on captive ratepayers should they become stranded assets.ⁱⁱⁱ We encourage future IRP processes to incorporate a process to review the total cost effectiveness of building and continuing to operate existing resources at the expense of cleaner, more efficient resources that can help save customers money.

2. **Energy efficiency, battery storage, and other demand-response technologies should be further utilized as tools for meeting and reducing peak demand.** Recent energy technology advancements are revolutionizing the energy industry and are being utilized across the United States to help customers save money. While we applaud Duke Energy for its regional leadership in energy efficiency performance, we encourage North Carolina utilities and regulators to look to examples set in other states^{iv} and prioritize greater utilization of efficiency and advanced energy technologies to shave winter peak demand and build a more responsive grid.
3. **Transparent, robust and competitive procurement processes are in the best interest of ratepayers.** Any energy and capacity needs that cannot be met through energy efficiency alone should be subject to a fair and competitive procurement process. Defaulting to build new natural gas plants is not necessarily the most economical option,^v does not help customers meet our climate goals, and, as mentioned above, presents a significant potential for creating stranded assets. As have been exemplified in many other states, hosting comprehensive, competitive, technology-agnostic procurement processes are more likely to result in more cost-effective combinations of renewable energy and demand-side resources that save customers money and are cleaner.
4. **Increasing opportunities for customers to save energy, procure renewable energy and deploy energy storage can help both utilities and businesses achieve their carbon goals and save all customers money.** While we appreciate Duke Energy's efforts to date to help some customers procure renewable energy, we believe that more businesses would invest in clean energy in North Carolina if there were more opportunities to do so. We encourage utilities to work with customers to design a diverse array of both renewable energy and energy efficiency programs that can appeal to a range of C&I customer sizes and preferences. We also urge decisionmakers to reduce barriers to voluntary clean energy investments, such as streamlining interconnections and enabling more opportunities for offsite clean energy projects. As companies that operate in multiple states and jurisdictions, we would be happy to share our experiences with policies and programs that have been successful in other states.

We encourage utilities and regulators to use all of the tools available to them to foster North Carolina's transition to a clean, reliable, flexible and affordable electricity grid. We appreciate the progress made to date to invest in clean energy and engage with stakeholders in North Carolina, and we look forward to additional opportunities to share our experiences and work collaboratively with lawmakers, utilities, and regulators to build an attractive clean energy economy in North Carolina.

Sincerely,

Biogen
Burt's Bees
Cree Lighting
DSM North America

New Belgium Brewing
Novozymes
Sierra Nevada Brewing
Unilever

CC:

Stephen De May, State President, North Carolina, Duke Energy

Governor Roy Cooper

Members of the N.C. Senate Agriculture, Energy, and Environment Committee

Members of the N.C. House Energy and Public Utilities Committee

For more information please contact Brianna Esteves, esteves@ceres.org.

ⁱ To see a list of N.C. companies committed to 100% renewable energy, visit: https://energync.org/wp-content/uploads/2020/08/RE_100.pdf.

ⁱⁱ A recent study by Energy Innovation found that 97% of coal in NC could be cost-effectively replaced with local solar and wind energy. See: <https://energyinnovation.org/publication/the-coal-cost-crossover>.

ⁱⁱⁱ A recent analysis of Duke's IRP found that proposed investments would expose N.C. customers to \$4.8 billion in stranded fossil fuel assets. See: <https://energytransitions.org/carbon-stranding>.

^{iv} While Duke Energy outperforms other utilities in the Southeast (see <https://cleanenergy.org/blog/saces-third-annual-energy-efficiency-in-the-southeast-report-a-solution-to-multiple-crises>), the American Council for an Energy Efficient Economy ranks Duke's North Carolina utility energy efficiency performance among the bottom half of the country's largest electric utilities (see <https://www.aceee.org/utility-scorecard>).

^v Renewable energy technologies are cost-competitive with conventional generation technologies in various circumstances. See Lazard: <https://www.lazard.com/perspective/levelized-cost-of-energy-and-levelized-cost-of-storage-2020>