UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Duke Energy Carolinas, LLC	)	Docket No. ER24-314-000
Duke Energy Progress, LLC	)	

JOINT COMMENTS OF APPALACHIAN VOICES, CAROLINAS CLEAN ENERGY BUSINESS ASSOCIATION, NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION, SIERRA CLUB, SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, AND SOUTHERN ALLIANCE FOR CLEAN ENERGY

Pursuant to Rule 211 of the Federal Energy Regulatory Commission's (FERC or Commission) Rules of Practice and Procedure,[1] Appalachian Voices, Carolinas Clean Energy Business Association, North Carolina Sustainable Energy Association, Sierra Club, South Carolina Coastal Conservation League, and Southern Alliance for Clean Energy (collectively, Clean Energy Coalition) submit these comments in support of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's (together, Duke Energy) proposed modifications to Attachment N-1 of the Duke Energy Joint Open Access Transmission Tariff, filed on November 1, 2023, in the above-captioned proceeding (CTPC Filing).[2] The proposal would overhaul Duke Energy's local transmission planning process, the North Carolina Transmission Planning Collaborative (NCTPC), by inaugurating a new Multi-Value Strategic Transmission (MVST) planning process and establishing a detailed schedule of stakeholder meetings, among other needed reforms.

The Clean Energy Coalition supports the CTPC Filing's proposals and urges the Commission to approve the CTPC Filing, effective January 1, 2024. This will allow Duke Energy to promptly implement the new procedures during the next annual planning cycle.

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[1] 18 C.F.R. § 385.211 (2023).

[2] Duke Energy Carolinas, LLC and Duke Energy Progress, LLC Nov. 1, 2023 Proposed Revisions to Local Transmission Planning Process in Attachment N-1 of Joint OATT (CTPC Filing).

However, the Clean Energy Coalition has identified certain, discrete issues with the CTPC Filing's proposed tariff language that can be corrected by a compliance filing following Commission approval. Duke Energy has authorized the Clean Energy Coalition to represent that it does not oppose the clarifying tariff language proposed in these comments. Accordingly, the Commission should condition its approval of the CTPC Filing upon Duke Energy making a corrective compliance filing to implement these minor changes.

I. BACKGROUND

On December 30, 2022, the North Carolina Utilities Commission (NCUC) issued an order establishing its Carbon Plan,[3] a resource investment path for Duke Energy's compliance with the decarbonization requirements in North Carolina House Bill 951 (H.B. 951).[4] Central to the underlying proceedings were the Red-Zone Transmission Expansion Plan (RZEP) projects, a suite of transmission system upgrades that persistently arose in generator interconnection studies as necessary network upgrades, but whose cost proved prohibitive to most developers, causing frequent withdrawals.[5] The NCUC acknowledged the need for these RZEP projects, but recognized that they exposed structural flaws in the transmission planning process, which had failed to sufficiently anticipate their need.[6] In light of the significant grid expansion that the Carbon Plan will require going forward, the NCUC "conclude[d] that it is reasonable for Duke to engage in the process of making changes to transmission planning to reliably implement the

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[3] *See In the Matter of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, 2022 Biennial Integrated Resource Plans and Carbon Plan*, Docket No. E-100, Sub 179 (N.C. Utils. Comm'n Dec. 30, 2022) (2022 Carbon Plan Order).

[4] 2021 N.C. Sess. Laws 165 (H.B. 951).

[5] Duke Energy Progress, LLC and Duke Energy Carolinas, LLC, Carolinas Carbon Plan, App. P: Transmission System Planning and Grid Transformation, Docket No. E-100, Sub 179, 11 (N.C. Utils. Comm'n May 16, 2022), https://starw1.ncuc.gov/NCUC/ViewFile.aspx?Id=1b035aef-cdb1-4a8a-ae0c-599d02ab61cf.

[6] *See* 2022 Carbon Plan Order at 119-122.

Carbon Plan through the NCTPC, [the Southeastern Regional Transmission Planning process], and other transmission planning forums".[7] To this end, the NCUC encouraged Duke Energy "to engage with stakeholders and other members of the NCTPC immediately to improve the NCTPC process and address requests to increase transparency and coordination and to provide more opportunities for stakeholder input."[8] Finally, the NCUC explained that "[m]eeting the requirements of [H.B. 951] in a least cost manner will mean holistically considering the costs and benefits of the generation mix in the context of the costs and benefits of the associated transmission needs."[9]

Following these directives, Duke Energy proceeded to develop modified procedures for the NCTPC, its Order No. 890-compliant local transmission planning process.[10] Duke Energy shared its proposed reforms with the NCTPC's stakeholder body, the Transmission Advisory Group (TAG), in August 2023.[11] Members of the Clean Energy Coalition participate in the NCTPC process as TAG members and submitted informal feedback to Duke Energy on the proposal. In response, Duke Energy revised its proposal to expand the MVST process's flexibility. This included permitting a more frequent MVST planning cycle cadence and allowing stakeholders to propose the applicable study horizon. This iterative and inclusive process contributed to the final CTPC Filing, which would introduce proactive, multi-value local

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7 *Id*. at 121.

8 *Id*.

9 *Id*.

10 *See Duke Energy Carolinas, LLC and Progress Energy Carolinas, Inc.*, 124 FERC ¶ 61,267 (2008) (First Order No. 890 Compliance Order), *order accepting compliance filing*, 127 FERC ¶ 61,281 (2009) (Second Order No. 890 Compliance Order); *Duke Energy Carolinas, LLC and Progress Energy Carolinas, Inc*., Docket No. OA08-50-005 (Feb. 2, 2010) (delegated order).

11 *See* Redlines Showing Proposed Changes to Currently Effective Version, North Carolina Transmission Planning Collaborative (Aug. 9, 2023), http://nctpc.org/nctpc/document/REF/2023-08-09/REDLINE_ATTACHMENT_N-1_with_Proposed_Revisions_to_10.0.0_(8.8.2023).pdf.

transmission planning and expand opportunities for stakeholder involvement, in accordance with the NCUC's instructions.

The CTPC Filing would make several significant changes to the NCTPC's procedures. First, it would change the body's name to the Carolinas Transmission Planning Collaborative (CTPC).[12] This revision appropriately reflects its applicability to Duke Energy's transmission systems in both Carolinas. Second, it would establish a dedicated series of TAG meetings that correspond with the Commission's Notice of Proposed Rulemaking on regional transmission planning and cost allocation in Docket No. RM21-17-000 (NOPR).[13] Specifically, the CTPC would hold an Assumptions Meeting, a Needs Meeting, and a Solutions Meeting in each yearly planning cycle, consistent with the NOPR proposal.[14] The CTPC would convene at least one additional TAG meeting each year, for the purposes of reviewing the draft Local Transmission Plan Report, but could notice additional TAG meetings in a given planning cycle as necessary.[15] Each of these meetings would involve defined periods during which TAG members could (1) review relevant materials in advance of the meeting and (2) provide feedback following the meeting.[16]

Third, the CTPC Filing would establish the MVST planning process, a proactive, scenario-based planning process meant to address multiple transmission drivers alongside the traditional, more siloed planning approach.[17] The MVST also draws inspiration from the NOPR, including a

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12 *See* CTPC Filing, Transmittal at 8.

13 *See Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 87 Fed. Reg. 26504, 179 FERC ¶ 61,028, at PP 400-402 (2022) (NOPR).

14 *See* CTPC Filing, Transmittal at 11-12.

15 *See id*. at 11.

16 *See id*. at 11-12.

17 *See id*. at 8-10.

non-exhaustive list of factors that will animate the scenarios, which reflect the changing resource mix, demand, and incidence of extreme weather events.[18] The MVST process would vest TAG stakeholders with significant agency to maximize the process's value. TAG members may submit detailed Strategic Planning Scenarios to be studied in advance of each MVST planning cycle, including a proposed planning horizon.[19] If more than three MVST scenarios are proposed, the TAG would vote upon the three to be studied.[20] Once completed, the MVST study results would be included in the Local Transmission Plan Report, with the Oversight/Steering Committee (OSC) retaining ultimate authority to select the final portfolio of transmission upgrades.[21] The MVST planning cycle would recur at least every three years, but the CTPC's Planning Working Group (PWG) may recommend conducting MVST studies more frequently as necessary, subject to OSC approval.[22]

Finally, the CTPC Filing proposes additional minor revisions to update Attachment N-1 and implement the new processes outlined above.[23]

Following the CTPC Filing's submission on November 1, 2023, the Clean Energy Coalition engaged in a productive dialogue with Duke Energy to address certain concerns raised by the filing's proposed tariff language. As a result of these discussions and as described in greater detail below, Duke Energy has authorized the Clean Energy Coalition to represent that it does not oppose the clarifying language proposed in these comments, which would further enhance transparency into the CTPC's model development and the benefits evaluated in the MVST process.

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18 *See id*. at 9.

19 *See id*. at 10.

20 *See id*.

21 *See id*.

22 *See id*.

23 *See id*. at 12-15.

With these minor revisions, the CTPC Filing would substantially improve Duke Energy's local transmission planning process, above and beyond the requirements of Order No. 890.

II. COMMENTS

The Clean Energy Coalition welcomes the CTPC Filing's proposed procedures and the direction they augur for Duke Energy's approach to local transmission expansion. If approved, the CTPC Filing would vault the CTPC past its peer local transmission planning processes as one of the few, if not the only local planning process that engages in proactive, multi-value scenario planning. Further, the CTPC Filing's proposed schedule of stakeholder meetings and the responsibilities it would grant stakeholders could render it a truly collaborative forum. The Commission should therefore approve the CTPC Filing, effective January 1, 2024, subject to a subsequent compliance filing that makes discrete, clarifying revisions to the proposed tariff language.

A. The CTPC Filing Will Improve Duke Energy's Local Planning Process by Introducing Proactive, Multi-Value Transmission Planning and Expanding Stakeholder Collaboration.

As many—including this Commission—have noted, a changing resource mix, growing demand, increasingly frequent extreme weather events, and a host of other transformative changes to the energy landscape will require a modernized transmission grid.[24] Achieving that goal on a least-cost basis necessitates a new approach to transmission planning and expansion. In North Carolina, H.B. 951's decarbonization mandates and the resulting Carbon Plan place a deadline and a legal sense of urgency on that effort. The NCUC and parties to the Carbon Plan proceeding recognized that the NCTPC's planning processes may have sufficed nearly two decades ago, but

[24] *See, e.g.*, NOPR at PP 24-55.

they are unsuited to the task before them today.[25] To this end, the CTPC Filing would make important strides in updating the local planning process to meet this moment, and as such, should be approved without delay.

The centerpiece of the CTPC Filing is the MVST process, which incorporates many best practices in transmission planning. First, it deviates from the NCTPC's traditional, siloed approach that separately assesses and addresses transmission needs driven by reliability, economics, and public policy. Instead, it would identify solutions that meet all three needs at once, ensuring a more efficient, cost-effective, and beneficial portfolio of transmission upgrades. Second, it incorporates scenario planning to assess a range of plausible scenarios and sensitivities to determine a set of least-regrets projects. These scenarios may account for an array of relevant factors, including laws and regulations that affect the future resource mix, demand, decarbonization, and electrification; integrated resource plans and long-term expected supply obligations; trends in technology and fuel costs; resource retirements and replacements; generator interconnection requests; and the need for transmission during high-impact, low frequency events.[26] Anticipating these trends will allow Duke Energy to address the transmission needs they create with sufficient lead time, thereby avoiding a repeat of the situation that led to the RZEP projects. Third, the MVST process would allow TAG participants to propose and justify a time horizon for the study that balances confidence in input values with the need for foresight that long lead-time transmission projects require. Together, these attributes will produce a more dynamic, forward-looking approach to transmission planning that, if thoughtfully implemented, can integrate clean energy resources at a reasonable cost.

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[25] *See* 2022 Carbon Plan Order at 119-122.

[26] *See* CTPC Filing, Transmittal at 9.

Notably, the CTPC Filing puts significant responsibility for the MVST process on the shoulders of its stakeholder body, the TAG. Each triennial cycle, TAG members will propose and select the Strategic Planning Scenarios to be studied. These proposals must be sufficiently detailed and supported to ensure they produce actionable outcomes. The CTPC Filing would reinforce their capacity to do so through its proposed schedule of annual TAG meetings that give stakeholders opportunities to influence the development of assumptions, the identification of needs, and the selection of solutions. This involvement in every step of the process will allow TAG members to (1) actively participate in the MVST process with an educated awareness of the transmission system, and (2) ensure Duke Energy conducts the MVST process as a serious endeavor rather than a box-checking exercise. Stakeholders like those in the Clean Energy Coalition have long sought more agency and involvement in the transmission planning process. The CTPC Filing provides them the opportunity to seize it.

Taken together, the introduction of multi-value, scenario planning and increased stakeholder responsibility would allow Duke Energy to take a more holistic approach to transmission planning, which is essential to meet its mandate to decarbonize at least cost, consistent with the Carbon Plan and H.B. 951. It would also render the CTPC a rarity among local transmission planning processes, both within Regional Transmission Organization/Independent System Operator territories and without. If it succeeds, it could serve as a template for other local planning processes to emulate. Moreover, once the Commission finalizes the NOPR, the MVST results could inform the Southeastern Regional Transmission Planning process' Long-Term Regional Transmission Planning activities. For these reasons, the Clean Energy Coalition urges the Commission to approve the CTPC Filing.

B. Further Ministerial Revisions to Attachment N-1 Will Ensure Transparency in Stakeholder Participation and Multi-Value Strategic Transmission Planning.

While the Clean Energy Coalition fully supports Commission approval of the CTPC Filing, effective January 1, 2024, the Commission should condition such approval upon Duke Energy making a subsequent compliance filing that incorporates certain ministerial changes to Attachment N-1. Duke Energy has authorized the Clean Energy Coalition to represent that it does not oppose these revisions and, if directed by the Commission, consents to making a compliance filing that implements them following Commission approval of the CTPC Filing. These revisions are largely clarifying, they enhance the transparency and multi-value transmission planning reforms that are central to the CTPC Filing, and they do not impose an "entirely different rate design" from that proposed by Duke Energy in this proceeding.[27]

First, in reshuffling the provisions outlining the annual planning process, the CTPC Filing struck the entirety of old section 5.1.4, which included a specific provision giving TAG members the ability to request access to the base case models and comment on their development. Those specific provisions were not reinstated in new section 5.2.1, which would govern base case formation.[28] To the Clean Energy Coalition, this omission appeared inadvertent, since the CTPC Filing proposes to retain TAG members' ability to request the change case models in new section 5.2.2.[29] Although TAG participants may access the base case models through broader information exchange provisions in Attachment N-1,[30] the explicit right to request, review, and comment upon

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27 *E.g.*, *NRG Power Mktg., LLC v. FERC*, 862 F.3d 108, 115 (D.C. Cir. 2017).

28 CTPC Filing, Redlined Tariff Sheets at 15-16.

29 *See id*. at 16.

30 *See, e.g.*, CTPC Filing, Clean Tariff Sheets at 16, sections 5.3.3, 5.3.4.

the base case models ensures TAG members' involvement in model development[31] and provides clearer protection in the event of any future disputes. Accordingly, the Clean Energy Coalition proposes, and Duke Energy does not oppose, an addition to insert into new section 5.2.1 the relevant language that had been contained in previous section 5.1.4, as shown in red below, along with a provision on the procedures for providing input to parallel new section 5.2.2:

> 5.2.1 The Companies will prepare the Base Case models. The most current Multi-Regional Modeling Working Group (MMWG) or SERC Long-Term Study Group model will be used for the systems external to DEC and DEP as a starting point for the Base Case to be used by both DEP and DEC. The Base Case will include the detailed internal models for DEP and DEC and will include current transmission additions planned to be in-service for given years. TAG participants also may, upon request, review the Base Case models and provide input to the PWG with regard to whether the models represent the study assumptions approved by the OSC in accordance with the procedures set forth in Section 5.3.3 and during the Needs Meeting defined therein.

This revision supports the CTPC Filing's intent to expand transparency and stakeholder collaboration.

Second, with respect to the MVST planning process, the CTPC Filing explains that "the Local Transmission Plan Report will document the benefits of projects included in the Local Transmission Plan" and references section 5.6.[32] The corresponding Attachment N-1 language in section 5.6 states that the Local Transmission Plan Report will include "a comprehensive summary of all the study activities as well as the recommended solutions including estimates of costs and construction schedules and a summary of the PWG's selection evaluation required by Section 5.5."[33] Section 5.5 requires the PWG to compare all alternatives and select "the preferred solution

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31 *See* First Order No. 890 Compliance Order at P 18; Second Order No. 890 Compliance Order at PP 13-14.

32 CTPC Filing, Transmittal at n.39.

33 CTPC Filing, Clean Tariff Sheets at 18, section 5.6.1.

by balancing the solutions' costs, benefits, and associated risks."[34] Notably, Duke Energy has posted a draft business practice manual on the NCTPC website that outlines the MVST process and includes a nearly identical provision to the CTPC Filing's proposed section 5.6.1, with additional confirmation that the evaluated benefits will be contained in the Local Transmission Plan Report.[35] To ensure clarity in the tariff, the Clean Energy Coalition proposes, and Duke Energy does not oppose, inserting into section 5.6.1 the relevant language from the business practice manual, as shown in red below:

> 5.6.1 After the Solutions Meeting, the PWG prepares a draft "Local Transmission Plan Report" based on the study results and the recommended solutions and provides the draft to the OSC for review. The draft Report describes the plan in a manner that is understandable to the TAG participants (e.g., describing any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need), rather than simply reporting engineering results. The report includes a comprehensive summary of all the study activities as well as the recommended solutions including estimates of costs and construction schedules and a summary of the PWG's selection evaluation required by Section 5.5. The benefits evaluated for the recommended Multi-Value Strategic Transmission solutions will be described in the draft Local Transmission Plan Report.

This revision will ensure that the Local Transmission Plan Report includes a full accounting of the costs and benefits that drive transmission project selection.

Finally, as Duke Energy explains, the CTPC Filing's proposed revisions "do not dictate the specific category of benefits to evaluate or how they will be measured . . . As proposed, the Tariff Revisions retain flexibility to tailor a benefits assessment to the Strategic Planning Scenarios

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[34] *Id*. at 17, section 5.5.1.

[35] *See* Multi-Value Strategic Transmission Planning, North Carolina Transmission Planning Collaborative, 5 (Nov. 10, 23023), http://nctpc.org/nctpc/document/REF/2023-11-10/Multi-Value%20Strategic%20Transmission%20Planning%20Process%20draft%2011-9-2023.pdf.

that are studied and the benefits metrics most useful and relevant to justifying inclusion of a Local Project in the Local Transmission Plan."[36] While the Clean Energy Coalition acknowledges Duke Energy's desire for flexibility in the benefits evaluated, such flexibility should also extend to those proposing the Strategic Planning Scenarios to be studied: members of the TAG. To this end, Duke Energy has agreed to permit TAG members that propose MVST scenarios to include suggested benefit metrics to be evaluated in their proposal. The Strategic Planning Scenario Proposal Form, which will be posted on the NCTPC website, will include an optional section for the TAG member to propose benefit metrics. This comes with no guarantee the benefit metrics will be evaluated, but it gives TAG members the agency to propose benefit metrics and the onus to support their inclusion. Again, to add clarity to the tariff, the Clean Energy Coalition proposes, and Duke Energy does not oppose, adding to the CTPC Filing's new section 4.5.2, which outlines the Strategic Planning Scenario proposal process, the language shown in red below:

> 4.5.2 At least 30 calendar days prior to the Assumptions Meeting described in Section 5.1.3, the OSC will seek input from TAG participants on Strategic Planning Scenarios to evaluate. The form to propose a Strategic Planning Scenario is posted on the CTPC Website. Proposed Strategic Planning Scenarios must specifically identify models, assumptions, and data proposed to be used in the study process. Proposed Strategic Planning Scenarios must also identify an appropriate planning horizon for the proposed scenario(s) to be studied and may propose the benefit metrics to be considered.

This revision will enhance the MVST process's ability to comprehensively assess the benefits and costs applicable to various transmission solutions.

Together, these ministerial revisions will bolster the CTPC Filing's aims to expand stakeholder involvement and institute comprehensive, multi-value scenario planning. While they

[36] CTPC Filing, Transmittal at n.39.

are crucial to maximizing the transparency, functionality, and value of the new CTPC's procedures, prompt Commission action on the CTPC Filing is essential. If approved effective January 1, 2024, as requested, the CTPC may begin its inaugural MVST process early in the new year. This will inform Duke Energy's ongoing Carbon Plan/Integrated Resource Plan proceedings before the NCUC and help to ensure that pressing transmission needs are timely identified and addressed. The issues raised by the Clean Energy Coalition in these comments can be appropriately addressed through a ministerial compliance filing without the need to delay implementation of the CTPC Filing's broader program.

III. CONCLUSION

For the foregoing reasons, the Clean Energy Coalition urges the Commission to approve the CTPC Filing, effective January 1, 2024, as requested, contingent upon Duke Energy making the agreed-upon, corrective compliance filing, as outlined herein.

Respectfully submitted,

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Date: November 22, 2023

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served a copy of the foregoing on all persons designated on the official service list compiled by the Secretary in this proceeding.

Dated this 22nd day of November 2023.

/s/ Nicholas J. Guidi
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