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NORTH CAROLINA UTILITIES COMMISSION PRESS RELEASE

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NORTH CAROLINA UTILITIES COMMISSION ISSUES ORDER ON CARBON PLAN

Raleigh, NC – The North Carolina Utilities Commission today issued an order adopting an initial Carbon Plan establishing a least cost path forward to meet the carbon dioxide emissions reduction mandates of House Bill 951 — to achieve a 70% reduction in carbon dioxide emissions from electric generating facilities in North Carolina owned or operated by Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC (Duke), from 2005 levels by the year 2030 and carbon dioxide neutrality by the year 2050 — while maintaining or improving the reliability of the electric system.

The Commission's decision today follows 13 days of hearing in which expert witness testimony was presented by many parties to the proceeding. In addition, the Commission conducted five hearings across the State to receive public witness testimony, including one virtual hearing via Webex, at which 139 public witnesses testified. Further, the Commission received nearly 500 consumer statements from interested members of the public.

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Rather than approve a single, preferred portfolio of generation assets, the Commission, as provided for in the law, adopts reasonable steps, including the approval of a number of near-term actions, toward meeting the carbon dioxide emissions reduction mandates, including:

- Directs Duke to conduct two competitive procurements between 2023-2024 targeting 2,350 MW of new solar generation to be placed into service by 2028
- Authorizes Duke to procure 1,000 MW standalone battery storage and 600 MW of battery storage paired with solar generation
- Authorizes Duke to upgrade necessary transmission facilities to interconnect new solar generation
- Requires Duke to optimally retire its remaining coal-fired generating units, more than 9,000 MW, by 2035
- Authorizes Duke to incur project development costs associated with additional pumped storage hydro at the Bad Creek Hydroelectric Station in Oconee County, South Carolina
- Directs Duke to study and consider the acquisition and development of wind lease areas off the coast of North Carolina
- Requires Duke to seek to extend the licenses for its existing nuclear fleet, and authorizes Duke to incur project development costs associated with new nuclear generation
- Directs Duke to engage with onshore wind stakeholders and economically model utility-owned onshore wind in its next round of modeling
- Authorizes Duke to plan for the addition of combustion turbine and combined cycle natural gas-fired generating capacity, while requiring Duke to address concerns about the availability of firm transmission capacity to North Carolina in future proceedings
- Approves for planning Duke's target of 1% load reduction through demand-side management and energy efficiency measures, while setting an aspirational 1.5% target
- Directs Duke to continue to develop targeted plans for engaging low-income, minority, and rural communities

The emergency outage events this month particularly underscore the need for an orderly transition away from fossil fuels to low and zero carbon dioxide emitting generating resources while maintaining or improving the reliability of the electric grid.

The law requires the Commission to review and adjust the Carbon Plan every two years. Today's order requires Duke to remodel resource additions to achieve the carbon dioxide emissions reduction mandates — including impacts of the Inflation Reduction Act, Infrastructure Investment Jobs Act, and other future legislative changes and changing conditions — and file a new proposal with the Commission by September 1, 2023. Beginning on May 14, 2024, the Commission will conduct an expert witness hearing to aid it in considering Duke's September 1, 2023 Carbon Plan proposal and alternative proposals to be received from stakeholders in early 2024. The Commission's review will also include public witness hearings to be scheduled in late 2023 or early 2024.

A copy of the complete order and the entire record in this proceeding is available on the Commission's website, www.ncuc.gov, under Docket No. E-100 Sub 179.

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