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NCSEA, Environmental Groups Reach Clean Energy-Boosting Rate Case Settlement with Duke Energy Carolinas

The partial agreement lessens the customer cost burden through reduction in the utility's proposed grid modernization spend by 68%, and emphasizes clean energy measures

RALEIGH, N.C., June 1, 2018 – Duke Energy Carolinas' (DEC) customers across North Carolina will benefit from new cost-saving clean energy measures outlined in a [partial settlement agreement](#) between the utility and NC Sustainable Energy Association (NCSEA), Sierra Club, and the Environmental Defense Fund. The settlement lowers and optimizes the utility's proposed grid modernization spend from \$7.8 billion over 10 years to \$2.5 billion over 4 years. Today's outcome is the result of the strong case presented to the NC Utilities Commission by NCSEA and other intervenors and negotiating among the parties regarding how best to modernize the grid, while prioritizing clean energy resources in system planning.

"This settlement reduces DEC's investment from a staggering \$7.8 billion over 10 years to \$2.5 billion over 4 years, pushing Duke to invest in true grid modernization and taking substantive steps to advance North Carolina's energy economy along a cleaner, more affordable and transparent path," said Ivan Urlaub, NCSEA's Executive Director.

NCSEA, a 501(c)(3) nonprofit organization dedicated to advancing North Carolina's clean energy future, advocated in this spring's DEC rate case for a grid modernization process that prioritizes intelligent planning and appropriately incorporates increasingly clean, more distributed energy resources. If approved by the NC Utilities Commission, the settlement will lessen the anticipated impact on customer bills from DEC's original proposal and incorporate more clean energy investments in the short- and long-term.

Less than 50 percent of the investments in DEC's original grid modernization proposal were dedicated to what NCSEA considers true grid modernization; instead, the bulk of DEC's initial grid modernization proposal was for traditional operations and maintenance services like tree trimming and burying power lines. In addition to reducing the level of spending, the settlement now dedicates approximately 90 percent of the spend to projects intended to tangibly modernize North Carolina's electric grid and enable functionality that empowers customers to better control their energy consumption. As a result, NCSEA expects these investments will help avoid higher energy costs in the future.

Under the proposed settlement agreement, DEC will:

- institute **integrated distribution planning** (termed by Duke as Integrated System Operation Planning or "ISOP"), which will be rolled out in steps with full deployment by January 1, 2022;
- install **voltage optimization equipment** on 20 percent of its circuits by 2021, which will curb use of peaking power plants by allowing the utility to adjust voltage as needed without impacts to power quality in homes or on the grid;
- spend **\$25 million in electric vehicle charging infrastructure**, including rebates for residential consumers who install chargers capable of providing demand response services, charging for low income communities, transit and school bus electrification, and public charging;
- make customers' data fully available to them through "**Green Button**", a platform that provides customers with easy and secure access to their energy usage information; and finally,
- deploy 200 MW of **energy storage** by May 2023 and another 100 MW by May 2026.



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The partial settlement, NCSEA notes, does not address the residential base customer charge or the methodology used for its calculation, advanced rate designs, or other issues for which NCSEA advocated in the rate case.

On the whole, NCSEA counts this settlement as positive for the state's energy economy. North Carolina's clean energy economy now supports more than 34,000 full-time equivalent jobs in the state, in addition to providing affordable, reliable, sustainable power for North Carolina's homes and businesses.

"This settlement represents progress and opportunity for distributed energy resource planning and clean energy technologies to demonstrate our state's future electric grid," says NCSEA's Communications Manager, Allison Eckley.

The NC Utilities Commission is expected to issue an order in the rate case proceeding in the near future. In the meantime, more details about the settlement agreement can be found on NCSEA's blog.

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About the NC Sustainable Energy Association

The NC Sustainable Energy Association (NCSEA) is a 501(c)3 non-profit advocacy organization that drives policy and market development to create clean energy jobs, economic opportunities and affordable energy that benefits all of North Carolina. NCSEA has served as a respected, trusted and collaborative resource to North Carolina and beyond since 1978. Our goal is to cultivate a robust clean energy ecosystem that unifies and benefits all of its stakeholders: consumers, businesses, the clean energy industry and utility energy providers.