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What's Next for Duke Energy's North Carolina Grid Modernization Plan?

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In April 2017, Duke Energy proposed a \$13 billion, 10-year plan to modernize North Carolina's electric system. Dubbed the Power/Forward Carolinas initiative, Duke had proposed grid hardening, resilience, advanced metering infrastructure, and smart grid investments. However, after opposition from environmental groups, the plan was scaled down to \$2.5 billion over a three-year period. Although settlement was filed with the North Carolina Utilities Commission (NCUC) on June 1, 2018, on June 22, 2018, the NCUC rejected the Power/Forward Carolinas initiative outright without taking into consideration the settlement agreement.

Key Details

- Duke's original plan proposed moving targeted power lines underground, enhancing grid technologies to self-identify problems and reroute power, advancing smart metering infrastructure, protecting against physical and cyber-security threats, and supporting the sustainable growth of renewable energy and emerging technologies, all while growing North Carolina's economy and creating an estimated 13,900 jobs per year
- The settlement agreement reached with environmental groups in North Carolina reduced the size of the initiative from \$7.7 billion in the first five years to \$2.5 billion for a three-year pilot, which included

proposed spending for:

- Hardening of wires in hurricane-prone areas with select undergrounding limited to five demonstration projects
 - Voltage optimization on approximately 20% of the utility's system distribution circuits
 - Electric vehicle charging infrastructure, which could potentially generate a new revenue stream for the utility
 - Energy storage deployment commitments of 200 MW by 2023 and 300 MW by 2023
- Despite the settlement between Duke and environmental groups, the NCUC rejected the scaled-back plan, stating that Duke "failed to show that exceptional circumstances exist to justify the establishment of the Grid Rider for recovery of its Power/Forward Carolinas (Power/Forward) costs"

Implication

It is likely that elements of the Power/Forward Carolinas initiative will be included in future proceedings, although no mention of the initiative was made in Duke's most recent rates filing. The NCUC order rejecting the Power/Forward Carolinas initiative went on to invite the company to utilize existing proceedings, such as the Integrated Resource Planning and Smart Grid Technology Plan dockets, to propose grid modernization plans to the NCUC. Parts of those plans could closely align with elements of the original Power/Forward Carolinas plan, while not directly citing the initiative.

More Information

- Duke Energy: [Duke Energy embarks on a 10-year initiative to strengthen North Carolina's energy grid](#)
- Utility Dive: [North Carolina regulators issue rare rebuke to Duke with rate denial](#)
- Greentech Media: [Duke Energy finds support for smaller NC grid improvement plan](#)
- Greensboro News & Record: [Duke Energy reaches compromise on grid modernization](#)
- North Carolina Utilities Commission: [June 22 Order](#)
- Duke Energy: [Duke Energy Carolinas files new rates to pass federal tax savings to NC Customers](#)

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White Paper

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This article, featured by Public Utilities Fortnightly, reviews the renewable energy market and grid

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