

The Southeastern Regional Transmission Planning (SERTP) process received two (2) stakeholder proposals of possible transmission needs driven by Public Policy Requirements (PPR) for the 2017 planning cycle. A description and assessment of each proposal is explained below.

#### **Stakeholder Proposal #1**

##### **Description**

- **Proposed By:**  
Southern Environmental Law Center and Natural Resources Defense Council (PIOs)
- **Proposed PPR(s):**  
North Carolina's Renewable Energy and Energy Efficiency Portfolio Standard (NC REPS)
- **Possible Transmission Need:**  
Adequate transmission facilities must be available to access the eligible resources named in the NC REPS to a sufficient extent to comply with this PPR and must be available on the schedule established in the REPS. Meeting the need for such facilities may affect transmission planning decisions and should be evaluated to ensure that the 2017 SERTP transmission expansion plan incorporates the most cost-effective and efficient local and regional solutions.

##### **Summary of Assessment:**

The proposed PPR is an enacted state law and/or regulation specific to North Carolina. As such, in the context of the SERTP sponsors, the proposed PPR is primarily applicable to Duke Energy.

Current implementation requirements of the proposed PPR associated with NC REPS have been factored into the resource assumptions used in developing models for the 2017 transmission planning cycle. Resource assumptions are provided by Load Serving Entities (LSEs) to the Transmission Planners in North Carolina. These resource assumptions must be in accordance with applicable laws and regulations, and are presented by the LSEs to the North Carolina Utilities Commission. Any further changes to the LSE's resource assumptions in association with the NC REPS, if applicable, will be evaluated through Duke Energy's local transmission planning process. Until such resource decisions are made, typically through state-regulated processes, the proposed PPR does not drive any additional transmission need(s).

Based on the explanation above, no transmission needs for the proposed PPR have been identified for further evaluation of potential transmission solutions in the 2017 transmission planning cycle.

#### Stakeholder Proposal #2

##### Description

- **Proposed By:**  
Southern Environmental Law Center and Natural Resources Defense Council (PIOs)
- **Proposed PPR(s):**
  - 1) Hazardous and Solid Waste Management Systems: Disposal of Coal Combustion Residuals from Electric Utilities (CCR).
  - 2) National Ambient Air Quality Standards (NAAQS) for Ozone.
  - 3) National Primary Ambient Air Quality Standards (NAAQS) for Sulfur Dioxide.
  - 4) Clean Water Act Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category.
  - 5) Cross-State Air Pollution Rule (CSAPR).

- **Possible Transmission Need:**

The individual and cumulative impacts of complying with these PPRs will necessarily affect electric sector resource and generation decisions in the region. In particular, impacts on decisions to retrofit, redispach, retire and/or replace generation should be properly evaluated in order to properly allocate investment in transmission infrastructure.

While the PPRs in this request affect several resource types, they primarily internalize costs at coal-fired generation resources. The transmission need that would result from these decisions should be identified and evaluated to ensure that the 2017 SERTP transmission expansion plan incorporates the most cost-effective local and regional solutions.

Without transparently addressing the impact of these PPRs as they may relate to the potential retirement(s) and/or replacement(s) of generation resources, such as a large coal-fired unit(s), it cannot be said that the SERTP process is cost-effectively and efficiently planning for situation(s) and/or system condition(s) for which a solution(s) is needed may arise. For example, in the absence of prudent planning, the retirement of a large generation unit(s) may impact a system in a number of ways, including, but not limited to, causing transmission lines to overload under contingency and/or the need for additional voltage support in a particular area.

##### Summary of Assessment:

The proposed PPRs are enacted federal, state or local laws and/or regulations.

Any current implementation requirements related to the requested PPRs have been factored into the resource assumptions for the 2017 transmission planning cycle. The SERTP Sponsors reflect these latest generation resource assumptions provided by load serving entities (LSEs) in the then-current modeling and transmission planning analyses. These proposed PPRs, as they pertain to the

electric utility industry, are generally applicable to generator owners, and there are various possible options for generator owners to satisfy these PPRs. The Stakeholder PPR request did not provide information that would indicate that there is a transmission need driven by a PPR that is not being met.

Based on the explanation above, no transmission needs for the proposed PPRs have been identified for further evaluation of potential transmission solutions in the 2017 transmission planning cycle.