

The Southeastern Regional Transmission Planning (SERTP) process received three (3) stakeholder proposals of possible transmission needs driven by Public Policy Requirements (PPR) for the 2016 planning cycle. A description and assessment of each proposal is explained below.

Stakeholder Proposal #1

Description

- **Proposed By:**
Southern Environmental Law Center; Sustainable FERC Project; Natural Resources Defense Council; Southern Alliance for Clean Energy
- **Proposed PPR(s):**
North Carolina's Renewable Energy and Energy Efficiency Portfolio Standard (NC REPS).
- **Possible Transmission Need:**
Adequate transmission to access eligible resources named in the NC REPS.

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 have been factored into the resource assumptions for the 2016 transmission planning cycle. Any further changes to the 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 PPRs do not drive an 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 2016 transmission planning cycle.

Stakeholder Proposal #2

Description

- **Proposed By:**
Southern Environmental Law Center; Sustainable FERC Project; Natural Resources Defense Council; Southern Alliance for Clean Energy
- **Proposed PPR(s):**
Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (Clean Power Plan).
- **Possible Transmission Need:**
Evaluate investment in transmission infrastructure based on generation assumptions for resources within the SERTP.

Summary of Assessment:

On February 9, 2016 the U.S. Supreme Court stayed the Clean Power Plan, halting enforcement of the rule, pending judicial review. Therefore, the proposed PPR does not currently constitute a public policy requirement specifically required by federal, state or local law or regulation because its enforcement is stayed.

The then-current modeling and transmission planning analyses for 2016 reflect the latest generation resource assumptions provided by load serving entities (LSEs). Due to the stay that has been issued for the CPP and pending judicial review of the CPP, the proposed PPR does not drive a 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 2016 transmission planning cycle.

Stakeholder Proposal #3

Description

- **Proposed By:**
Southern Environmental Law Center; Sustainable FERC Project; Natural Resources Defense Council; Southern Alliance for Clean Energy

- **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:**
Transmission needs that would result from resource decisions should be identified and evaluated to ensure that the 2016 SERTP transmission expansion plan incorporates the most cost effective local and regional solutions.

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 2016 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. Until such resource decisions are made, typically through state-regulated processes, the proposed PPRs do not drive an additional transmission need(s).

Based on the explanation above, no transmission needs for the proposed PPRs have been identified for further evaluation of potential transmission solutions in the 2016 transmission planning cycle.