Department of Energy
Washington, DC 20585

Order No. 202-24-1

Pursuant to the authority vested in the Secretary of Energy by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in Florida due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.

Emergency Situation

On October 9, 2024, Duke Energy Florida, LLC (Duke), an investor-owned utility, whose service territory includes electric customers in Florida, filed a *Request for Emergency Order Under Section 202(c) of the Federal Power Act* (Application) with the United States Department of Energy (Department) "to preserve the reliability of the bulk electric power system." As of 4 PM EDT on October 9, 2024, Hurricane Milton is a Category 3 storm forecast to remain a major hurricane and expand in size as it approaches the west coast of Florida. The center is likely to make landfall along the west-central coast of Florida during the night on Wednesday, October 9, 2024, or in the early morning on Thursday, October 10, 2024, and move east-northeastward across central Florida through October 10, 2024. Hurricane Milton follows the landfall of Hurricane Helene in Florida on September 26, 2024, which resulted in over 230 deaths in the southeast United States and for which recovery and restoration efforts remain ongoing. As of 5:00 PM EDT on October 9, 2024, Florida was experiencing 118,000 outages related to the approaching Hurricane Milton, with the number increasing rapidly.

On October 7, 2024, President Biden declared that an emergency exists in the State of Florida and ordered Federal assistance to supplement State, tribal, and local response efforts due to the emergency conditions resulting from Hurricane Milton beginning on October 5, 2024, and continuing.

Duke has indicated that its service territory is being impacted by Hurricane Milton. Duke expects that Hurricane Milton will cause hurricane-force-gusts across the St. Petersburg/Tampa metropolitan region at the height of the storm overnight into early Thursday, October 10, 2024. Elsewhere, strong tropical-storm to near hurricane-force-gusts are projected to impact highly populated zones along the I-4 corridor served by Duke. The combination of damaging winds,

torrential rain and subsequent flooding, storm surge at the coast, and possible tornadoes, will result in major power outages, damaging distribution and transmission infrastructure, and threaten several generation stations along the path. Application at 1.

While many generating units in the Duke service territory continue to function adequately under these stressed conditions, several of Duke's generating units are expected to be forced to shut down due to facility limits on wind speeds and storm surge, as well as staffing issues caused by mandatory evacuations. Additionally, Crystal River Units 4 and 5 remain in forced outage from storm surge impacts from Hurricane Helene. Specifically, approximately 4,000 MW of generating units are currently offline and will remain offline during Hurricane Milton. Application at 2.

Additionally, several units at Citrus Combined Cycle, the subject of this Order, may be forced offline by conditions in its Title V operating permit. With projected outages and low demand, in order to keep the Citrus Combined Cycle units online, they would potentially need to operate at low load for an extended period of time, which could result in noncompliance with its Title V permit. If these units are brought offline due to these compliance requirements, they may not be able ramp up quickly enough to meet demand as load increases following power restoration, particularly in light of the amount of generation predicted to be offline due to hurricane impacts. For example, ramp-up times from a cold start could be eight or nine hours, and could be further delayed by pre-generation start-up checks. Additionally, shutting down also increases the risk or equipment failure, as well as the risk of water intrusion due to thermal and pressure gradient changes. If equipment fails or is damaged by Hurricane Milton, units may not be able to start without additional maintenance. In that case, Duke may have to declare an Energy Emergency Alert (EEA) Level 3 and institute rotating load shed. Such impacts would hinder post-hurricane restoration and recovery activities and overall grid reliability. Although Duke would attempt to mitigate such impacts through alternative generation as well as power purchases, it is unknown what will be available following Hurricane Milton and whether the necessary transmission infrastructure will remain for this purpose. Application at 2.

The Florida Reliability Coordinating Council, Inc. (FRCC), the Reliability Coordinator for Duke's service territory and others, filed a formal endorsement on October 9, 2024, of Duke's Application, specifically the need to continue operation of the Specified Resources in Application Exhibit A at low load operation to help reduce the likelihood of any firm load shedding during the hurricane event. FRCC Letter at 1. The endorsement explains:

> It is the FRCC's firm opinion that granting this relief request will provide an immeasurable benefit to this mission and in turn, the public served by the FRCC and its member entities. Allowing this relief will not only serve the reliability of [Duke's] service territory, but also the many local electric cooperatives served by [Duke] and other interconnected electric utilities and service providers.

FRCC Letter at 2.

Description of Mitigation Measures

Duke has indicated that it will attempt to keep the Citrus Combined Cycle units operating at a load level compliant with its Title V permit whenever possible, including attempting to sell power to keep load higher. Duke anticipates needing to continue these efforts through October 13, 2024. Subject to the exceptions included in this Order, Duke has committed to continuing to take such actions, including attempting to sell power, before operating any units in a manner that will result in a conflict with a requirement of any federal, state, or local environmental statute or regulation, including requirements in permits issued pursuant to such laws or regulations.

Request for Order

Duke requests that the Secretary issue an order immediately, effective October 9, 2024, through 00:00 EDT on October 13, 2024, authorizing "continued operation of the Specified Resources" in the Duke service territory. Application at 3. The generating units (Specified Resources) that this Order pertains to are listed on the Order 202-24-1 Resources List, as described below.

ORDER

Given the emergency nature of the expected load stress, the responsibility of Duke to ensure maximum reliability on its system, and the ability of Duke to identify and dispatch generation necessary to meet load requirements, I have determined that, under the conditions specified below, additional dispatch of the Specified Resources is necessary to best meet the emergency and serve the public interest for purposes of FPA section 202(c). This determination is based on, among other things:

- The emergency nature of the expected load stress caused by the current extreme weather event and its aftermath threatens to cause loss of power to homes and local businesses in the areas that may be affected by curtailments, presenting a risk to public health and safety.
- The expected shortage of electric energy, shortage of facilities for the generation of electric energy, and other causes in the State of Florida and within the region demonstrate the need for the Specified Resources to contribute to system reliability.
- Duke's responsibility to ensure maximum reliability on its system, and, with the authority granted in this Order, its ability to identify and dispatch generation, including the Specified Resources, necessary to meet the load resulting from the extreme weather event and its aftermath.

In line with the anticipated circumstances precipitated by Hurricane Milton, this Order is limited to the period beginning with the issuance of this Order on October 9, 2024, through 00:00 EDT on October 13, 2024. Because the additional generation may result in a conflict with environmental standards and requirements, I am authorizing only the necessary additional generation on the conditions contained in this Order, with reporting requirements as described below.

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the "hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable," be consistent with any applicable environmental law and minimize any adverse environmental impacts. Duke anticipates that this Order may result in exceedance of emissions of Volatile Organic Compounds (VOC), specifically formaldehyde. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters determined by Duke for reliability purposes.

Based on my determination of an emergency set forth above, I hereby order:

A. From the time this Order is issued on October 9, 2024, to 00:00 EDT on October 13, 2024, in the event that Duke determines that generation from the Specified Resources is necessary to meet the electricity demand that Duke anticipates in Florida during and immediately following this event, I direct Duke to dispatch such unit or units and to order their operation only as needed to maintain the necessary expected generation in the Duke service territory. Specified Resources are those generating units set forth on the Order 202-24-1 Resource List, which the Department shall post on www.energy.gov. Duke is directed to provide updates, if any, to Exhibit A to its Application with the anticipated category of environmental impact(s) (i.e., formaldehyde, sulfur dioxide, nitrogen oxide, mercury, carbon monoxide emissions, wastewater release, other air pollutants) by 21:00 EDT on October 10, 2024.

B. To minimize adverse environmental impacts, this Order limits operation of dispatched units to the times and within the parameters determined by Duke for maintaining grid reliability to avoid adverse health and safety impacts to customers from shedding firm customer load. Duke shall exhaust all possible measures to run the Specified Units at a load level in compliance with permit requirements, including attempting to sell power. Duke shall provide a daily notification to the Department (via AskCR@hq.doe.gov) reporting each generating unit that has been designated to use the allowance and operated in reliance on the allowances contained in this Order.

C. All operation of the Specified Resource must comply with applicable environmental requirements, including but not limited to monitoring, reporting, and recordkeeping requirements, to the maximum extent feasible while operating consistent with the emergency conditions. This Order does not provide relief from any obligation to pay fees or purchase offsets or allowances for emissions that occur during the emergency condition or to use other geographic or temporal flexibilities available to generators.

D. Duke shall provide such additional information regarding the environmental impacts of this Order and its compliance with the conditions of this Order, in each case as requested by the Department of Energy from time to time. By October 20, 2024, Duke shall report all dates between October 9, 2024, and October 13, 2024, inclusive, on which the Specified Resources were operated, the hours of operation, and exceedance of permitting

limits, including formaldehyde, sulfur dioxide, nitrogen oxide, mercury, carbon monoxide, and other air pollutants, as well as exceedances of wastewater release limits. Duke shall submit a final report by November 20, 2024, with any revisions to the information reported on October 20, 2024. The environmental information submitted in the final report shall also include the following information:

(i) Emissions data in pounds per hour for each Specified Resource unit, for each hour of the operational scenario, for CO, NOx, PM10, formaldehyde, VOC, and SO2;

(ii) Emissions data must include emissions (lbs/hr) calculated consistent with reporting obligations pursuant to operating permits, permitted operating/emission limits, and the actual incremental emissions above the permit limits;

(iii) The number and actual hours each day that each Specified Resource unit operated in excess of permit limits or conditions, e.g. "Generator #1; October 10, 2024; 4 hours; 04:00-08:00 EDT";

(iv) Amount, type and formulation of any fuel used by each Specified Resource;

(v) All reporting provided under the Specified Resource's operating permit requirements over the last three years to the United States Environmental Protection Agency or local Air Quality Management District for the location of a Specified Resource that operates pursuant to this Order;

(vi) Additional information requested by DOE as it performs any environmental review relating to the issuance of this Order; and

(vii) Information provided by the Specified Resource describing how the requirements in paragraph C above were met by the Specified Resource while operating under the provisions of this Order.

In addition, Duke shall provide information to the Department quantifying the net revenue associated with generation in excess of environmental limits accruing to the Specified Resources in connection with any order issued by the Department pursuant to Section 202(c) of the Federal Power Act.

E. Duke shall take reasonable measures to inform affected communities where all Specified Resources operate that Duke has been issued this Order, in a manner that ensures that as many members of the community as possible are aware of the Order, and explains clearly what the Order allows Duke to do. At a minimum, Duke shall post a description of this Order on its website (with a link to this Order) and identify the name, municipality or other political subdivision, and zip code of any Specified Resource covered by this Order. In addition, in the event that a Specified Resource operates pursuant to this Order, a general description of the action authorized by this Order will be included in any press release issued by Duke with respect to the extreme weather event and will include a reference to the website posting required by the preceding sentence for further information. Duke shall describe the actions taken to comply with this paragraph in the

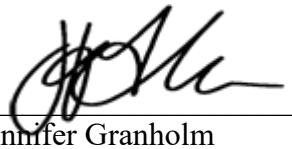
reports delivered to the Department pursuant to paragraph D above.

F. This Order shall not preclude the need for the Specified Resource to comply with applicable state, local, or Federal law or regulations following the expiration of this Order.

G. Duke shall be responsible for the reasonable third-party costs of performing analysis of the environmental and environmental justice impacts of this Order, including any analysis conducted pursuant to the National Environmental Policy Act.

H. This Order shall be effective upon its issuance, and shall expire at 00:00 EDT on Sunday, October 13, 2024, with the exception of the reporting requirements in paragraph D. Renewal of this Order, should it be needed, must be requested before this Order expires.

Issued in Washington, D.C. at 8:00 PM Eastern Daylight Time on this 9th day of October 2024.



Jennifer Granholm
Secretary of Energy