



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

June 15, 2022

Ms. A. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket Nos. E-2, Sub 1297 and E-7, Sub 1268
Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, 2022 Solar
Procurement Pursuant to Session Law 2021-165, Section 2(c)

Dear Ms. Dunston:

The Public Staff has reviewed the Commission's June 10, 2022 Order Approving Request for Proposals and Pro Forma Power Purchase Agreement Subject to Amendments in this docket and the Motion for Reconsideration of that order filed by Clean Power Suppliers Association and the Carolinas Clean Energy Business Association (together, the Solar Intervenors). The Public Staff has also reviewed a draft of the response of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC (the Companies) to the Solar Intervenors' motion and agrees with the Companies' position that the Motion for Reconsideration should be denied. Accordingly, the Public Staff submits this letter in lieu of a responsive pleading to the Solar Intervenors' Motion for Reconsideration.

The existing cost control measures in the Companies' RFP are necessary to protect ratepayers. Indeed, the Public Staff identified in its comments on the RFP the potential impact solar module tariffs could have on the viability of the 2022 Solar RFP if the repricing mechanism did not allow for price increases to reflect any tariffs imposed on imported solar panels. However, the appropriate mechanism for resolving this issue may be for the market participants in the 2022 Solar RFP to explicitly include the expected tariff costs in their initial bids, and for the Companies to allow a downward-only price refresh in April 2023 if, by that time, the federal investment tax credit is extended, or if the tariff investigation does not result in new tariffs on imported solar panels.¹ This would

¹ The RFP itself does not specify a reason or trigger for the required price refresh, so this proposal would not require changes to the RFP. Instead, bidders should adjust their initial bids and prepare refreshed bids assuming that (1) the Anti-Dumping / Countervailing Duties investigation results in tariffs; and (2) the

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encourage market participants to price in the expected tariffs and allow for a downward-only price adjustment in the event that the tariffs do not materialize. The Public Staff supports this proposal in lieu of changing the RFP to allow for an upward price adjustment.

By copy of this letter, we are serving all parties of record.

Sincerely,

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Interim Chief Counsel

Electronically submitted
/s/ Anne M. Keyworth
Staff Attorney

cc: Parties of Record

federal investment tax credit is not extended. The Companies should then require a bid refresh pursuant to Section VI.D of the RFP if either of those assumptions change.

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