



October 28, 2020

VIA ELECTRONIC FILING

Ms. Kim Campbell
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, NC 27603

Re: Docket No. SP-13695, Sub 1

In the Matter of Petition for Relief of Orion Renewable Resources LLC
Redirect-Redacted

Dear Ms. Campbell,

Please be advised that Accion Group, LLC, the Independent Administrator ("IA") for the Competitive Procurement of Renewable Energy Program ("CPRE Program") as party to the above-referenced proceeding, provides the attached Re-Direct regarding the remote hearing scheduled for November 2, 2020 in this Docket.

The Confidential Attachment to this Re-Direct has been filed separately.

Please do not hesitate to contact me with any questions.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Harold T. Judd".

Harold T. Judd, Esquire
ACCION GROUP, LLC

OFFICIAL COPY

Oct 28 2020

ACCION GROUP, LLC REDIRECT -REDACTED

Docket No. SP-13695, Sub 1

Accion Group, LLC, serves as the Independent Administrator (“IA”) of the Competitive Procurement of Renewable Energy (“CPRE”) program. The IA was approved by the Commission, and accepted by Duke Energy Carolinas (“Duke”) and the Market Participants. The IA is charged with conducting the program, evaluating all conforming Proposals, and identifying those eligible for a PPA. The CPRE program consists of three (3) Tranches seeking to procure up to 2,660 MW of renewable resources.

Tranche 1 was completed in 2019 and Tranche 2 was completed in October of 2020. Orion was not selected as a winner in Tranche 1, but elected to submit the exact same project into Tranche 2. On October 15, 2020, Orion executed a Power Purchase Agreement (“PPA”) in connection with Tranche 2 for the same project that was bid in Tranche 1. Therefore, the question before the commission is not whether or not Orion should be awarded a PPA, but instead whether the PPA rate should be the as-bid price for Tranche 1 or Tranche 2.

The CPRE evaluation process is divided into two phases. In Step 1, Proposals were ranked by the IA. It was in Step 2 that system upgrade costs would be determined by the Duke Transmission and Distribution Evaluation team. The Orion was inadvertently moved into Step 2 even though it had already been determined to have a negative Net Benefit, and was not evaluated in Step 2.

In Tranche 1 the IA used electric utility industry standard evaluation methodology that assigned a value for each hour of the year (8,760 hours) for the 20-year term of PPAs. The IA created a custom evaluation model based on prior experience and the needs of the CPRE program (“Evaluation Model”) which utilized the bid input parameters provided by the MP to calculate each Proposal’s benefit (“Net Benefit”) to the Duke system over the twenty-year PPA term. That evaluation model calculates the Net Benefit, which is the savings to ratepayers for each Proposal that is evaluated. The IA used the detailed hourly Avoided Cost data provided by Duke for the evaluations. The detailed hourly data was not provided to Market Participants (“MPs”). Instead, MPs were provided with a levelized Avoided Cost for three (3) pricing periods. The IA’s methodology was reviewed with Duke and the Public Staff before Proposals were evaluated, and they confirmed that it was consistent with industry standards.

Table 1
The Orion Project

Orion CPRE Proposals	Tranche 1	Tranche 2
Proposal #	DEC 129-01	DEC 73-01
FACILITY INFORMATION		
Generating Facility Name/Project Name	Misenheimer Solar	Misenheimer Solar
Point of Interconnection Maximum Net Export Capability (at POI)	74.40 MW	74.40 MW
Substation or Line	Albemarle Black 100kV Line	Albemarle Black 100kV Line
Interconnection City	Misenheimer	Misenheimer
Interconnection County	Stanly	Stanly
Interconnection State:	North Carolina	North Carolina
Interconnection Zip Code:	28109	28109

While the project size is the same for both Orion Tranche 1 and Tranche 2 Proposals, the cost to ratepayers would be significantly higher if Orion's Tranche 2 PPA is replaced using Tranche 1 rates.

The Confidential Attachment presents the cost comparison of the Tranche 1 Proposal and the Tranche 2 PPA for the project.

CONFIDENTIAL ATTACHMENT

Docket No. SP-13695, Sub 1

(REDACTED)