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March 25, 2022

VIA ELECTRONIC FILING

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

**Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Rider GSA-4 (NC)
Docket Nos. E-2, Sub 1170 and E-7, Sub 1169**

Dear Ms. Dunston:

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC hereby file their respective Rider GSA-4 (NC) tariffs, as approved by the North Carolina Utilities Commission's *Order Granting Motion to Modify GSA Program Tariffs* issued on March 14, 2022. The enclosed GSA Program tariffs have been updated to reflect that they are effective for service rendered on and after March 14, 2022.

If you have any questions, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

Jack E. Jirak

Enclosures

cc: Parties of Record

OFFICIAL COPY

Mar 25 2022

**RIDER GSA
GREEN SOURCE ADVANTAGE (NC)**

Duke Energy Progress, LLC

Docket No. E-2, Sub 1170

Docket No. E-7, Sub 1169

RIDER GSA-4
GREEN SOURCE ADVANTAGE (NC)

AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer's behalf pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited under N.C. Gen. Stat. § 62-159.2 to the University of North Carolina ("UNC") system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a combined total of 600 MW of renewable energy facilities between the Duke Energy Carolinas and Duke Energy Progress service territories ("Maximum GSA Program Capacity"). Of the 600 MW of Maximum GSA Program Capacity available under the Program, 250 MW shall be reserved exclusively for use by the UNC system, and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the "Reserved Capacity"). Pursuant to Section 11.19.(f1) of Session Law 2021-180, the total 350 MW of Reserved Capacity shall also be made available and reserved for an "eligible customer" defined as a customer of an electric utility that locates a new manufacturing facility at a project site that is subject to agreement with the Department of Commerce pursuant to Section 11.19.(d) of Session Law 2021-180. The remaining 250 MW shall be reserved for use by Eligible GSA Customers in either Duke Energy Carolinas or Duke Energy Progress service territories on a first-come, first-served basis. Any Reserved Capacity that is not subscribed by the UNC system or major military installations by August 5, 2022 shall be solely reserved for an eligible customer pursuant to Section 11.19.(f1) of Session Law 2021-180 through January 1, 2028. This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of five years following initial Program approval of August 5, 2019 and shall remain open to an "eligible customer" pursuant to Section 11.19.(f1) of Session Law 2021-180 until January 1, 2028.

DIRECTED PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility ("GSA Facility"). A GSA Facility must be a new renewable energy facility located in the Duke Energy Progress service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request affiliates of Duke Energy Progress to develop a facility or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a power purchase agreement ("GSA PPA") with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer's behalf. The Customer may apply for the Company to develop or procure renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within Duke Energy Progress' North Carolina service territory. An eligible customer under Session Law 2021-180 is authorized to subscribe to a capacity amount of remaining Reserved Capacity sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer's actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify the requested Bill Credit option and contract term (two, five, ten, fifteen, or twenty years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20-year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-first-served" basis based upon the date and time of receipt of the Customer's completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer must execute and return the GSA Service Agreement within 30 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 30 days of delivery by the Company. Failure to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with NC-RETS pursuant to Commission Rule R8-66 or another REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

1. GSA Product Charge - The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit - The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology approved pursuant to N.C. Gen. Stat. § 62-156(c) calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5 years or more). In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service

Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly RTP Rate= MENERGY + CAP

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP= Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

The hourly RTP rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

2. GSA Administrative Charge - the applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

Supersedes Rider GSA-3

Effective for service rendered on and after March 14, 2022

NCUC Docket No. E-2, Sub 1170

**RIDER GSA
GREEN SOURCE ADVANTAGE (NC)**

Duke Energy Carolinas, LLC

Docket No. E-2, Sub 1170

Docket No. E-7, Sub 1169

RIDER GSA
GREEN SOURCE ADVANTAGE (NC)

AVAILABILITY

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The Customer’s application will designate the Renewable Supplier selected by the Customer. The application shall also identify the requested Bill Credit option and contract term (two, five, ten, fifteen, or twenty years for a Customer electing Administratively

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GREEN SOURCE ADVANTAGE (NC)

Established Avoided Cost Bill Credit or any number of years up to the 20 year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a “first-come-first-served” basis based upon the date and time of receipt of the Customer’s completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company’s Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient GSA Program Capacity.

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recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges).

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs.
- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

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