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February 23, 2021

VIA ELECTRONIC FILING

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

**Re: Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2020
Compliance Report
Docket No. E-7, Sub 1246**

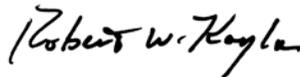
Dear Ms. Campbell:

Enclosed for filing with the North Carolina Utilities Commission ("Commission") please find the Application of Duke Energy Carolinas, LLC ("DEC" or the "Company") pursuant to N.C. Gen. Stat. §62-133.8 and Commission Rule R8-67 relating to incremental costs for compliance with the renewable energy and energy efficiency portfolio standard ("REPS") for electric utilities, together with the testimony and exhibits of Megan W. Jennings and Veronica I. Williams containing the information required by Commission Rule R8-67. DEC's 2020 REPS Compliance Report, filed pursuant to N.C. Gen. Stat. §62-133.8 and Commission Rule R8-67(c), is attached as Exhibit No. 1 to Ms. Jennings' testimony in support of the Application.

Certain information contained in the exhibits of Ms. Williams and Ms. Jennings is a trade secret, and confidential, proprietary, and commercially sensitive information. For that reason, it is being filed under seal pursuant to N.C. Gen. Stat. §132-1.2. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert W. Kaylor

Enclosures

cc: Dianna Downey (w/ attachments)

OFFICIAL COPY

Feb 23 2021

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1246

In the Matter of:)
)
Application of Duke Energy Carolinas, LLC)
for Approval of Renewable Energy and) **APPLICATION FOR APPROVAL**
Energy Efficiency Portfolio Standard) **OF REPS COST RECOVERY**
(REPS) Compliance Report and Cost) **RIDER AND 2020 REPS**
Recovery Rider Pursuant to N.C. Gen. Stat.) **COMPLIANCE REPORT**
§ 62-133.8 and Commission Rule R8-67)

Duke Energy Carolinas, LLC (“DEC” or the “Company”), pursuant to N.C. Gen. Stat. § 62-133.8 and Rule R8-67 of the Rules and Regulations of the North Carolina Utilities Commission (“Commission”), hereby makes this Application (1) for approval of its 2020 Renewable Energy Portfolio Standard (“REPS”) Compliance Report, and (2) to implement a monthly charge to recover the incremental costs associated with compliance with the REPS. In support of this Application, the Company respectfully shows the following:

1. The Company is a public utility operating in the states of North Carolina and South Carolina where it is engaged in the generation, transmission, distribution, and sale of electricity for compensation. Its general offices are located at 550 South Tryon Street, Charlotte, North Carolina, and its mailing address is DEC 45A, 550 South Tryon Street, Charlotte, North Carolina 28202.

2. The attorneys for the Company, to whom all communications and pleadings should be addressed, are:

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3. N.C. Gen. Stat. § 62-133.8 requires North Carolina’s electric power suppliers to supply ten (10) percent of their North Carolina retail kilowatt hours (“kWh”) sales from “renewable energy resources,” as that term is defined by N.C. Gen. Stat. § 62-133.8(a)(8), for calendar year 2020. In addition, N.C. Gen. Stat. § 62-133.8(d) requires that the electric power suppliers supply 0.20 percent of their North Carolina retail kWh sales from solar photovoltaic or thermal solar resources in 2020. Further, N.C. Gen. Stat. § 62-133.8(e) and (f) require that the electric power suppliers also obtain their allocated share of the state-wide requirement of 0.20 percent of the total North Carolina retail kWh sold from swine waste resources and 900,000 megawatt hours (“MWh”) of the total electric power sold to North Carolina retail customers from poultry waste resources, respectively, in 2020.¹

4. N.C. Gen. Stat. § 62-133.8(h) provides that the electric public utilities shall be allowed to recover the incremental costs² associated with complying with N.C.

¹ Both the Poultry Waste and Swine Waste Set-Aside Requirements established by N.C. Gen. Stat. § 62-133.8 have been modified by Commission order pursuant to N.C. Gen. Stat. § 62-133.8(i)(2), as discussed herein.

² “Incremental costs” include (1) all reasonable and prudent costs incurred by an electric utility to meet the solar and renewable generation requirements of the statute that are in excess of the utility’s avoided costs, (2) costs associated with research that encourages the development of renewable energy, energy efficiency, or improved air quality provided those research costs do not exceed one million dollars (\$1,000,000) per year, and (3) costs, including program costs, incurred to provide incentives to customers pursuant to N.C.Gen. Stat. § 62-155(f) (solar rebate program costs and incentives).

Gen. Stat. § 62-133.8 through an annual rider not to exceed the following per-account charges:

<u>Customer Class</u>	<u>2008-2011</u>	<u>2012-2014</u>	<u>2015 and thereafter</u>
Residential per account	\$ 10.00	\$ 12.00	\$ 27.00
Commercial per account	\$ 50.00	\$ 150.00	\$ 150.00
Industrial per account	\$ 500.00	\$ 1,000.00	\$1,000.00

The statute provides that the Commission shall ensure that the incremental costs to be recovered from individual customers on a per-account basis are in the same proportion as the per-account annual charges for each customer class set out in the chart above.

5. Rule R8-67(c) requires the Commission to conduct an annual proceeding for each electric public utility to review the utility's costs to comply with N.C. Gen. Stat. § 62-133.8 and establish the electric public utility's annual rider to recover such costs in a timely manner. The Commission shall also establish an experience modification factor ("EMF") to collect the difference between the electric public utility's actual reasonable and prudent REPS costs incurred during the test period and the actual revenues realized during the test period. Rule R8-67(c) further provides that the Commission shall consider each electric public utility's REPS compliance report at the hearing provided for in Rule R8-67(e) and shall determine whether the electric public utility has complied with N.C. Gen. Stat. § 62-133.8(b), (d), (e) and (f).

6. According to Rules R8-67(c) and (e), the electric public utility is to file its application for recovery of its REPS costs, as well as its REPS compliance report, at the same time it files the information required by Rule R8-55, and the Commission is to conduct an annual rider hearing as soon as practicable after the hearing required by Rule R8-55.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(e), DEC requests the Commission to establish a rider to recover its reasonable and prudent forecasted REPS compliance costs to be incurred during the rate period. As provided in Rule R8-67(e), the Company requests to collect from DEC's retail customers, through the EMF, \$5,047,702 of REPS costs incurred offset by other credits for the period beginning January 1, 2020 through December 31, 2020 ("EMF Period"). The Company also requests collection from DEC's retail customers REPS costs of \$33,471,889 projected to be incurred during the rate period from September 1, 2021 through August 31, 2022 ("Billing Period"). The REPS rider and EMF will be in effect for the twelve-month period September 1, 2021 through August 31, 2022.

8. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Rule R8-67, DEC requests Commission approval of the annual billing statements, including both the REPS monthly charge and the EMF monthly charge, for each customer class as follows:

Customer Class	REPS Monthly Charge (excl. regulatory fee)	Monthly EMF (excl. regulatory fee)	Total REPS Monthly Charge (excl. regulatory fee)	Total REPS Monthly Charge (incl. regulatory fee)
Residential	\$ 0.99	\$ 0.11	\$ 1.10	\$ 1.10
General ³	\$ 4.24	\$ 0.76	\$ 5.00	\$ 5.01
Industrial	\$(13.62)	\$ 7.60	\$(6.02)	\$(6.03)

The calculation of these rates is set forth in Exhibit No. 4 of the direct testimony of Veronica I. Williams filed with this Application.

³ Duke Energy Carolinas' General Service rate schedule generally covers the class of customers intended to be captured by the "Commercial" class included within N.C. Gen. Stat. § 62-133.8. The Company does not have a rate schedule for "Commercial" customers.

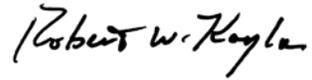
9. Further, pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c), the Company requests Commission approval of its 2020 REPS Compliance Report, attached as an exhibit to the direct testimony of Megan Jennings filed in support of this Application. As described by Ms. Jennings' testimony, and illustrated in DEC's 2020 REPS Compliance Report, the Company has complied with the requirements of N.C. Gen. Stat. § 62-133.8(b) and (d) for 2020. In its December 16, 2019 *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* and its February 13, 2020 *Errata Order*, in Docket No. E-100, Sub 113, the Commission not only lowered the 2019 Poultry Waste Set-Aside Requirement (N.C. Gen. Stat. § 62-133.8(f)) but also delayed by one year the scheduled increase in that requirement to 700,000 MWh in 2020. The Commission also lowered the Swine Waste Set-Aside Requirement for DEC, Duke Energy Progress, LLC and Dominion Energy North Carolina and delayed the scheduled increase to 0.07% of prior-year retail sales to begin in calendar year 2020.⁴ The Company has complied with these Poultry Waste and Swine Waste Set-Aside Requirements.

10. The information and data required to be filed under Commission Rule R8-67 is contained in the direct testimony and exhibits of Witnesses Jennings and Williams, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, the Company respectfully prays:

That consistent with this Application, the Commission approves the Company's 2020 REPS Compliance Report and allows the Company to implement the rate riders as set forth above.

Respectfully submitted, this the 23rd day of February, 2021.



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ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC

VERIFICATION

STATE OF NORTH CAROLINA)
) DOCKET NO. E-7, SUB 1246
COUNTY OF MECKLENBURG)

Veronica I. Williams, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to those matters stated on information and belief; and as to those matters, she believes them to be true.

[Handwritten Signature]
Veronica I. Williams

Signed and sworn to before me this day by Veronica I. Williams
Name of principal

Date: 2-12-2021

[Handwritten Signature]
Official Signature of Notary

Peggy Holton, Notary Public
Notary's printed or typed name

My commission expires: 12-22-2021



I signed this notarial certificate on 2-12-2021 according to the emergency video notarization requirements contained in G.S. 10B-25.

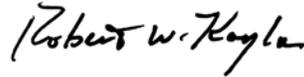
Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization: Mecklenburg County

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2020 Compliance Report, in Docket No. E-7, Sub 1246, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 23rd day of February, 2021.



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