

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1159
DOCKET NO. E-7, SUB 1156

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In re:

Joint Petition of Duke Energy Carolinas, LLC,)
And Duke Energy Progress, LLC, for Approval)
Of Competitive Procurement of Renewable)
Energy Program)

**REPLY COMMENTS OF CAROLINAS CLEAN ENERGY BUSINESS
ASSOCIATION IN RESPONSE TO ORDER REQUESTING UPDATE**

Carolinas Clean Energy Business Association (“CCEBA”) files these Comments in reply to the initial comments of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively “Duke”) and those of the Public Staff in response to the Commission’s June 2, 2021 Order Requesting Update in these dockets on the subject of the need and appropriate timing for a Tranche 3 of Competitive Procurement of Renewable Energy (“CPRE”).

Having reviewed the comments of Duke and the Public Staff, CCEBA notes that the North Carolina Utilities Commission (the “Commission”) is faced with three somewhat interrelated recommendations:

Duke contends that the Commission can and should commence a CPRE process for the approximately 112 CPRE Program MW it estimates remain from the original CPRE process, and that the Commission should begin that CPRE process prior to the expiration of the original 45-month period in November 2021. Duke also states that the Tranche 3

procurement need not be concluded within the initial 45-month period. CCEBA agrees with this recommendation to initiate the Tranche 3 procurement process. However, Duke makes *no* recommendation as to whether or not the Commission should begin an additional CPRE process for procurement of additional renewable energy based on established need after the expiration of that 45-month period. CCEBA urges the Commission to exercise its authority to proceed immediately with additional need-based procurement in conjunction with procurement of any residual required capacity from the initial 45-month period.

This recommendation is consistent with the statement of the Public Staff that the Commission has the discretionary authority to combine the process for procurement of the 112 CPRE Program MW with procurement of any need for renewables established in Duke's IRP, currently pending before this Commission. However, CCEBA disagrees with the Public Staff's recommendation that the Commission should postpone that procurement until after the 45-month period closes.

As stated in its initial Comments, CCEBA believes the proper approach is a combination of these two processes. Like Duke, CCEBA believes that the Commission has the authority to commence an additional tranche for purchase of CPRE Program MW immediately and complete it after the expiration of the 45-month period. Like the Public Staff, CCEBA believes that the additional CPRE Program MW tranche can be combined with a procurement of renewable energy need identified in Duke's IRP pursuant to G.S. § 62-110.8(a). As stated in CCEBA's initial comments, CCEBA strongly recommends that the Commission begin that *combined* procurement prior to November 2021 and the expiration of the 45-month period.

CCEBA's approach is warranted because an additional need for procurement of renewable energy above and beyond the 112 CPRE Program MW has effectively already been established. In addition to the fact that Duke's most recent IRP update showed a need for 500 MW of renewables, that amount is far less than the renewables additions anticipated by various scenarios in Duke's 2020 IRP, which have not been challenged by the Public Staff or any intervenor as being too high. The actual need is likely to wind up being greater. In addition, the current draft of HB 951, currently being considered by the North Carolina General Assembly, would commit North Carolina to over 700 MW of renewable procurement per year for the next several years.

In short, there is no grounds for the Commission to anticipate anything but additional competitive procurement of renewable energy over the next several years. The only question is the amount to be procured. In any event, there can be no question that if this Commission identifies a need for additional CPRE, it has the authority under existing law to proceed. It makes sense for the Commission to prepare for that procurement now by opening a process for a new tranche of CPRE, combining the 112 CPRE Program MW with an anticipated volume of need-based procurement which can be finalized once Duke's IRP is finalized in North Carolina or the General Assembly establishes a new policy.

As detailed in CCEBA's initial Comments, losing six months or a year while waiting to commence the next Tranche, as suggested by the Public Staff, will have adverse impacts on the state's ability to achieve its clean energy objectives and could result in increased costs to ratepayers. CCEBA recommends that the Commission direct Duke to commence a procurement process for at least 612 MW AC of additional renewable resources, with the amount to be awarded to be confirmed before contract awards are made

(likely not to be before Q2 of 2022, even if the Tranche 3 process began immediately). To avoid needless disruption and delay, the process to start competitively procuring additional renewable resources should begin as soon as possible.

Respectfully submitted, this 30th day of June 2021.

CAROLINAS CLEAN ENERGY
BUSINESS ASSOCIATION

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CERTIFICATE OF SERVICE

I certify that a copy of CCEBA'S COMMENTS IN RESPONSE TO ORDER REQUESTING UPDATE in Dockets E-2, SUB 1159 and E-7, SUB 1156, has been served by electronic mail to parties of record.

This 30th Day of June 2021.

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