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September 1, 2023

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 Progress, LLC's and Duke Energy Carolinas, LLC's
Final Competitive Procurement of Renewable Energy ("CPRE")
Program Plan
Docket Nos. E-2, Sub 1159 and E-7, Sub 1156**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission ("Commission") in the above-referenced proceedings on behalf of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC is their *Final CPRE Program Plan*.

Commission Rule R8-71(g)(1) states that the annual CPRE Program Plan may be filed as part of the electric public utility's biennial integrated resource plan filings and that the CPRE Program Plan will be reviewed in the same docket as the biennial integrated resource plan filings. The Companies are filing the *Final CPRE Program Plan* in these CPRE Program oversight dockets consistent with the Commission's December 30, 2022, *Order Adopting Initial Carbon Plan and Providing Direction for Future Planning*, issued in Docket No. E-100, Sub 179, which directed the Companies to provide a separate mechanism for the filing and review of annual compliance plans. The Companies are also filing today in these same dockets a *Motion to Conclude CPRE Program and Discontinue CPRE Program Planning and Reporting Requirements*, and support both filings being reviewed together by the Commission.

OFFICIAL COPY

Sep 01 2023

Please feel free to contact me should you have any questions. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Ladawn S. Toon". The signature is written in a cursive style with a large initial 'L' and 'T'.

Ladawn S. Toon

**DUKE ENERGY CAROLINAS, LLC'S & DUKE ENERGY PROGRESS,
LLC'S COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY
(CPRE)
PROGRAM**

FINAL CPRE PROGRAM PLAN

SEPTEMBER 1, 2023

INTRODUCTION

In accordance with North Carolina Utilities Commission (“NCUC” or the “Commission”) Rule R8-71(g), Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and together with DEC, “Duke Energy” or “the Companies”) provide this final plan in support of implementing the Companies’ Competitive Procurement of Renewable Energy (“CPRE”) Program. This final CPRE Program Plan is being filed pursuant to NCUC R8-71(g)(4) as a final update to the Commission prior to concluding the CPRE Program in accordance with the Commission’s prior Order regarding closure of the CPRE Program¹ and the new N.C. Gen. Stat. § 62-110.9 framework for procurement of solar energy facilities, as established in Session Law 2021-165 (“HB 951”).²

The CPRE Program was implemented pursuant to N.C. Gen. Stat. § 62-110.8, as enacted by North Carolina Session Law 2017-192. N.C. Gen. Stat. § 62-110.8 directed the Companies and an independent administrator to plan and then implement a program for the competitive procurement of renewable energy from new renewable energy facilities during a 45-month timeframe (the “CPRE Program Procurement Period”)³ under the Commission’s oversight. The CPRE Program Procurement Period established under N.C. Gen. Stat. § 62-110.8(a) ended on November 21, 2021, and HB 951 subsequently modified the CPRE Program to conclude solar procurement under this framework in order to

¹ *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, at 7, Docket Nos. E-2, Subs 1159 and 1297, and E-7 Subs 1156 and 1268 (Nov. 1, 2022) (the “November 1 Order”) (“the CPRE Program will be closed out upon the conclusion of the 2022 Solar Procurement.”).

² Simultaneously with the filing of this Final CPRE Program Plan, the Companies are filing a *Motion to Conclude CPRE Program and Discontinue CPRE Program Planning and Reporting Requirements* in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 in which the Companies’ position regarding the discontinuance of the CPRE Program is more fully articulated.

³ The CPRE Program Procurement Period is defined in Commission Rule R8-71(b)(5) as the “initial 45-month period in which the aggregate 2,660 MW of renewable energy resource nameplate capacity is required to be procured under the CPRE Program(s) approved by the Commission.”

transition to the new comprehensive least cost Carbon Plan execution framework established under HB 951.⁴

The Companies' CPRE Compliance Reports (most recently filed in Docket No. E-7, Sub 1281 for DEC and Docket No. E-2, Sub 1323 for DEP) detail the outcome and status of the Companies' actions to comply with the CPRE Program requirements for the applicable reporting periods. Through the Tranche 1 and Tranche 2 solicitations completed in 2018 and 2020, respectively, the Companies procured 1,185 megawatts ("MW") of CPRE Program capacity. On December 20, 2021, the Commission issued an Order in which it directed DEC to proceed with a Tranche 3 CPRE Program solicitation.⁵ Two projects totaling 155 MW completed the Tranche 3 bid evaluation process and executed contracts with DEC. The Companies procured an additional 286 of a targeted 441 MW of CPRE Program capacity in the 2022 Solar Procurement as part of the Companies' transition to the new competitive procurement framework established by Session Law 2021-165 ("HB 951"). On November 1, 2022, the Commission issued an Order authorizing the Companies to attempt to procure the remaining CPRE Program capacity through the 2022 Solar Procurement ("Tranche 4") and finding that a final CPRE Program procurement completed through the 2022 Solar Procurement should close out the CPRE Program, regardless of whether the full targeted amount of 441 MW was procured.⁶

In addition to establishing a new framework for procuring both utility-owned and third-party solar resources, HB 951 also amended the CPRE Program. Section 2(a) of HB 951 amended N.C. Gen. Stat. § 62-110.8(a) by eliminating future procurements of renewable energy under the CPRE framework based upon a showing of need. Additionally, Section 2(b) of HB 951 repealed N.C. Gen. Stat. § 62-110.8(h)(5), which previously provided the Commission with discretion to modify or delay compliance with the statutory CPRE Program requirements. As stated in the Companies' *Notice of Completion of 2022 Solar Procurement Contracting Phase*, filed in Docket Nos. E-2, Sub 1297 and E-7, Sub 1268 on June 30, 2023, in Tranche 4, the Companies successfully contracted with 286 MW of controllable CPRE solar resources and 679 MW of new controllable third-party and utility owned solar resources under the Commission's approved Carbon Plan and N.C. Gen. Stat. § 62-110.9.⁷

⁴ HB 951, Section 2.(a) (amending N.C. Gen. Stat. § 62-110.8(a)); HB 951, Section 1 (directing the Commission to develop a Carbon Plan that specifically plans for the addition of "new solar generation" under N.C. Gen. Stat. § 62-110.9(2)(b)).

⁵ *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA* at 8, Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 (Dec. 20, 2021).

⁶ November 1 Order at 7.

⁷ As stated in Appendix I to the Companies' 2023-2024 Carbon Plan and Integrated Resource Plan, as filed on August 17, 2023, in Docket No. E-100, Sub 190, the projects procured in the 2022 Solar Procurement are

Consistent with the Commission’s ruling in the November 1 Order that the CPRE Program would be “closed out” at the conclusion of the 2022 Solar Procurement, and subject to the Commission’s ruling on the Companies’ *Motion to Conclude CPRE Program and Discontinue CPRE Program Planning and Reporting Requirements*, this is the Companies’ final CPRE Program Plan.⁸

1. CPRE Program Plan

1.1. Compliance with CPRE Program Requirements

Pursuant to N.C. Gen. Stat. § 62-110.8(a), the Companies were responsible for procuring renewable energy and capacity through a competitive procurement program in a manner that allowed the Companies to continue to reliably and cost-effectively serve customers’ future energy needs. As described above, in light of HB 951’s modifications to the CPRE Program procurement framework and the Commission’s November 1 Order, the Companies have fully complied with the CPRE Program requirements set forth in N.C. Gen. Stat. § 62-110.8(a) and will continue to procure new solar resources identified as needed in the Commission’s Carbon Plan under the procurement framework established by HB 951 and N.C. Gen. Stat. § 62-110.9(2)b.

1.2. Transition MW

N.C. Gen. Stat. § 62-110.8(b)(1) provides that if prior to the end of the initial 45-month CPRE Program Procurement Period, the Companies executed Power Purchase Agreements (“PPA”) and interconnection agreements for renewable energy and capacity within their Balancing Authority Areas (“BAAs”) that are not subject to economic dispatch or curtailment and were not procured pursuant to N.C. Gen. Stat. § 62-159.2 (“Transition MW Projects”) having an aggregate capacity in excess of 3,500 MW, the Commission shall reduce the competitive procurement aggregate amount by the amount of such exceedance. If the aggregate capacity of such Transition MW Projects is less than 3,500 MW at the end of the 45-month CPRE Program Procurement Period, the Commission shall require the Companies to conduct an additional competitive procurement in the amount of such deficit.

expected to complete the interconnection study process in early 2024 and are targeted to come online in 2026-2027.

⁸ To the extent certain provisions and requirements of Rule R8-71(g)(2) are no longer relevant or applicable in light of the conclusion of the CPRE Program, the Companies have not specifically addressed such requirements in this final Program Plan.

After reviewing the amount of Transition MW the Company procured during the CPRE Program Procurement Period, the Commission directed the Companies to target 596 MW in a CPRE Tranche 3.⁹

1.3. Update on Tranche 3 and Final Tranche 4 RFP

As described in the 2022 CPRE Program Plan, only two projects totaling 155 MW completed the Tranche 3 bid evaluation process, both of which were determined to be bid winners announced in July 2022. The contracting phase concluded in August 2022 and the two awarded CPRE winners signed CPRE PPAs. The projects are continuing with project development and interconnection study through the Tranche 3 Resource Solicitation Cluster and Facilities Study results were shared with the customers on August 9, 2023. The next step will be a construction planning meeting followed by execution of interconnection agreements in late September 2023.

As a result of both the lack of initial bidder participation and bidder withdrawals from Tranche 3, DEC and DEP did not achieve the target 596 MW. To meet that unawarded amount, the Commission authorized the Companies to conduct an additional procurement of the 441 of CPRE Program Remainder MW. The Companies' 2022 Solar Procurement RFP offered PPAs to 440MW of qualifying CPRE PPA proposals and subsequently executed PPAs with 286 MW through CPRE Tranche 4. Two projects selected as CPRE PPA winners in the 2022 Solar Procurement totaling approximately 155 MW declined to enter into CPRE PPA contracts with DEP.

1.4. Overview of Capacity Procured Under the CPRE Program

A. Tranche 1:

The contracting period for Tranche 1 concluded on July 8, 2019. Below is a summary of the results:

600 MW DEC Request

- 58 proposals ranging from 7 to 80 MW-AC totaling 2,733 MW
 - Median proposal was 50 MW
- All proposals were solar, 3 included storage
- 1,416 MW proposed in NC, 1,317 MW in SC
- 10 projects were contracted totaling 435 MW
 - 9 in NC totaling 415 MW; 1 in SC totaling 20 MW
 - 2 projects included energy storage

⁹ Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA at 2, Docket Nos. E-2, Sub 1159 and E-7 Sub 1156 (Dec. 20, 2021).

- 2 DEC utility-owned projects selected (94 MW) and 3 Duke affiliate (Duke Energy Renewables “DER”) projects selected (95 MW)
- Average all in delivered price ~\$38.86/MWh
- 3 projects totaling 145 MW selected as winners in Tranche 1 have terminated their PPAs
- Seven projects totaling 270 MW have achieved COD in DEC and one project (50 MW) remains in construction

80 MW DEP Request

- 20 proposals ranging from 7 to 80 MW-AC totaling 1,231 MW
 - Median proposal was 75 MW
- All proposals were solar, 1 included storage
- 617 MW proposed in NC, 614 MW in SC
- 2 projects were contracted totaling 87 MW
 - 1 in NC totaling 80 MW; 1 in SC totaling 7 MW
 - Average all in delivered price ~\$38.31/MWh
- ~87 MW have achieved COD in DEP

B. Tranche 2:

The contracting period for Tranche 2 concluded on October 15, 2020. Below is a summary of the results:

600 MW DEC Request

- 37 proposals ranging from 15 – 80 MW-AC, totaling 1,710.4 MW
 - Median proposal was 50 MW
- All proposals were solar, 3 included storage
- 1,051 MW proposed in NC, 802.7 MW in SC
- 10 projects were contracted totaling 589 MW
 - 9 in NC totaling 514 MW, 1 in SC totaling 70 MW
- One 74MW project that was awarded a Tranche 2 PPA has an updated PPA with Tranche 1 pricing (*see Order Granting Petition for Relief* at 16, Docket No. SP-13695, Sub 1 (Nov. 2, 2021)(the “Orion Order”))
- 50 MW of CPRE Tranche 2 projects have achieved COD
- 5 projects totaling ~310MW have terminated their PPAs

80 MW DEP Request

- 6 proposals ranging from 56 – 80 MW-AC, totaling 440.9 MW
- 1 project was contracted totaling 75 MW, located in NC has experienced delays (Project has an Interconnection Agreement and is currently in the Engineering Design phase)

C. Tranche 3 (DEC Only)

The contracting period for Tranche 3 concluded on August 29, 2022. Below is a summary of the results:

596 MW DEC Request

- 8 proposals ranging from 20 –80 MW-AC, totaling 520 MW
- ~155MW; 2 Proposals were chosen as bid winners and have signed PPAs, 1 located in NC and 1 located in SC

D. Tranche 4 (DEC and DEP)

The contracting period for Tranche 4 concluded on June 19, 2023. Below is a summary of the results:

441 MW request

- Final Procurement authorized by *November 1 Order* undertaken as part of 2022 SP
- 286 MW, 4 proposals signed CPRE PPAs and are in the 2022 DISIS Phase 3 restudy
 - 2 in DEC located in South Carolina and 2 in DEP located in North Carolina
 - 155 MW, 2 proposals in DEP, failed to execute offered PPAs

1.5. Allocations of Resources

As prescribed by N.C. Gen. Stat. § 62-110.8(c), the Companies had the authority to determine the location and allocated amount of the MWs to be procured within their respective service territories, subject to oversight by the Commission.

As discussed above, the CPRE Tranches 1-4 procurements have been completed. Figure 2 shows the amount of awarded resources under each Tranche.

FIGURE 2

CPRE SOLICITATIONS BY TRANCHE

	DEC (MW)	DEP (MW)
Tranche 1 – awarded	435*	86
Tranche 2 – awarded	589	75
Tranche 3 – awarded	155	N/A
Tranche 4 – awarded	126	160

*In the Orion Order at 16, the Commission ruled that Orion Renewable Resources, LLC's Misenheimer project would receive Tranche 1 pricing but was counted in the Tranche 2 MW total.

1.6. Locational Designation

For each CPRE RFP Solicitation as well as the 2022 Solar Procurement, the Companies published Grid Locational Guidance information to the third party's website. This guidance was intended to provide market participants with information on areas that have known transmission limitations. The goal of providing this grid locational guidance was to minimize the need for costly network upgrades to integrate renewable energy facilities and to provide information to market participants for use when planning development activities for the proposals submitted into the Tranche 3 CPRE and, most recently, the 2022 Solar Procurement. The grid locational guidance information consists of a map and a table of circuits and substations that are in the pre-identified constrained areas.

2. Final CPRE Program Plan

In the year in which the Companies determine they have fully complied with the CPRE Program requirements, Commission R8-71(g)(4) requires the Companies to notify the Commission of such compliance and submit its final CPRE Program Plan. The Rule also allows the Companies to petition the Commission to discontinue the CPRE Program Plan filing requirements for the subsequent year. In the 2022 CPRE Program Plan, the Companies' committed to filing a final CPRE Program closure plan after the CPRE additional procurement concluded and by no later than September 1, 2023. In compliance with R8-71(g)(4), and in accordance with that commitment, the Companies hereby submit this final CPRE Program Plan.

VERIFICATION

STATE OF NORTH CAROLINA)	DOCKET NO. E-2, SUB 1159
COUNTY OF WAKE)	DOCKET NO. E-7, SUB 1156

Angela M. Tabor, being first duly sworn, deposes and says:

That she is a Renewable Compliance Manager for Duke Energy Carolinas, LLC and Duke Energy Progress, LLC; that she has read the foregoing *Final CPRE Program Plan* and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief, and as to those matters, she believes them to be true.

Angela M Tabor
Angela M. Tabor

Signed and sworn to before me this day by Angela M. Tabor.
Name of principal

Date: 9-1-2023

Peggy Holton
Official Signature of Notary



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

My Commission Expires: 12-22-2026

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Final CPRE Program Plan*, as filed in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, were served electronically upon all parties of record.

This the 1st day of September, 2023.

/s/ E. Brett Breitschwerdt
E. Brett Breitschwerdt
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*Attorney for Duke Energy Progress, LLC and
Duke Energy Carolinas, LLC*