

LAW OFFICE OF
ROBERT W. KAYLOR, P.A.
P.O. BOX 30036
RALEIGH, NORTH CAROLINA 27622
(919) 828-5250
bkaylor@rwkaylorlaw.com

June 11, 2024

VIA ELECTRONIC FILING AND HAND DELIVERY

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 CEPS Cost Recovery Rider and 2023 Compliance Report - REDACTED
Docket No. E-2, Sub 1343**

Dear Ms. Dunston:

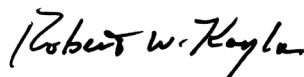
Enclosed for filing with the North Carolina Utilities Commission ("Commission") is the Application of Duke Energy Progress, LLC ("DEP" or the "Company") pursuant to N.C. Gen. Stat. §62-133.8 and Commission Rule R8-67 relating to incremental costs for compliance with the renewable energy and energy efficiency portfolio standard ("REPS") for electric utilities, together with the testimony and exhibits of Kimberly A. Presson and Veronica I. Williams containing the information required by Commission Rule R8-67.

Certain information contained in the exhibits of Ms. Williams and Ms. Presson 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 to obtain copies pursuant to an appropriate confidentiality agreement.

To facilitate discovery in this matter, please include the email address of ncregdiscovery@duke-energy.com in connection with all communications regarding discovery. This email address should be used in addition to the email addresses of DEP attorneys and paralegals that have been identified as being involved in this matter.

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

Sincerely,



Robert W. Kaylor

Enclosures

OFFICIAL COPY

JUN 11 2024

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1343

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	
)	
Application of Duke Energy Progress, LLC)	APPLICATION FOR APPROVAL OF CEPS COST RECOVERY RIDER AND 2023 CEPS COMPLIANCE REPORT
for Approval of Clean Energy and Energy)	
Efficiency Portfolio Standard (CEPS))	
Compliance Report and Cost Recovery Rider)	
Pursuant to N.C. Gen. Stat. § 62-133.8 and)	
Commission Rule R8-67)	

Duke Energy Progress, LLC (“DEP” 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 2023 Clean Energy Portfolio Standard (“CEPS”)¹ Compliance Report, and (2) to implement a monthly charge to recover the incremental costs associated with compliance with the CEPS. 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 410 South Wilmington Street, Raleigh, North Carolina, and its mailing address is Post Office Box 1551, Raleigh, North Carolina 27602.

¹ On October 10, 2023, Session Law 2023-138 (“Senate Bill 678”) became law. The law modified the name of the former Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) by changing the name to the Clean Energy and Energy Efficiency Portfolio Standard. The law introduced, among other things, clean energy facilities and clean energy resources, and modified the definition of a Renewable Energy Certificate to include those clean energy resources.

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

Ladawn S. Toon
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, North Carolina 27602
919.546.2148
Ladawn.Toon@duke-energy.com

Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
P.O. BOX 30036
Raleigh, North Carolina 27622
919.828.5250
bkaylor@rwkaylorlaw.com

3. N.C. Gen. Stat. § 62-133.8 requires North Carolina’s electric power suppliers to supply twelve and one-half (12.5) 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 2023. 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 2023. 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 0.05 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 2023.

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. Gen.

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,

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

Customer Class	2008-2011	2012-2014	2015 - forward
Residential	\$ 10.00	\$ 12.00	\$ 27.00
Commercial	\$ 50.00	\$ 150.00	\$ 150.00
Industrial	\$ 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 CEPS 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 CEPS 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 CEPS costs, as well as its CEPS 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.

(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).

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(e), DEP requests the Commission to establish a rider to recover its reasonable and prudent forecasted CEPS compliance costs to be incurred during the rate period. As provided in Rule R8-67(e), the Company requests to credit DEP’s retail customers, through the EMF, a net over-collection of CEPS costs incurred totaling \$(2,532,971) for the period April 1, 2023 through March 31, 2024 (“EMF Period”). The Company also requests collection from DEP’s retail customers CEPS costs of \$47,897,081 projected to be incurred during the rate period from December 1, 2024 through November 30, 2025 (“Billing Period”). The CEPS rider and EMF will be in effect for the twelve-month period December 1, 2024 through November 30, 2025.

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

Customer Class	Excluding Regulatory Fee			Including Regulatory Fee
	CEPS	CEPS EMF	Total CEPS (excl. regulatory fee)	Total CEPS (incl. regulatory fee)
Residential	\$ 1.60	\$ (0.08)	\$ 1.52	\$ 1.52
General Service ³	\$ 8.82	\$ (0.52)	\$ 8.30	\$ 8.31
Industrial	\$ 59.72	\$ (3.56)	\$ 56.16	\$ 56.24

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

9. Pursuant to Commission Rule R8-67(e)(8), DEP requests approval to defer the difference between actual and reasonable and prudently incurred incremental costs and

³ Duke Energy Progress’ 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.

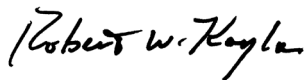
the related revenues realized under rates in effect. FERC account 182.3 “Other Regulatory Assets,” will be used to defer these costs until recovered.

10. The information and data required to be filed under Commission Rule R8-67 is contained in the direct testimony and exhibits of Witnesses Presson 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 2023 CEPS Compliance Report and allows the Company to implement the monthly rider charges as set forth above.

Respectfully submitted, this the 11th day of June, 2024.



Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
P.O. BOX 30036
Raleigh, North Carolina 27622
919.828.5250
bkaylor@rwkaylorlaw.com

Ladawn S. Toon
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551 / NCRH 20
Raleigh, North Carolina 27602
919.546.2148
Ladawn.Toon@duke-energy.com


ATTORNEYS FOR DUKE ENERGY PROGRESS, LLC

VERIFICATION

STATE OF NORTH CAROLINA)
) DOCKET NO. E-2, SUB 1343
 COUNTY OF MECKLENBURG)

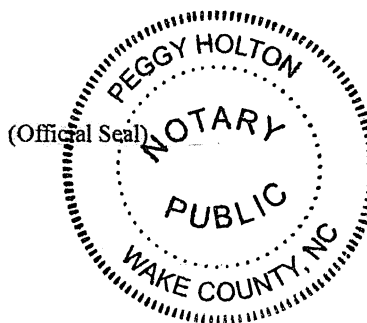
Veronica I. Williams, being first duly sworn, deposes and says:

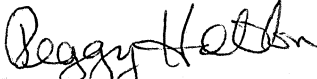
That she is Rates and Regulatory Strategy Manager for Duke Energy Progress, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes them to be true.



Veronica I. Williams

Sworn to and subscribed before me
this the 5th day of June, 2024.




Official Signature of Notary

Peggy Holton
Notary Public
Notary's printed or typed name

My commission expires: 12-22-2026

I signed this notarial certificate on 6-5-2024 according to the emergency video notarization requirements contained in G.S. 10B-25.

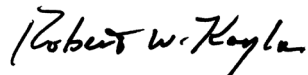
Notary Public location during video notarization: Wake County

Stated physical location of principal during video notarization: Mecklenburg County

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's CEPS Cost Recovery Rider Application, in Docket No. E-2, Sub 1343, 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 11th day of June, 2024.



Robert W. Kaylor
Law Office of Robert W. Kaylor, P.A.
P.O. Box 30036
Raleigh, North Carolina 27622
Tel: 919-828-5250
bkaylor@rwkaylorlaw.com
North Carolina State Bar No. 6237

ATTORNEY FOR DUKE ENERGY
CAROLINAS, LLC