

February 6, 2024

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
Proposal to Update Avoided Cost Rates
Docket No. E-100, Sub 194**

Dear Ms. Dunston:

On January 31, 2024, Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and, together with DEC, the “Companies” or “Duke Energy”) filed supplemental modeling and additional portfolio analysis (the “Supplemental Planning Analysis”) in Docket No. E-100, Sub 190 as a supplement to the current 2023-2024 Carbon Plan and Integrated Resource Plan (“CPIRP”) and for the purpose of assessing the impact of the Companies’ Updated 2023 Fall Load Forecast on the near-term actions needed to reliably meet the increased load forecast while remaining on the most reasonable, least cost, least risk path to compliance with the carbon emissions reduction targets set forth in N.C.G.S. § 62-110.9. As addressed in the Supplemental Planning Analysis, the Companies have now identified Portfolio P3 Fall Base (rather than Core Portfolio P3 as identified in their August CPIRP filing) as their reference portfolio for long-term planning purposes.¹

After conferring with the Public Staff, the Attorney General’s Office, and certain other interested parties, the Companies have determined that it is reasonable and appropriate to update their standard offer avoided cost rates filed in this proceeding pursuant to N.C.G.S. § 62-156(b)(1) to reflect the new P3 Fall Base reference portfolio such that the avoided cost rates presented for Commission approval incorporate the Companies’ most current projections of avoidable energy and capacity needs as identified in the Supplemental Planning Analysis.

Importantly, the proposed update to avoided cost rates will utilize *the same standardized methodology and approach* presented in the Companies’ November 1, 2023, Joint Initial Statement used to calculate their avoided cost rates. The updated rates will simply incorporate input changes to align with new reference Portfolio P3 Fall Base.² The

¹ CPIRP Supplemental Planning Analysis at 7, 32.

² See Rule R8-60A(f)(10); CPIRP Supplemental Planning Analysis Technical Appendix at 10-16 (presenting

Companies are diligently working to prepare and file their updated avoided cost rates in the next few weeks. Intervenors stated in their Joint Motion that Duke Energy plans to file an updated avoided cost calculation by February 28, 2024. The Companies are making every effort to submit the updated calculation as soon as possible to avoid further delay to the proceeding and provide parties with adequate time to review. Accordingly, the Companies are targeting submitting their updated rates on or about February 15, 2024, ahead of the proposed February 21, 2024 deadline for the Public Staff and intervenors to file initial comments in this proceeding.

Please feel free to contact me if you have any questions.

Very truly yours

/s/ E. Brett Breitschwerdt

EBB/sc

cc: Parties of Record

updated P3 Fall Base forecasted load, capacity and reserve requirements and first year of avoidable capacity need).

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Proposal to Update Avoided Cost Rates, in Docket No. E-100, Sub 194, has been served electronically to all parties of record.

This the 6th day of February, 2024.

/s/ E. Brett Breitschwerdt

E. Brett Breitschwerdt

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