



Jack E. Jirak  
Associate General Counsel

Mailing Address:  
NCRH 20 / P.O. Box 1551  
Raleigh, NC 27602

o: 919.546.3257  
f: 919.546.2694

jack.jirak@duke-energy.com

OFFICIAL COPY

Mar 17 2020

March 17, 2020

**VIA ELECTRONIC FILING**

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

**Re: CPRE Tranche 2 Stakeholder Meeting Report  
Docket Nos. E-2, Sub 1159 and E-7, Sub 1156**

Dear Ms. Campbell:

Pursuant to Ordering Paragraph No. 3 of the Commission's July 2, 2019 *Order Modifying and Accepting CPRE Program Plan*, please find enclosed the Report of the Independent Administrator pertaining to the February CPRE Tranche 2 Stakeholder Meeting.

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

Sincerely,

Jack E. Jirak

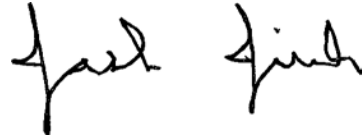
Enclosure

cc: Parties of Record

**CERTIFICATE OF SERVICE**

I certify that a copy of the CPRE Tranche 2 Stakeholder Meeting Report in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 17<sup>th</sup> day of March, 2020.

Handwritten signature of Jack E. Jirak in black ink.

---

Jack E. Jirak  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551/NCRH 20  
Raleigh, North Carolina 27602  
(919) 546-3257  
[Jack.jirak@duke-energy.com](mailto:Jack.jirak@duke-energy.com)



**DUKE ENERGY CAROLINAS, LLC  
DUKE ENERGY PROGRESS, LLC**

**REPORT OF THE INDEPENDENT ADMINISTRATOR  
RE:**

**TRANCHE 2 – February 6, 2020 STAKEHOLDER SESSION**

**DUKE ENERGY CAROLINAS (DEC)**

Competitive Procurement of Renewable Energy Program (CPRE)  
Request for Proposal (RFP) – 600 MW

**DUKE ENERGY PROGRESS (DEP)**

Competitive Procurement of Renewable Energy Program (CPRE)  
Request for Proposals (RFP) – 80 MW

---

**February 14, 2020**

**ACCION GROUP, LLC**  
244 North Main Street  
Concord, New Hampshire 03301  
Telephone: 603-229-1644  
Fax: 603-225-4923  
Email: [advisors@acciongroup.com](mailto:advisors@acciongroup.com)  
[www.acciongroup.com](http://www.acciongroup.com)

**Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP)  
CPRE Tranche 2 Stakeholder Meeting Compliance Report**

On July 2, 2019, the North Carolina Utility Commission (“NCUC” or “Commission”) issued an order Modifying and Accepting CPRE Program Plan in Docket E-2, Sub 1159. That order requires Duke Energy Carolinas, LLC (“DEC”), and Duke Energy Progress, LLC (“DEP”) (together, “Duke”) to meet monthly with interested stakeholders to continue discussions with the IA, the Public Staff, and the market participants with the goal of reaching consensus on the documents that will be used in the Tranche 2 CPRE RFP Solicitation and of providing a forum for market participants to gain more detailed information about the solicitation process. Further, Duke is required to file reports detailing the status of these discussions on or before July 15, 2019, and every 30 days thereafter until December 15, 2019. An Order of the Commission dated December 2, 2019 postponed the meeting of December 15, 2019 to a date in January, and a subsequent Commission Order on January 17, 2020 further delayed the meeting to no less than 30 days before March 9, 2020.<sup>1</sup> The Independent Administrator (“IA”) provided this report to Duke with regards to the stakeholder meeting held on February 6, 2020.

**I. Attendance**

<b>STAKEHOLDER SESSION PARTICIPATION February 6, 2020</b>	
Total in Person:	17
Total on Webinar:	76
Total Identifiable Companies:	30
Total Not Identifiable by Company:	21

Attachment A is a list of the firms with representatives either in person or via the webinar for which identification was possible.

**II. Subjects Discussed**

Attachment B is a copy of the presentation made by Accion Group, LLC, the Independent Administrator and Duke.

**III. Areas of Agreement, Disagreement, and Open for Discussion**

Attachment C is a list of all questions posed during the February Stakeholder session; written responses to each will be posted on the IA Website A once finally compiled. A complete recording of the meeting was posted on the IA Website on February 10, 2020.

The Commission requested documentation of areas of discussion, and subsequently of agreement and disagreement from these Stakeholder meetings. Attachment D is a list of all areas of discussion from the five Stakeholder meetings held between August of 2019 and February of 2020. Attachment D also identifies the areas for which the IA believes consensus was reached.<sup>2</sup>

<sup>1</sup> NCUC Orders in Dockets E-2, Sub 1159 and E-7, Sub 1156

<sup>2</sup> During the final Stakeholder session, the IA provided a list of matters discussed and requested feedback from participants. As of the date of this report those responses remain outstanding.

## ATTACHMENT A

<b>Attachment A: Firms with Participants – February 6, 2020 Stakeholders Session</b>
Accion Group, LLC
Beaufort Rosemary, LLC
Birdseye Renewable Energy
Carolina Solar Energy
Corriher Grange and Bradshaw, LLC
Crisp Law
Cypress Creek Renewables
Duke Energy
E.ON Climate and Renewables
Ecoplexus
EDF Renewables
EDP Renewables North America, LLC
First Solar
InterCorp Design Build Consulting
Invenergy, LLC
JSD Management, LLC
Juwi Inc.
Kilpatrick Townsend
NCCEBA
NCUC Public Staff
NextEra
Nikola Power
Orion Renewables
Pine Gate Renewables
Renewable Energy Services, LLC
Revolve Power
RRE Power, LLC
Solterra Partners
Strata Solar
Vivo Power

## ATTACHMENT B

February 6, 2020 Stakeholder Session Presentation



**Duke Energy**  
**Competitive Procurement of Renewable Energy (CPRE)**  
**Tranche 2 Stakeholders Session**  
February 6, 2020



### Agenda

- Introduction by Independent Administrator
- Tranche 2 Schedule
- Avoided Cost
- Solar Integration Charge
- Review of IA Evaluation Process
- T&D Evaluation “Base Case” Determination
- RCOD & In-service Expectations
- Interconnection Guidance
- Issues Reviewed & Points of Consensus



2



3

## Independent Administrator Introduction

- IA conducting the session as permitted by NCUC protocols
  - Duke will not have direct exchanges with bidders until > selections by IA
- To ask questions from webinar, use the chat feature on the webinar control panel
  - Send your question to the “Organizer”
  - Do not identify yourself or company
  - Follow up written questions encouraged during webinar
  - Use Q&A on RFP website to ask questions > webinar and < bid date
- In-person questions will be answered, but w/o full discussion
- “Open mic” will occur at the end of the session
- Written responses to all questions will be posted on RFP website
  - Written responses should be used when preparing Proposals
- Webinar materials will be posted on the RFP Website
- After webinar, all communication will be through IA Website -- <https://decprerfp2019.accionpower.com>



## Tranche 2 Schedule

Tranche 2 Schedule (Amended to reflect NCUC Order)	
February 6, 2020	Final Stakeholder Meeting
March 9, 2020	Deadline for submission of Proposals (12:00 PM EST)
April 17, 2020	Projected Conclusion of Step 1 of the Evaluation Process
June 30, 2020	Projected Conclusion of Step 2 and winning Proposals notified
September 30, 2020	Projected Conclusion of Contracting period



Avoided Cost

- NCUC Order requirements:
  - Proposals evaluated utilizing an avoided cost cap that includes SISC for solar
  - Energy Pricing Periods Avoided Cost for Solar reduced by SISC
  - Pricing Periods for other technologies do not include SISC
  - Different Avoided Cost tables will be used for:
    - Solar Proposals
    - All other technologies
- NCUC Order necessitates changes to PPA
  - PPA to be amended to provide for the opportunity for a credit
  - Limited PPA changes will be posted for a brief comment period on the IA Website

5

DEC Avoided Cost Tables

DEC 20 Year CPRE - Solar Only												
CAPACITY PRICING			ENERGY PRICING									
Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak	
\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ 43.49	\$ 83.48	\$ 28.30	\$ 58.37	\$ 57.01	\$ 33.76	\$ 72.32	\$ 52.93	\$ 65.38	\$ 41.34	\$ 45.82	\$ 30.16
Transmission	\$ 42.33	\$ 81.25	\$ 27.54	\$ 56.18	\$ 55.05	\$ 33.08	\$ 70.04	\$ 51.56	\$ 63.70	\$ 40.52	\$ 44.91	\$ 29.70

DEC 20 Year CPRE - Non-Solar Renewable Generation												
CAPACITY PRICING			ENERGY PRICING									
Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak	
\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ 43.49	\$ 83.48	\$ 28.30	\$ 59.47	\$ 58.11	\$ 34.86	\$ 73.42	\$ 54.03	\$ 66.48	\$ 42.44	\$ 46.92	\$ 31.26
Transmission	\$ 42.33	\$ 81.25	\$ 27.54	\$ 57.28	\$ 56.15	\$ 34.18	\$ 71.14	\$ 52.66	\$ 64.80	\$ 41.62	\$ 46.01	\$ 30.80

6





## DEP Avoided Cost Tables

DEP 20 Year CPRE - Solar Only												
CAPACITY PRICING				ENERGY PRICING								
	Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ -	\$ 135.59	\$ 58.11	\$ 40.19	\$ 41.71	\$ 35.82	\$ 57.82	\$ 44.02	\$ 51.45	\$ 40.32	\$ 35.76	\$ 30.89
Transmission	\$ -	\$ 133.00	\$ 57.00	\$ 39.04	\$ 40.57	\$ 35.29	\$ 56.39	\$ 43.23	\$ 50.43	\$ 39.74	\$ 35.28	\$ 30.58

DEP 20 Year CPRE - Non-Solar Renewable Generation												
CAPACITY PRICING				ENERGY PRICING								
	Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ -	\$ 135.59	\$ 58.11	\$ 42.58	\$ 44.10	\$ 38.21	\$ 60.21	\$ 46.41	\$ 53.84	\$ 42.71	\$ 38.15	\$ 33.28
Transmission	\$ -	\$ 133.00	\$ 57.00	\$ 41.43	\$ 42.96	\$ 37.68	\$ 58.78	\$ 45.62	\$ 52.82	\$ 42.13	\$ 37.67	\$ 32.97

7

## Review of IA Evaluation Process

- The IA will perform all Step 1 evaluations using proprietary modeling
  - Duke does not have the model
  - Duke only receives the ranked Proposals after iterative process completed
- IA evaluation includes ranking against Avoided Cost and Net System Benefit
- Non-economic review before evaluation against Avoided Cost
  - E.g.,
    - ✓ Queue number matches Project
    - ✓ Proposed Project size matches Queue number
    - ✓ Ability to generate proposed MW
    - ✓ Ability to reach MP-identified POI
    - ✓ Project site control
    - ✓ Experience of project team
    - ✓ Equipment to be used
    - ✓ Quality of project design

8

## Review of IA Evaluation Process

### Initial Review

- Initial review after Proposal date for completeness and conformity
  - MP will be notified of missing or incomplete data or documents
    - E.g., single-line drawing incomplete
- IA high level review of Proposal & identification of apparent errors
  - E.g., “fat finger” pricing entry (e.g., \$50.00 decrement)
- “Cure period” opportunity to correct errors in Proposals
  - IA identifies apparent errors to MP
  - IA will provide MP a reasonable time to cure
- IA will provide summary of Proposal to MP for verification of intent

9

## Review of IA Evaluation Process

### Step 1 Evaluation

- Step 1 ranking of conforming Proposals
  - Initial Competitive Tier = 2 – 3 times Tranche goals
  - Reserve List = all other Proposals in ranked order
- Competitive Tier notified & offered opportunity to provide Proposal Security
- Reserve List Proposals moved to Competitive Tier as needed to meet goals
  - Notice to include initial quartile ranking as guidance for MPs
    - As suggested by MPs following Tranche 1

10

## Review of IA Evaluation Process

### Step 1 Proposal Security

#### Steps

- Proposal Security only required when moved to Competitive Tier
- Initial Notice — 10 days before actual notice
  - IA to advise if likely to be in Competitive Tier
- Within 14 calendar days of Initial Notice
  - MP required to provide draft Proposal Security bond to IA
- Proposal Security required 10 business days after notice of being in Competitive Tier
- Same process will be used as Reserve List Proposals move to Competitive Tier

11

## Review of IA Evaluation Process

### Step 2 Process

- Conforming Proposal Security required before T&D evaluation begins
- Competitive Tier Proposals evaluated in ranked order
- System Impact cost provided to IA by T&D Evaluation Team
- IA will impute System Impact cost to Proposals
- Iterative re-ranking of Proposals continues until:
  - Tranche goals met
  - Exhausted all Proposals evaluated in Step 2 T&D evaluation

12

## T&D Evaluation “Base Case” Determination

### Challenges for Tranche 2 Step 2 T&D Evaluation

- Per July 2, 2019 NCUC Order, Queue reform merits monitoring for change
  - Overall Queue to remain unchanged for now
  - Limited ability to remove projects from Queue
- Size of the issue as of January 31, 2020:
  - DEC T&D renewable Queue approx. 5,300 MW
  - DEP T&D renewable Queue approx. 6,000 MW
- Goal of CPRE = encourage “shovel ready/first ready first built” in CPRE
- Challenge = respect NCUC Order & identifying first ready Projects

13

## T&D Evaluation “Base Case” Determination

### IA Recommendations for Tranche 2 Base Case

- Initial Step 2 evaluation base case includes Queue > Proposal submission date
  - Excluded:
    - Duke gas plants
    - CPRE Proposals (excepting Advanced Stage Proposals)
- If Tranche 2 goal is not reached:
  - IA with T&D Evaluation Team conducts a Step 2 evaluation using a modified base case including only Projects with a Facility Study Agreement executed by the interconnection customer
  - Purpose = identify Proposals that would be at or below Avoided Cost with different imputed system upgrade costs
- Step 2 could, if necessary, have 2 T&D reviews:
  - 1st = using full transmission Queue
  - 2nd = redefine base case for CPRE Proposals
  - IA will report findings of both to the NCUC

14

## T&D Evaluation “Base Case” Determination

### IA Recommendations for Tranche 2 Base Case

- A. Excluded from all evaluation:
  - 1. Previously stated as excluded:
    - Duke gas plants
    - CPRE Proposals (excepting Advanced Stage Proposals)
  - 2. Cancelled & withdrawn Projects
  - 3. Projects with multiple Queue positions - only largest included
- B. Excluded from alternative evaluation:
  - 1. Projects without a completed Facility Study Agreement executed by the interconnection customer

15

## RCOD & In-Service Expectations

### Process from Queue Application to In-Service

1. Interconnection Request (Queue Number Assigned)
2. Feasibility Study (FERC Procedures)
3. System Impact Study
4. Facilities Study
5. Interconnection Agreement
6. Engineering Design and Construction

16

## RCOD & In-Service Expectations

- Tranche 2 Required Completion of Development (“RCOD”) = January 1, 2023
  - MP must demonstrate ability to complete project by that date
    - IA Step 1 review for feasibility
  - All Projects must meet same in-service requirement
- Step 2 T&D evaluation = whether Project can be interconnected with system upgrade cost imputed and remain at or below Avoided Cost
  - I.e., existing T&D capacity & cost-effective upgrades
  - A DEC & a DEP project manager were added to the T&D Evaluation Team
    - Provides enhanced knowledge of T&D construction process
- In-Service date will be definitively established upon execution of Interconnection Agreement
  - After executing a PPA, Duke will complete Facilities Study and move to interconnection in accordance with interconnection procedures
    - May take up to 6 months to complete process

17

## Interconnection Guidance

### How were the Interconnection Guidance Maps developed?

- Duke provided maps showing T&D constrained areas based on most recently completed interconnection studies
  - DEC: requests received through 10/8/2018
  - DEP: requests received through 3/31/2018
- Tranche 2 guidance maps have been updated to reflect new constrained areas
- Further information can be found on the IA Website on the Documents page

18

## Issues Reviewed & Points of Consensus

- August Session
  - Will a project with executed LGIA be in the base case?
  - Will the base case be the same as in Tranche 1?
  
- September Session
  - Usefulness of IA debrief & whether should be available in Tranche 2
  - Discussion of RFP comments process
  - Status of Solar Integration Service Charge (SISC)
  - Status of Avoided Cost Docket
  - Discussion of transmission analysis & status of Proposals with fully executed Interconnection Agreements
    - IA presented several options for discussion; consensus was not reached among participants about best path forward

19

## Issues Reviewed & Points of Consensus

- October Session
  - Discussion of Asset Acquisition Proposal structures
  - Status of Solar Integration Service Charge (SISC)
  - Review PPA changes for Tranche 2
  
- November Session
  - Status of Proposals in South Carolina for Tranche 2
  - Consensus: December Stakeholder Session was unnecessary without input from the NCUC.
  - Agreement that more advance notice for providing Proposal Security was desired by Bidders
    - IA to provide 10 business days' notice before starting the "clock" for posting security.
  - Agreement: Proposal submissions should be delayed pending NCUC decisions re
    - Avoided Cost & SISC.
    - 1-2 months was requested.

20

## Issues Reviewed & Points of Consensus

- February 2020 Discussion points
  - Base Case calculation methodology for Tranche 2
  - Treatment of SISC in Tranche 2
  - Method of calculating Maximum Allowable T&D investment

21

Q&A – OPEN MIC

22



- You may continue to submit written questions through the IA Website
- Written answers to questions will be posted to the IA Website
- Responses provided during this webinar are preliminary only
  - Written responses posted on the RFP Website are to be used in preparing bids



## ATTACHMENT C

### February 6, 2020 Stakeholder Session - Questions and Comments

Questions Asked at February 6, 2020 Stakeholder Session
What is included in the Base Case for Tranche 2?
Has the SCUC approved the CPRE grouping study methodology?
As indicated in Slide 6 and 7, how would solar-and-storage bundled be considered in the avoided cost? "solar only" or "Non-Solar Renewable" generation?
How and when will the IA evaluate whether MPs can meet the January 1, 2023 RCOD? What data will be relied on for that analysis? Is it the case that interconnection timelines will no longer be considered in this analysis?
Has the SCUC approved if any network upgrades will be included in Duke's rate base?
In the Energy Storage Protocol (Ex 10 in the PPA), it appears there is considerable leeway for operations so long as the energy storage system is primarily used to mitigate SISC (not subject to ramp rate limits, not required to provide leveled output in capacity periods).
Is there any guidance or retroactive evaluation contemplated that certain operations by a facility would be SISC or avoided-cost oriented and thus allowed or not allowed?
Are submissions required to identify the use cases of the storage system at that time (SISC mitigation, peak pricing periods, curtailment mitigation, some combo)?
Will exhibit 2 of the PPA include prices for each energy period reflecting the MP's decrement?
Thank you for providing the updated interconnection cost guidance. As MPs will not receive a facilities study until after the PPA is signed, will there be a mechanism to adjust the PPA price if the interconnection facility costs come back higher than the provided cost guidance?
A few tweaks: To ensure the MPs are aware of the same information regarding the interconnection cost guidance, can the IA add the actual interconnection payment structure options to the interconnection cost guidance?
Will the merchant curve that is being used to evaluate offers be shared with MP's? (Merchant curve is the power price forecast for years 21-35)
It is our understanding that for a number of projects in tranche 1, the facility study costs came back higher than the cost guidance provided by the company in tranche 1. The tranche 2 interconnection cost guidance has been lowered from tranche 1. Does the company feel confident that the tranche 2 interconnection cost guidance is accurate?
To follow up on a point made earlier regarding OPGW (communications), it was stated that those costs would be covered by the MP. If the project being bid does not yet have an SIS, how will the MP know the extent to which OPGW is needed to ensure the MP accurately factors in those costs?
Can you please explain in more detail what is meant by "method of calculating maximum allowable T&D investment," and what that method is?
It was stated earlier that DEC would allow third-party fiber in lieu of OPGW for CPRE participants. Is this true for both transmission and distribution projects bidding into CPRE?

### Questions Asked at February 6, 2020 Stakeholder Session

OPGW- Is that going to be included in the interconnection upgrade cost, there's options for a third party? Some projects require an extra communication link- there are a few ways to do that which can reduce that cost will that be evaluated against a project... third party link?

Have you an idea how (this) would be handled in South Carolina (modifying the base case?)

Two ways of ranking in case the megawatts aren't achieved. Would the contingency rankings could that change the initial ranking using the entire queue or could the results change with the second scenario in which the base case only includes projects with facility study agreements?

Clarifying question on the alternative analysis: It seems that there are two purposes on the review one is to evaluate network costs and the other is time costs?

Everything in the queue is being included in the base case- is the implication then that everything else in queue will also receive a system impact study prior to the delivery SIS prior to T2 awarded projects?

Are you concerned about the number of projects in the queue right now? That it will have a negative impact on this round?

If a project has a very high interconnection cost upgrade but is in the queue ahead of time, are those projects assumed to be going ahead and making those improvements in the base case?

Does Duke assume that the freesian upgrade in that situation southeastern North Carolina will be constructed in CPRE unless you determine otherwise?

Have you got an idea of how this (see: Q8) would be handled for South Carolina? Since they are presumably separate?

And just to follow up if the South Carolina commission either, you know, is not able to act on on that request or denies it, and North Carolina Commission doesn't give a sense of how that would be handled, how you'd have to handle that.

I did have just a kind of a technical question about the two ways of ranking. Since there would be the contingency case, the megawatts would not be achieved with that. Would the contingency ranking or the contingency manner that we're doing, what could that change the initial ranking that was done using the entire queue. Or, is that is that possible or could it could the results change with the second scenario in, which only the base case only included projects was facility study agreement just understood.

This is just a clarifying question, on the, sort of the alternative analysis Because it seems like there, there are two purposes of the, of the T&D review One is to evaluate the network upgrade costs and the other one is to actually assign costs. So is it the intention so you could weigh the proposals just by evaluation of costs?

Could we be provided with an updated constrained area map that reflects only the projects with executed facility studies.

When the step two evaluation produces a system impact cost to be imputed to any proposal, and that is provided back to Accion, how is that converted in the IA modeling to a dollar per megawatt costs?

It might be particular projects that would be excluded in the analysis that doesn't have facilities study?

### Questions Asked at February 6, 2020 Stakeholder Session

Maybe, if we go back to the slide, referring to the setting of the or COD and then subsequently, the date at which the upgrades would be completed. And then the final COD deadline or in service date, would be set. Each bidder is going to have to go through the process and post their security before knowing the final result of that in service date. So if that process is done and the in-service date is much later than January 1, 2023, let's say it's going to take another year, or two for Duke to complete those, complete that work that changes the economics to the market participant. So, you know, one aspect off top of my head is the ITC implications with the step down. So would it be possible to allow for refund of the bid security if that date turns out to be substantially later than January 1, 2023?

So I was simply asking if there's an ability to withdraw at that point and get the bid security refund or damage?

Question about the base case and sounds like some ongoing discussion here but just so I understand. So, everything in the queue has been included in the baseline. And then evaluation has been conducted on these projects for CPRE, the selections are made, and then those awardees are delivered. Completed system impact studies is the implication then that everything else, and you will also receive a system impact study, prior to delivery of ..., to the ... tranche two, awarded projects.

Question on the base case analysis and I think I understand the logic Harry, are you concerned about the number of projects in the queue right now?

Are you concerned that that will have a negative impact on us in this next round? And I understand that you're looking at two scenarios to kind of help with that. I think that's going to be really problematic.

Mike mentioned, if a project has a very high interconnection cost upgrade that's in the queue ahead of time, are those projects that seemed to be going ahead and making those improvements in the base case?

I wasn't sure I totally heard what you said about the exceptional circumstances operation. Did you say that Duke assumes that the Friesian network upgrades in that situation in southeastern North Carolina will be constructed and, and, CPRN, unless you determine otherwise?

I've got a follow up question on the baseline. Can we clarify what exactly the existing locational guidance on the constrained area map represents in terms of interconnection status? And then, if it is inconsistent with what's going to be in the baseline, can we clarify if and when an updated version will be released?

I just wanted to clarify what exactly it is represented here, saying that the existing guidance that is posted on the Portal represents all I ARS up through October eighth of 2018 and BEC or did you say those projects are completed as system impact studies?

Just curious, is there a reason that you all didn't update that upon the posting of tranche two materials (RE ?

There were some Q and A I think it just went up on the website in the last day or so The question related to the ability or eligibility of a project with a signed PPA to fit into CPRE. Because I understood the answer that came back It was that such a project would not be eligible because of its prior contractual commitment. But I'm wondering about the rationale if the contract can be terminated with whatever liability the seller may have to Duke, why would CPRE not want to see the pool expanded and allow that project to bid in?

**RESTATEMENT: Can a Project with an existing off-take agreement bid into CPRE, and if successful in CPRE cancel the other PPA and proceed with a CPRE PPA?**

**Questions Asked at February 6, 2020 Stakeholder Session**

I understand that part of it, but, of course, that creates a catch 22 that you, the market participant wouldn't know the outcome of CPRE. So, what is the sort of downside or the problem of deferring that action or decision until a CPRE Award has been made? So the decision to terminate the PPA because there's just comparable toward what's being allowed with respect to a Leo that, obviously, the seller, the market participant wants to know that it has a CPRE offtake opportunity before it terminates its preexisting offtake. It's not obvious to me why there's any downside to Duke or anybody else from allowing the termination, or whatever consequences flow from that to occur after that decision has been made about the CPRE award. I would think it's a reasonable requirement -If I'm selected I will perform. Required the termination before the market knows anything about CPRE it seems like you are doing that unnecessarily.

I want to go back to the method of calculating maximum allowable T&D investment. It's my understanding that in tranche one, that analysis was done sort of prior to the T&D analysis or for some subset of projects. Is that the plan for tranche two, and if it is, can you talk a little bit about the assumptions that will go into that analysis in terms of what the what the costs would be. So, specifically, it would be costs that are assumed to be borne by the project even without triggering any network upgrades and the T&D analysis?

Can some detail be provided on If there are assumptions or cost figures that are being used in that analysis (I.E., maximum allowable T&D). If that information can be provided?

So you're just coming up with a number, and then that number gets plugged in?

At what point can your evaluation determine a project is over avoided costs? At what point can that result in a project being disqualified as above avoided cost is adjusted in the step two analysis?

I was thinking of it in a way where a bid is, let's say a dollar below what it costs, therefore, it has a dollar of room than the network upgrade cause an upgraded. The network upgrade costs are estimated and converted into a per megawatt hour figure. You actually do it the other way around you. You do that conversion before sending it to step 2. Because, you know, it's a dollar below, and you convert that into how many millions of dollars can it support? And still remain under avoided cost?

## ATTACHMENT D

<b>CPRE Stakeholder Sessions; Points of Discussion and Consensus</b>	
<b><u>August Session</u></b>	<b>IA Understanding of Status</b>
Will a project with executed LGIA be in the base case?	Description of Base Case and Alternative Base Case as presented in the February 2020 session is appropriate for NCUC consideration when presented by the IA.
Will the base case be the same as in Tranche 1?	Description of Base Case and Alternative Base Case as presented in the February 2020 session is appropriate for NCUC consideration when presented by the IA.
<b><u>September Session</u></b>	
Usefulness of IA debrief & whether should be available in Tranche 2	Useful and appreciated
Status of Solar Integration Service Charge (SISC)	Discussed after NCUC Order. No disagreement about the process to be used in CPRE.
Status of Avoided Cost Docket	Discussed after NCUC Order. No disagreement about the process to be used in CPRE.
Discussion of transmission analysis & status of Proposals with fully executed Interconnection Agreements	Description of Base Case and Alternative Base Case as presented in the February 2020 session is appropriate for NCUC consideration when presented by the IA.
<b><u>October Session</u></b>	
Discussion of Asset Acquisition Proposal structures	Agreement that the explanation by Duke was informative and sufficient.
Status of Solar Integration Service Charge (SISC)	Discussed after NCUC Order. No disagreement about the process to be used in CPRE.
Review PPA changes for Tranche 2	The final revisions to the PPA, subsequent to the latest NCUC Order, will be released for comments in the near future.
<b><u>November Session</u></b>	
Status of Proposals in South Carolina for Tranche 2	Discussed during the February 2020 session and a copy of the South Carolina decision provided on the IA website. No disagreement as to the meaning or impact.
Consensus: December Stakeholder Session was unnecessary without input from the NCUC.	Done
Agreement that more advance notice for providing Proposal Security was desired by Bidders, i.e., IA to provide 10 business days' notice before starting the "clock" for posting security.	The IA's proposal for additional notice was endorsed by participants.
Agreement: Proposal submissions should be delayed pending NCUC decisions re Avoided Cost & SISC. 1-2 months was requested.	Done
<b><u>February 2020 Session</u></b>	
Alternative Base Case calculation methodology for Tranche 2	Appropriate for IA to establish two versions of the Base Case and report findings to the NCUC after completion of the Step 2 evaluation.
Treatment of SISC in Tranche 2	Discussed after NCUC Order. No disagreement about the process to be used in CPRE.
Method of calculating Maximum Allowable T&D investment	The description of the calculation, and its use and purpose, was appreciated and understood.