

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 )

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

NOW COMES the Carolinas Clean Energy Business Association (“CCEBA”), 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”). In its Order, the Commission requested comment on three questions. The Carolinas Clean Energy Business Association (“CCEBA” – formerly NCCEBA) hereby submits its comments on each of those three questions as set out below:

**Question 1 - The most current status of the Transition MW**

Information related to the status of the Transition MW is possession of Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together, “Duke”). However, as the Commission’s order observes, based on Duke’s filings, the total number of Transition MW is projected to be between 4,775 and 5,300 MW, which would leave a final net procurement target in the range of 860 to 1,385 MW. On information and belief, CCEBA understands that the remaining capacity for the initial CPRE 45-month procurement period may be considerably lower.

CCEBA reserves the right to address this issue in reply comments after Duke updates the Commission on the Transition MW status.

### **Question 2 - The need for and appropriate timing of a CPRE Tranche 3**

CCEBA has previously stated its support for a 2021 CPRE Tranche 3 timeline that generally aligns with the 2020 CPRE Tranche 2 timeline (Q2 bid deadline, Q3 awards and PPA execution). This schedule is consistent with the statutory requirement of a reasonable procurement schedule, the general expectation of our members that the CPRE Tranches are occurring once per year, and the broader market objective to achieve a consistent annual capacity procurement schedule that aligns with standard interconnection and in-service timelines (i.e. two-year build timelines to achieve in-service in Q4 two years later).

CCEBA supports proceeding on this schedule for a full Tranche 3 procurement (~600-700 MW) *regardless* of the Transition MW accounting and as soon as possible. The Commission is required by statute to direct an additional “offering of a new renewable energy resources competitive procurement” at the close of the initial 45-month CPRE period, and “the amount to be procured shall be determined by the Commission, based on a showing of need evidenced by the electric public utility’s most recent biennial integrated resource plan.” N.C.G.S. § 62-110.8(a). Given that Duke’s 2020 IRPs identify the need for procurement of substantial additional solar resources over the coming decade, and that such procurement must begin immediately to be accomplished over the planning horizon, CCEBA believes the level of immediate procurement it is recommending is necessary and appropriate.

In addition. Governor Cooper’s Clean Energy Plan calls for a 70% reduction in carbon emissions from the state’s electric utility sector by 2030. Duke’s IRPs demonstrate that in order for Duke to achieve that ambitious goal and average of somewhere between 500-1000 MW AC of new solar capacity must be installed in Duke’s service territories **every year** this decade. Although CCEBA disputes Duke’s claim that it cannot interconnect more than 500 MW per year, we acknowledge that there is a practical upper limit

on annual solar interconnections that makes it essential that meaningful incremental additions be made every single year or it will be impossible to achieve the Governor's goal.

CCEBA recognizes that the IRP proceeding has not yet been concluded. Nevertheless, CCEBA believes it is appropriate for the Commission to act now to direct additional procurement. Losing six months or a year will have adverse impacts on the state's ability to achieve its clean energy objectives. In addition, step-downs in the extended federal investment tax credit or a long hiatus in solar development and procurement opportunities in North Carolina could result in increased costs to ratepayers.

In the unlikely event that the Commission, were to subsequently determine that the previously ordered additional procurement is not in fact needed, it can always instruct Duke not to make contract awards, which it would not likely be in a position to do so before Q2 of 2022 even if the Tranche 3 process began immediately.

**Question 3 - The parties' positions on statutory interpretation regarding what must be completed within the 45-month term and what actions the Commission may properly take beyond the 45-month timeframe to ensure that the final procurement target is met.**

CCEBA does not believe that the Commission is statutorily required to direct all of the initial volume of CPRE procurement within the initial 45-month period. Given the uncertainty about the remaining program volume, we believe that the Commission could lawfully choose to wait until the end of the 45-month period to determine the remaining volume to be procured from the initial 2,660 MW total. However, for the reason discussed above, CCEBA believes that it would be a mistake for the Commission to defer commencement of the Tranche 3 procurement process until the final 45-month accounting is completed.

Given that the status of Transition MW cannot be exactly known until Duke reports it at the end of the 45-month period, the most practical approach is for the Commission to begin an additional procurement tranche as soon as possible. A 600-700 MW procurement commenced in 2021 would allow for any unmet portion of the initial 2,660 MW to be procured along with amounts unquestionably needed



**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 15<sup>th</sup> Day of June 2021.

/s/ John D. Burns

John D. Burns  
General Counsel  
811 Ninth Street, Suite 120-158  
Durham, NC 27705  
(919) 306-6906  
[counsel@carolinasCEBA.com](mailto:counsel@carolinasCEBA.com)  
N.C. Bar No. 24152