

McGuireWoods LLP
501 Fayetteville St.
Suite 500
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

E. Brett Breitschwerdt
Direct: 919.755.6563

McGUIREWOODS

bbreitschwerdt@mcguirewoods.com

OFFICIAL COPY

Dec 03 2021

December 3, 2021

VIA Electronic Filing

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

*Re: Petition for Determination of Final CPRE Program Procurement Amount
Docket Nos. E-2, Sub 1159 and E-7, Sub 1156*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceedings on behalf of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC is their *Petition for Determination of Final CPRE Program Procurement Amount*.

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

Very truly yours,

/s/E. Brett Breitschwerdt

EBB:kjg

Enclosure

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 the Matter of Joint Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Competitive Procurement of Renewable Energy Program)))))	PETITION FOR DETERMINATION OF FINAL CPRE PROGRAM PROCUREMENT AMOUNT
---	-----------------------	---

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and together with DEC, the “Companies”), pursuant to N.C. Gen. Stat. § 62-110.8 and North Carolina Utilities Commission (“Commission”) Rule R1-5, and hereby petition the Commission to determine the aggregate number of megawatts (“MW”) to be competitively procured through the Competitive Procurement of Renewable Energy (“CPRE”) Program based on the exceedance of Transition MW¹ over the 45-month CPRE Procurement Period,² and approve the resulting Tranche 3 target MW amount.

BACKGROUND

1. On July 27, 2017, North Carolina Session Law 2017-192 (“HB 589”) was enacted by the General Assembly and signed into law by Governor Roy Cooper. Part II of HB 589 amended Article 6 of the Public Utilities Act to add a new section, N.C. Gen. Stat. § 62-110.8, establishing a targeted Competitive Procurement of Renewable Energy (“CPRE”) Program to competitively procure energy and capacity from new renewable

¹ “Transition MW” is defined in Paragraph 2 to this Petition.

² “CPRE Procurement Period” is defined in Paragraph 2 to this Petition.

energy facilities during a 45-month timeframe established in N.C. Gen. Stat. § 62-110.8(a) (such period of time, the “CPRE Procurement Period”).³

2. During the CPRE Procurement Period, the Companies are required to add a total of 6,160 MW of renewable energy through a combination of (1) CPRE Program procurement (“CPRE Program MW”) and (2) the execution of power purchase agreements (“PPAs”) and interconnection agreements (“IA”) for renewable energy capacity within the DEC and DEP Balancing Authority Areas that are not subject to economic dispatch or curtailment and were not procured pursuant to the Green Source Advantage program authorized under N.C. Gen. Stat. § 62-159.2 (projects satisfying such criteria, “Transition MW”). Under N.C. Gen. Stat. § 62-110.8(a), (b)(1), 2,660 MW of this 6,160 MW total was targeted to be procured through the CPRE Program and the remaining 3,500 MW was targeted to be non-CPRE Transition MW capacity.

3. Section 62-110.8(b)(1) requires the Commission to adjust the CPRE targeted amount of 2,660 MW based on the actual amount of Transition MW procured prior to the end of the CPRE Procurement Period. Specifically, the CPRE Statute states:

If prior to the end of the initial 45-month competitive procurement period the public utilities subject to this section have executed power purchase agreements and interconnection agreements for renewable energy capacity within their balancing authority areas that are not subject to economic dispatch or curtailment and were not procured pursuant to G.S. 62-159.2 having an aggregate capacity in excess of 3,500 megawatts (MW), the Commission shall reduce the competitive procurement aggregate amount by the amount of such exceedance. If the aggregate capacity of such renewable energy facilities is less than 3,500 megawatts (MW) at the end of the initial 45-month competitive procurement period, the Commission shall

³ Session Law 2021-165, Section 2.(a), amended the CPRE Program statute on October 13, 2021. However, these recent amendments do not impact the Companies’ initial CPRE Procurement Period procurement obligation addressed by this Petition.

require the electric public utilities to conduct an additional competitive procurement in the amount of such deficit.

4. On November 27, 2017, the Companies filed a Petition for Approval of a Joint CPRE Program.

5. On February 21, 2018, the Commission issued its *Order Approving and Modifying Joint CPRE Program*, commencing the 45-month CPRE Procurement Period.

6. Following Commission approval of the CPRE Program, the Companies issued CPRE Tranches 1 and 2. The contracting period for Tranche 1 concluded on July 8, 2019. As a result of Tranche 1, DEC procured 435 MW⁴ of new cost-effective renewable energy capacity and DEP procured 86 MW of new cost-effective renewable energy capacity. The contracting period for Tranche 2 concluded on October 15, 2020. As a result of Tranche 2, DEC procured 589 MW of new cost-effective renewable energy capacity and DEP procured 75 MW of new cost-effective renewable energy capacity. In total, the Companies procured 1,185 CPRE Program MW through Tranches 1 and 2.

7. On November 21, 2021, the 45-month CPRE Program Procurement Period ended. Through the CPRE Procurement Period, the Companies procured a total of 4,378 Transition MW: 1,121 Transition MW by DEC and 3,257 Transition MW by DEP.

8. Figure 1 provides a detailed breakdown of the CPRE Program MW and Transition MW as of the end of the CPRE Procurement Period.

⁴ Originally DEC contracted with 11 projects totaling 465 MW. One project with a 30 MW capacity withdrew leaving 10 projects totaling 435 MW.

Figure 1

Transition Capacity as of November 22, 2021 (MWs)	DEC	DEP	Carolinas
Solar Connected	813	2,657	3,470
Solar Not Connected with both IA and PPA	167	455	621
Non-Solar Connected	142	145	287
Total Transition Capacity	1,121	3,257	4,378
CPRE Tranche 1	435	86	521
CPRE Tranche 2	589	75	664
Total CPRE	1,025	161	1,185
Total Transition + CPRE			5,564
Target			6,160
Shortfall to Target			596

**REQUEST FOR COMMISSION DETERMINATION OF CPRE PROGRAM
PROCUREMENT AMOUNT**

9. Pursuant to the CPRE statute, the “Commission shall reduce” the 2,660 MW total to be procured through the CPRE Program by the amount of Transition MW obtained through the end of the CPRE Procurement Period exceeding 3,500 MW. *See* N.C. Gen. Stat. § 62-110.8(b)(1).

10. As explained above, 4,378 Transition MW have been obtained through the end of the CPRE Procurement Period.⁵ Therefore, 878 Transition MW have been obtained in excess of the 3,500 MW initially targeted by HB 589.

11. As also explained above, a total of 1,185 CPRE Program MW have been procured through Tranches 1 and 2.

12. Accordingly, the Companies request the Commission confirm, as required by N.C. Gen. Stat. § 62-110.8(b)(1), that the 2,660 MW amount to be competitively

⁵ The Companies’ 2021 CPRE Program Plan filed September 1, 2021, in Docket No. E-100, Sub 165, identified that approximately 4,448 MW qualified as Transition MW as of that date. The reduction in Transition MW between September 1, 2021, and the date of filing was due to a change in methodology to exclude renewable energy resources interconnected within the DEC and DEP BAAs behind wholesale delivery points where the Companies are not the counterparty that “executed” the PPA and IA, as contemplated by N.C. Gen. Stat. § 62-110.8(b)(1).

procured through the CPRE Program has been reduced by the excess 878 Transition MW obtained during the CPRE Procurement Period (that is, the amount of Transition MW above 3,500 MW), resulting in a total targeted CPRE Program MW amount of 1,782 MW.

13. Furthermore, taking into account the 1,185 CPRE Program MW procured in Tranches 1 and 2, the Companies request confirmation that Tranche 3 should seek to procure 596 MW, which will result in procurement of the full CPRE Program MW amount of 1,782 MW.⁶

14. The Companies also note for transparency purposes that the 596 MW Tranche 3 target amount may be reduced as a result the Commission's *Order Granting Petition for Relief* issued in Docket No. SP-13695, Sub 1 on November 2, 2021. Specifically, the Tranche 3 target may be reduced up to 52.6 MW, the aggregate capacity of Bid A and Bid B, if such projects elect to execute Tranche 1 PPAs pursuant to the *Order Granting Petition for Relief*.

CONCLUSION

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully petition the Commission to determine the aggregate number of MW to be competitively procured through the CPRE Program based on the exceedance of Transition MW over the 45-month CPRE Procurement Period, approve the 596 MW Tranche 3 target procurement amount, and grant any other relief the Commission determines necessary and appropriate to complete the CPRE Program procurement requirements.

⁶ On November 24, 2021, the Companies and the Carolinas Clean Energy Business Association filed a joint letter in the above-captioned dockets addressing the Companies' plans to issue a DEC-only Tranche 3 request for proposal solicitation for the remaining CPRE MW on January 5, 2022.

Respectfully submitted this, the 3rd day of December, 2021.

/s/E. Brett Breitschwerdt

Jack E. Jirak
Deputy General Counsel
Duke Energy Corporation
PO Box 1551/NCRH 20
Raleigh, North Carolina 27602
Telephone: (919) 546-3257
jack.jirak@duke-energy.com

E. Brett Breitschwerdt
Kristin M. Athens
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
Telephone: (919) 755-6563 (EBB)
Telephone: (919) 835-5909 (KMA)
bbreitschwerdt@mcguirewoods.com
kathens@mcguirewoods.com

*Counsel for Duke Energy Carolinas, LLC
and Duke Energy Progress, LLC*

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Matthew Kalemba, being duly sworn, deposes and says that he is Director DET Planning & Forecasting of Duke Energy Corporation, that as such, he has read the foregoing Petition and knows the contents thereof, and that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.

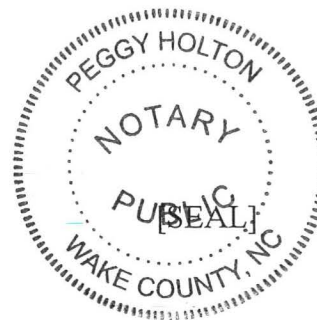
Matthew Kalemba

Signed and sworn to before me this day by Matthew Kalemba
Name of principal

Date: 12/2/2021

Peggy Holton
Official Signature of Notary

Peggy Holton, Notary Public
Notary's Printed or Typed Name



My Commission expires: 12/22/2021

I signed this notarial certificate on 12/2/2021 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 hereby certify that a copy of the foregoing *Petition for Determination of Final CPRE Program Procurement Amount* as filed in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, was served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 3rd day of December, 2021.

/s/E. Brett Breitschwerdt _____

E. Brett Breitschwerdt

McGuireWoods LLP

501 Fayetteville Street, Suite 500

PO Box 27507 (27611)

Raleigh, North Carolina 27601

Telephone: (919) 755-6563

bbreitschwerdt@mcguirewoods.com

*Attorney for Duke Energy Carolinas, LLC
and Duke Energy Progress, LLC*