

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1343

In the Matter of)	
)	
Application of Duke Energy Progress, LLC for)	DUKE ENERGY PROGRESS,
Approval of Clean Energy and Energy Efficiency)	LLC 2023 CLEAN ENERGY &
Portfolio Standard Compliance Report and Rider)	ENERGY EFFICIENCY
Pursuant to N.C. Gen. Stat. § 62-133.8 and)	PORTFOLIO STANDARD
Commission Rule R8-67(c))	COMPLIANCE REPORT

**DUKE ENERGY PROGRESS, LLC
CLEAN ENERGY AND ENERGY EFFICIENCY
PORTFOLIO STANDARD (“CEPS”)
COMPLIANCE REPORT**

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(A) INTRODUCTION

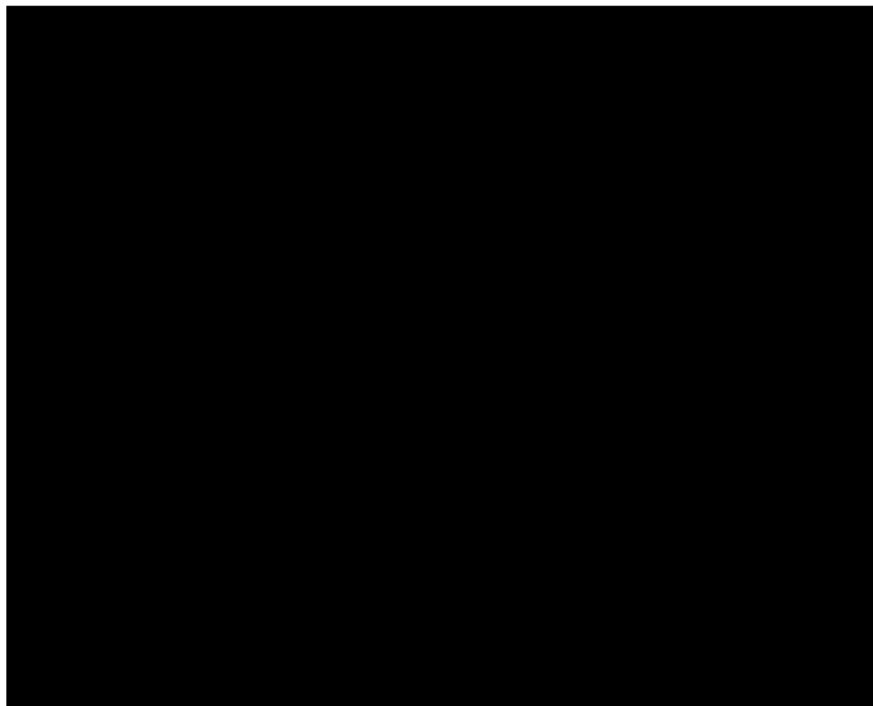
Duke Energy Progress, LLC (“Duke Energy Progress,” “DEP,” or the “Company”) submits its Clean Energy and Energy Efficiency Portfolio Standard (“CEPS”) Compliance Report (“Compliance Report”) in accordance with N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c). This Compliance Report provides the required information for the calendar year 2023.¹

(B) CEPS COMPLIANCE REPORT

I. RENEWABLE ENERGY CERTIFICATES:

The table below reflects the renewable energy certificates (“RECs”) used to comply with N.C. Gen. Stat. § 62-133.8(d) for the year 2023.

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Totals may not foot due to rounding

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¹ Pursuant to NCUC Rule R8-67(c)(1), this Compliance Report reflects Duke Energy Progress’ efforts to meet the CEPS requirements for the previous calendar year.

II. ACTUAL 2023 TOTAL NORTH CAROLINA RETAIL SALES AND YEAR-END NUMBER OF ACCOUNTS, BY CUSTOMER CLASS:

	2023
NC Retail MWh Sales	36,584,727

Customer class	2023 Year-end Number of Accounts
Residential	1,387,655
General	220,940
Industrial	1,909

III. AVOIDED COST RATES

Appendix 1 shows the current avoided cost rates and the avoided cost rates applicable to energy received pursuant to long-term CEPS compliance power purchase agreements.

IV. TOTAL AND INCREMENTAL COSTS INCURRED IN 2023

CEPS compliance costs incurred for calendar year 2023 comprise the cost of renewable energy purchases, the cost of purchases of various types of RECs, and other reasonable and prudent costs incurred to meet the requirements of the CEPS statute. In addition, annual Solar Rebate Program costs incurred pursuant to N.C. Gen. Stat. § 62-155 are recovered in the CEPS rider as directed in N.C. Gen. Stat. § 62-133.8(h)(1)d, as well as annual costs related to the Company's PowerPairSM Pilot program

CEPS compliance costs incurred – calendar year 2023			
Actual Costs Incurred	Energy and REC Costs	Other	Total Costs
CEPS compliance – avoided cost	\$ 136,506,630	\$ 0	\$ 136,506,630
CEPS compliance – incremental cost	\$ 35,952,584	\$ (1,320,640)	\$ 34,631,944 (a)
CEPS compliance – total cost	\$ 172,459,214	\$ (1,320,640)	\$ 171,138,574
Solar Rebate Program and PowerPair SM Pilot Program costs	--	\$ 2,794,950	\$ 2,794,950 (b)
Incremental CEPS compliance costs and Solar Rebate Program and PowerPair SM Pilot Program costs included for CEPS rider recovery		(a) + (b) above	\$ 173,933,524

V. INCREMENTAL COSTS COMPARISON TO THE ANNUAL COST CAP

Account Type	Total 2022 Year-end Number of Accounts	Annual Per-Account Cost Cap	Total Annual Cost Cap
Residential	1,362,401	\$ 27	\$ 36,784,827
General	218,341	\$ 150	\$ 32,751,150
Industrial	1,918	\$ 1,000	\$ 1,918,000
Total annual CEPS compliance cost cap – 2023			\$ 71,453,977
CEPS compliance – incremental costs incurred – 2023			(a) \$ 34,631,944

VI. STATUS OF COMPLIANCE WITH CEPS REQUIREMENTS

Pursuant to N.C. Gen. Stat. § 62-133.8(b), the CEPS requirement for calendar year 2023 is set at 12.5% of 2022 North Carolina (“NC”) retail sales for Duke Energy Progress retail customers. With DEP’s 2022 retail megawatt-hour sales of 38,713,787, the Company’s total requirement for compliance year 2023 is 4,839,224 RECs. Details of the composition of RECs retired to meet the total CEPS compliance requirement are contained in Section I of this report.

Pursuant to N.C. Gen. Stat. § 62-133.8(d), for calendar year 2023, at least 0.20% of the total prior year NC retail sales shall be supplied by a combination of new solar electric facilities and new metered solar thermal energy facilities. As a result, 77,428 solar RECs were submitted for retirement to meet the solar set-aside requirement. An additional 2,558,165 solar RECs were submitted for retirement toward compliance with the general requirement (the total CEPS requirement net of the solar, poultry waste and swine waste set-aside obligations).

On March 4, 2022 the Commission issued its *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* establishing the poultry waste set-aside requirement for calendar year 2023 at 900,000 MWhs. On December 20, 2022 the Commission issued its *Order Establishing 2022, 2023, and 2024 Poultry Waste Set-Aside Requirement Allocation* resetting each electric power supplier’s load ratio share of the annual aggregate poultry waste set-aside requirement. To satisfy its 2023 poultry set-aside requirement, the Company submitted for retirement 248,585 poultry waste RECs and met its 2023 poultry waste set-aside requirement.

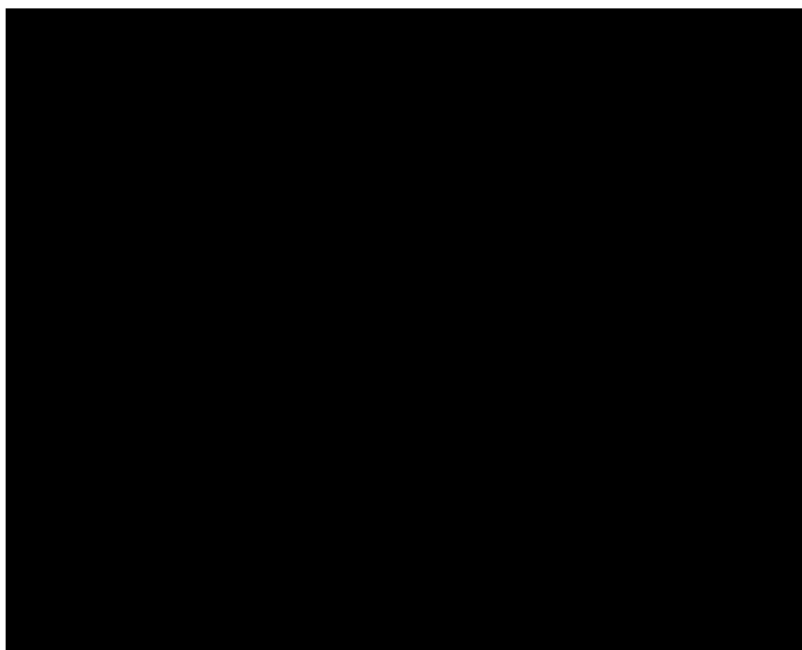
The swine waste set-aside requirement was modified in the Commission’s December 11, 2023, *Order Modifying Swine Waste Set-Aside Requirement and Granting Other Relief* (“2023 Delay Order”). In its 2023 Delay Order,

the Commission modified the swine waste set-aside requirement for 2023 and each year thereafter for electric public utilities and set the 2023 swine waste set-aside at 0.05% of total NC retail sales. To comply with the swine waste set-aside requirement applicable to DEP's NC retail sales, the Company submitted for retirement 19,357 swine RECs.

VII. IDENTIFICATION OF RECs CARRIED FORWARD

The table below reflects RECs generated through year-end 2023 and banked for use in future compliance years. The chart excludes those RECs that have already been retired to meet compliance as well as hydroelectric RECs DEP can not use for its own compliance because they were produced by a facility owned and operated by the Company.

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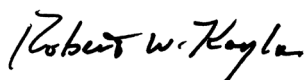
VIII. DATES AND AMOUNTS OF ALL PAYMENTS MADE FOR RENEWABLE ENERGY CERTIFICATES

Confidential Appendix 2 details the dates and amounts of all payments made for renewable energy certificates during calendar year 2023.

(a) **METHODOLOGY FOR DETERMINING NUMBER OF CUSTOMERS AND CUSTOMER CAP**

Consistent with the Commission's order issued November 12, 2009 in Docket No. E-2, Sub 948, for purposes of CEPS billing, in 2023 the Company defined as a single customer all accounts (metered and unmetered) serving the same customer of the same revenue classification located on the same or contiguous properties. If a customer has accounts which serve in an auxiliary role to a main account on the same premises, no CEPS charge applies to the auxiliary accounts, regardless of their revenue classification.

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



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