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July 23, 2018

VIA ELECTRONIC FILING

Ms. Martha Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, North Carolina 27606-5926

Re: Petition of Duke Energy Progress, LLC and Duke Energy Carolinas, LLC
Requesting Approval of Community Solar Program Plan Pursuant to G.S.
62-126.8, **Docket Nos. E-2, Sub 1169 and E-7, Sub 1168**

Dear Ms. Jarvis:

On behalf of the Sierra Club, I write to clarify a recommendation made by the Sierra Club that was referenced by Duke Energy Progress, LLC and Duke Energy Carolinas, LLC ("Duke") in Duke's July 16, 2018 Additional Reply Comments in this proceeding. In these comments, Duke responded to the Sierra Club's recommendation that "the Companies include a provision in the Shared Solar RFP that Duke will not accept bids above the then-projected 20-year avoided cost rate."¹ Duke stated:

The Companies note that simply bidding in a cost that is less than avoided cost does not necessarily result in a proposed project being cost-neutral (or cost-negative) for subscribers; other costs relating to marketing and project management for a particular project also impact a project's final cost. As a result, a project could bid in at a price less than avoided cost but, when these other factors are considered, the total price could exceed avoided cost. The Companies are therefore willing to specify in the RFP that they will not accept projects for which the total costs are greater than avoided cost, which DEC and DEP believe is consistent with Sierra Club's recommendation.

Duke's Additional Reply Comments at 25-26 (emphasis added). Because Duke referenced the Sierra Club's recommendation in its proposal, the Sierra Club wishes to clarify that its recommendation that Duke "not accept bids above the...avoided cost rate" was intended to recommend capping only the PPA price at avoided cost. The Sierra Club

¹ Sierra Club's Reply Comments at 7.

does not recommend that the total cost of the PPA, marketing, and project management costs, in the aggregate, must be at or below avoided cost. In other words, if the applicable avoided cost rate was \$50/MWh, the PPA price would be capped at \$50/MWh.

The Sierra Club hopes this clarification will assist the Commission in this proceeding.

Sincerely,

s/ Peter D. Stein

cc: Parties of Record