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June 14, 2022

VIA ELECTRONIC FILING

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

**Re: Duke Energy Progress, LLC's REPS Cost Recovery Rider and 2021
Compliance Report
Docket No. E-2, Sub 1293**

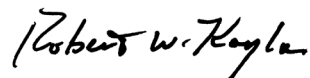
Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission ("Commission") is the Application of Duke Energy Progress, LLC ("DEP" or the "Company") pursuant to N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67 relating to incremental costs for compliance with the renewable energy and energy efficiency portfolio standard ("REPS") for electric utilities, together with the testimony and exhibits of Kimberly A. Presson and Veronica I. Williams containing the information required by Commission Rule R8-67. DEP's 2021 REPS Compliance Report, filed pursuant to N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c), is attached as Exhibit No. 1 to Ms. Presson's testimony in support of the Application.

Certain information contained in the exhibits of Ms. Presson and Ms. Williams is a trade secret, and confidential, proprietary, and commercially sensitive information. For that reason, it is being filed under seal pursuant to N.C. Gen. Stat. § 132-1.2 and should be protected from disclosure. Parties to the docket may contact the Company to obtain copies pursuant to an appropriate confidentiality agreement.

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

Sincerely,



Robert W. Kaylor

Enclosures

cc: Lucy Edmondson

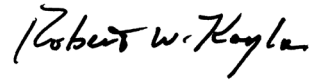
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JUN 14 2022

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's REPS Cost Recovery Rider and 2021 Compliance Report, in Docket No. E-2, Sub 1293, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 14th day of June, 2022.



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ATTORNEY FOR DUKE ENERGY
PROGRESS, LLC

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1293

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	
)	
Application of Duke Energy Progress, LLC)	APPLICATION FOR APPROVAL OF REPS COST RECOVERY RIDER AND 2021 REPS COMPLIANCE REPORT
for Approval of Renewable Energy and)	
Energy Efficiency Portfolio Standard (REPS))	
Compliance Report and Cost Recovery Rider)	
Pursuant to N.C. Gen. Stat. 62-133.8 and)	
Commission Rule R8-67)	

Duke Energy Progress, LLC (“DEP” or the “Company”), pursuant to N.C. Gen. Stat. § 62-133.8 and Rule R8-67 of the Rules and Regulations of the North Carolina Utilities Commission (“Commission”), hereby makes this Application (1) for approval of its 2021 Renewable Energy Portfolio Standard (“REPS”) Compliance Report, and (2) to implement a monthly charge to recover the incremental costs associated with compliance with the REPS. In support of this Application, the Company respectfully shows the following:

1. The Company is a public utility operating in the states of North Carolina and South Carolina where it is engaged in the generation, transmission, distribution, and sale of electricity for compensation. Its general offices are located at 410 South Wilmington Street, Raleigh, North Carolina, and its mailing address is Post Office Box 1551, Raleigh, North Carolina 27602.

2. The attorneys for the Company, to whom all communications and pleadings should be addressed, are:

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3. N.C. Gen. Stat. § 62-133.8 requires North Carolina’s electric power suppliers to supply twelve and one half (12.5) percent of their North Carolina retail kilowatt hours (“kWh”) from “renewable resources,” as that term is defined by N.C. Gen. Stat. § 62-133.8(a)(8), for calendar year 2021. Further, N.C. Gen. Stat. § 62-133.8(d) requires that the electric power suppliers also obtain 0.20 percent of their North Carolina retail kWh from solar photovoltaic or thermal solar resources in 2021. Further, N.C. Gen. Stat. § 62-133.8(e) and (f) require that the electric power suppliers also obtain their allocated share of the state-wide requirement of 0.20 percent of the total North Carolina retail kWh sold from swine waste resources and 900,000 megawatt hours (“MWh”) of the total electric power sold to North Carolina retail customers from poultry waste resources, respectively, in 2021.¹

4. N.C. Gen. Stat. § 62-133.8(h) provides that the electric public utilities shall be allowed to recover the incremental costs² associated with complying with N.C. Gen. Stat. § 62-133.8 through an annual rider not to exceed the following per-account charges:

¹ Both the Poultry Waste and Swine Waste Set-Aside requirements established by N.C. Gen. Stat. § 62-133.8 have been modified by Commission order pursuant to N.C. Gen. Stat. § 62-133.8(i)(2), as discussed herein.

² “Incremental costs” are defined as (1) all reasonable and prudent costs incurred by an electric utility to meet the solar and renewable generation requirements of the statute that are in excess of the utility’s avoided costs, and (2) costs associated with research that encourages the development of renewable energy,

<u>Customer Class</u>	<u>2008-2011</u>	<u>2012-2014</u>	<u>2015 and thereafter</u>
Residential per account	\$ 10.00	\$ 12.00	\$ 27.00
Commercial per account	\$ 50.00	\$ 150.00	\$ 150.00
Industrial per account	\$ 500.00	\$ 1,000.00	\$ 1,000.00

The statute provides that the Commission shall ensure that the incremental costs to be recovered from individual customers on a per-account basis are in the same proportion as the per-account annual charges for each customer class set out in the chart above.

5. Rule R8-67(c) requires the Commission to conduct an annual proceeding for each electric public utility to review the utility's costs to comply with N. C. Gen. Stat. § 62-133.8 and establish the electric public utility's annual rider to recover such costs in a timely manner. The Commission shall also establish an experience modification factor ("EMF") to collect the difference between the electric public utility's actual reasonable and prudent REPS costs incurred during the test period and the actual revenues incurred during the test period. Rule R8-67(c) further provides that the Commission shall consider each electric public utility's REPS compliance report at the hearing provided for in Rule R8-67(e) and shall determine whether the electric public utility has complied with N.C. Gen. Stat. § 62-133.8(b), (d), (e) and (f).

6. According to Rules R8-67(c) and (e), the electric public utility is to file its application for recovery of its REPS costs, as well as its REPS compliance report, at the same time it files the information required by Rule R8-55, and the Commission is to conduct an annual rider hearing as soon as practicable after the hearing required by Rule R8-55.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(e), DEP requests the Commission to establish a rider to recover its reasonable

energy efficiency, or improved air quality, provided those research costs do not exceed one million dollars (\$1,000,000) per year.

and prudent forecasted REPS compliance costs to be incurred during the rate period. As provided in Rule R8-67(e), the Company requests to collect from DEP's retail customers, through the EMF, \$3,986,578 of REPS costs under-collected net of other credits for the period April 1, 2021 through March 31, 2022 ("EMF Period"). In addition, DEP requests to collect from DEP's retail customers \$42,503,807 for REPS costs to be incurred during the billing period from December 1, 2022 through November 30, 2023 ("Billing Period"). The REPS EMF and rider will be in effect for the twelve-month period December 1, 2022 through November 30, 2023.

8. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Rule R8-67, DEP requests Commission approval of the annual billing statements, including both the REPS monthly charge and the EMF monthly charge, for each customer class as follows:

Customer Class	REPS Monthly Charge (excl. regulatory fee)	Monthly EMF (excl. regulatory fee)	Total REPS Monthly Charge (excl. regulatory fee)	Total REPS Monthly Charge (incl. regulatory fee)
Residential	1.39	0.16	1.55	1.55
General ³	7.86	0.55	8.41	8.42
Industrial	54.51	2.83	57.34	57.41

The calculation of these rates is set forth in Exhibit No. 4 of the direct testimony of Veronica I. Williams filed with this Application.

9. Pursuant to Commission Rule R8-67(e)(8), DEP requests approval to defer the difference between actual reasonable and prudently incurred incremental costs and the related revenues realized under rates in effect. FERC account 182.3, "Other Regulatory Assets," will be used to defer these costs until recovered.

³ Duke Energy Progress' General Service rate schedule generally covers the class of customers intended to be captured by the "Commercial" class included within N.C. Gen. Stat. § 62-133.8. The Company does not have a rate schedule for "Commercial" customers.

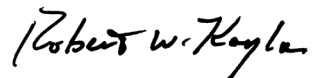
10. Further, pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c), the Company requests Commission approval of its 2021 REPS Compliance Report, attached as an exhibit to the direct testimony of Kimberly A. Presson filed in support of this Application. As described by Ms. Presson's testimony, and illustrated in DEP's 2021 REPS Compliance Report, the Company has complied with the requirements of N.C. Gen. Stat. § 62-133.8(b) and (d) for 2021. In its December 16, 2019 *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* and its February 13, 2020 *Errata Order*, in Docket No. E-100, Sub 113, the Commission lowered the Swine Waste Set-Aside Requirement for DEP, Duke Energy Carolinas, LLC and Dominion Energy North Carolina and delayed the scheduled increase to 0.07% of prior-year retail sales to begin in calendar year 2020 and remain at 0.07% for 2021. In its *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* issued on March 4, 2022, the Commission modified the statewide 2021 Poultry Waste Set-Aside Requirement to be 300,000 MWhs and set the 2022 and 2023 requirements at 700,000 MWh and 900,000 MWhs respectively. The Company has complied with these modified Poultry Waste and Swine Waste Set-Aside Requirements.

11. The information and data required to be filed under Commission Rule R8-67 is contained in the direct testimony and exhibits of witnesses Presson and Williams, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, the Company respectfully requests:

That consistent with this Application, the Commission approve the Company's 2021 REPS Compliance Report and allow the Company to implement the rate riders as set forth above.

Respectfully submitted, this the 14th day of June, 2022.



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