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October 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 and Public Staff's Joint Proposed Order  
Docket No. E-2, Sub 1296**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced docket is Duke Energy Progress, LLC and Public Staff's Joint Proposed Order Approving CPRE Program Cost Recovery Rider and Compliance Report. An electronic copy is being mailed to [briefs@ncuc.net](mailto:briefs@ncuc.net).

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

Ladawn S. Toon

Enclosure

cc: Parties of Record

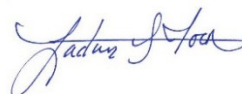
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Oct 14 2022

## CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC and Public Staff's Joint Proposed Order, in Docket No. E-2, Sub 1296, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record.

This the 14<sup>th</sup> day of October, 2022.



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STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-2, SUB 1296

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	JOINT PROPOSED ORDER
Application of Duke Energy Progress,	)	OF DUKE ENERGY
LLC, Pursuant to N.C.G.S. § 62-110.8	)	PROGRESS, LLC AND THE
and Commission Rule R8-71 for	)	PUBLIC STAFF
Approval of CPRE Program Cost	)	
Recovery Rider and Compliance Report	)	

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HEARD: Wednesday, September 14, 2022, at 10:00 a.m. in  
Commission Hearing Room 2115, Dobbs Building, 430 North  
Salisbury Street, Raleigh, North Carolina

BEFORE: Heather Fennell, Hearing Examiner

APPEARANCES:

For Duke Energy Progress, LLC:

Ladawn Toon, Associate General Counsel  
411 Fayetteville Street  
Raleigh, NC 27601

For the Using and Consuming Public:

William S.F. Freeman  
William E.H. Creech  
Retia Coxtton  
North Carolina Utilities Commission – Public Staff  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4300

BY THE COMMISSION: On June 14, 2022, Duke Energy Progress, LLC  
(DEP), filed an application pursuant to N.C. Gen. Stat. § 62-110.8 and  
Commission Rule R8-71 for approval of its Competitive Procurement of  
Renewable Energy (CPRE) Cost Recovery Rider and CPRE Compliance Report

(Compliance Report) , along with the direct testimony and exhibits of Christy J. Walker, Rates and Regulatory Strategy Manager, and Angela M. Tabor, Renewable Compliance Manager with the Business & Compliance Department (Application). The testimony of witness Tabor included DEP's Compliance Report for calendar year 2021 as Exhibit No. 1.

Petitions to intervene were filed by Carolina Utility Customers Association, Inc. (CUCA) and by Carolina Industrial Group for Fair Utility Rates II (CIGFUR II) on June 16, 2022. The Commission granted CUCA's and CIGFUR II's petitions to intervene on June 21, 2022. The intervention of the Public Staff is recognized pursuant to N.C.G.S. § 62-15(d) and Commission Rule R1-19(e).

On July 8, 2022, the Commission issued an Order Scheduling Hearing, Requiring Filing of Testimony, Establishing Discovery Guidelines, and Requiring Public Notice, in which the Commission set this matter for hearing; established deadlines for the submission of petitions to intervene, intervenor testimony, and DEP rebuttal testimony; required the provision of appropriate public notice; and mandated compliance with certain discovery guidelines.

On August 17, 2022, DEP filed the supplemental testimony and exhibit of witness Walker.

On August 24, 2022, the Public Staff filed the notice of affidavit and affidavit of Hemanth Meda, Financial Analyst II, Accounting Division, and the notice of affidavit and redacted affidavit of Jeff Thomas, Engineer, Energy Division.

On September 1, 2022, DEP filed the rebuttal testimony of witness Tabor.

On September 6, 2022, DEP filed Affidavits of Publication indicating that the public notice had been provided in accordance with the Commission's procedural order.

On September 7, 2022, DEP and the Public Staff filed a joint motion requesting that the Commission (i) excuse DEP's witnesses Walker and Tabor, and (ii) Public Staff's affiants Meda and Thomas from appearing at the September 14, 2022, evidentiary hearing. The joint motion requested that the Commission accept the pre-filed testimony and exhibits of DEP's witnesses and the affidavits of Public Staff's affiants into the record and represented that all parties to the proceeding had agreed to waive cross-examination of DEP's witnesses and the Public Staff's affiants listed in the motion.

On September 12, 2022, the Commission granted the joint motion, excusing all expert witnesses from appearing at the evidentiary hearing, and canceling the expert witness hearing but requiring that the parties file proposed orders, or a joint proposed order, on or before October 14, 2022, and briefs, if desired, by that same date.

On September 14, 2022, the Commission held a public hearing to receive public witness and expert witness testimony into the record. No public witnesses testified.

On October 14, 2022, DEP and the Public Staff filed a Joint Proposed Order.

Based upon DEP's verified Application, the testimony, workpapers, and exhibits received into evidence, and the record as a whole, the Commission makes the following:

### **FINDINGS OF FACT**

1. DEP is a duly organized limited liability company existing under the laws of the State of North Carolina, is engaged in the business of developing, generating, transmitting, distributing, and selling electric power to the public in North Carolina, and is subject to the Commission's jurisdiction as a public utility. DEP is lawfully before this Commission based upon its Application filed pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71.

2. The test period for purposes of this proceeding is the 12-month period beginning on April 1, 2021, and ending on March 31, 2022 (test period or EMF period). The billing period for this proceeding is the prospective 12-month period beginning on December 1, 2022, and ending on November 30, 2023 (billing period).

3. In DEP's Application, direct testimony, and supplemental testimony (including workpapers and exhibits), it identified system level costs and revenues attributable to the test period as follows: \$4,012,225 in charges for purchased power; \$493,414 in CPRE Program implementation costs — including \$128,282 of excess Independent Administrator (IA) fees; and \$3,256,342 in revenues. Of these system level charges and revenues, DEP proposed to credit \$501,264 the difference between CPRE Program costs allocated to the North Carolina retail

customers and CPRE Program rider revenues collected from the North Carolina retail customer classes in the test period, back to North Carolina retail customers.

4. DEP's purchased power costs and the CPRE Program implementation charges for the test period were reasonably and prudently incurred. DEP has not incurred the network upgrade costs for Marley Solar, LLC (Marley Solar) at this time.

5. The North Carolina retail jurisdictional allocation factors related to the capacity and energy components of purchased power costs incurred during the test period in this proceeding were 61.54% and 61.01%, respectively. The capacity component was based on the 2021 production plant allocator, and the energy component was based on test period sales. Similarly, the North Carolina retail class allocation factors related to the capacity and energy components of purchased power costs incurred during the test period in this proceeding were based on the 2021 production plant and test period sales for each class, respectively. The North Carolina retail class allocation factors related to implementation charges incurred during the test period were based on a composite rate calculated as the weighted average of the capacity and energy components of purchased power.

6. The North Carolina retail test period sales used in calculating the EMF rider component are 37,241,665 MWh. The adjusted North Carolina retail customer class MWh sales were as follows:

<u>N.C. Retail Customer Class</u>	<u>Adjusted MWh Sales</u>
Residential	16,261,952
Small General Service	1,895,276
Medium General Service	10,425,247
Large General Service	8,339,752
<u>Lighting</u>	<u>319,438</u>
Total	37,241,665

7. DEP requested \$5,217,145 in prospective billing period charges anticipated to be incurred for purchased power and ongoing implementation costs.

8. The North Carolina retail jurisdictional allocation factors related to the capacity and energy components of purchased power costs anticipated to be incurred during the prospective billing period in this proceeding are 61.54% and 62.31%, respectively. The capacity component is based on the 2021 production plant, and the energy component is based on projected billing period sales. Similarly, the North Carolina retail class allocation factors related to the capacity and energy components of purchased power costs anticipated to be incurred during the prospective billing period in this proceeding are based on the 2021 production plant and projected billing period sales for each class, respectively. The North Carolina retail class allocation factors related to implementation charges anticipated to be incurred during the prospective billing period are based on a composite rate calculated as the weighted average of the capacity and energy components of purchased power.

9. The projected billing period sales for use in this proceeding are 38,365,559 MWh on a North Carolina retail basis. The projected billing period North Carolina retail customer class MWh sales are as follows:



<u>N.C. Retail Customer Class</u>	<u>Adjusted MWh Sales</u>
Residential	16,637,596
Small General Service	1,797,603
Medium General Service	10,360,942
Large General Service	9,189,937
<u>Lighting</u>	<u>379,481</u>
Total	38,365,559

10. DEP's North Carolina retail over-recovery of costs for the test period, or EMF period, amount to \$501,264, excluding interest and the regulatory fee, as set forth on Walker Revised Exhibit No. 4. This over-recovery by customer class is \$189,772 for the Residential class, \$24,744 for the Small General Service class, \$163,524 for the Medium General Service class, \$119,865 for the Large General Service class, and \$3,359 for the Lighting class.

11. The appropriate EMF rider component to be credited to customers are (0.001) cents per kWh for the Residential class, (0.001) cents per kWh for the Small General Service class, (0.002) cents per kWh for the Medium General Service class, (0.001) cents per kWh for the Large General Service class, and (0.001) cents per kWh for the Lighting class, including interest related to the overcollection (excluding the regulatory fee).

12. The appropriate North Carolina retail prospective billing period expenses, as adjusted and set forth on Walker Revised Exhibit No. 3, total \$5,217,145. The appropriate prospective billing period expenses for use in this proceeding are \$2,364,012 for the Residential class, \$258,567 for the Small General Service class, \$1,392,790 for the Medium General Service class, \$1,160,904 for the Large General Service class, and \$40,872 for the Lighting class.

13. The appropriate monthly prospective rider component to be charged to customers are 0.014 cents per kWh for the Residential class, 0.014 cents per kWh for the Small General Service class, 0.013 cents per kWh for the Medium General Service class, 0.013 cents per kWh for the Large General Service class, and 0.011 cents per kWh for the Lighting class, excluding the regulatory fee.

14. The appropriate combined monthly EMF rate component and prospective rate component to be collected during the billing period are 0.013 cents per kWh for the Residential class, 0.013 cents per kWh for the Small General Service class, 0.011 cents per kWh for the Medium General Service class, 0.012 cents per kWh for the Large General Service class, and 0.010 cents per kWh for the Lighting class, excluding the regulatory fee.

15. The increase in costs DEP proposes to recover with its proposed CPRE Program Rider and EMF Rider are within the limit established in N.C.G.S. § 62-110.8.

16. The 2021 Compliance Report provides adequate information that satisfies the requirements of Commission Rule R8-71(h), and for the reporting period, DEP implemented the CPRE Program in compliance with the requirements of N.C.G.S.

§ 62-110.8.

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 1**

This finding of fact is essentially informational, procedural, and jurisdictional in nature and is uncontroverted.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 2

The evidence for this finding of fact is contained in the testimony and exhibits of DEP witness Walker.

Pursuant to N.C.G.S. § 62-110.8, an electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities and to recover the authorized revenue of any utility-owned assets that are procured through an annual rider approved by the Commission and reviewed annually. Commission Rule R8-71 prescribes that unless otherwise ordered by the Commission, the test period for each electric public utility shall be the same as its test period for purposes of Rule R8-55. The test period for purposes of Rule R8-55 is a 12-month period ending March 31. Witness Walker testified that for purposes of this proceeding, DEP's proposed rider includes both an EMF rider component to adjust for the difference in DEP's costs incurred compared to revenues realized during the EMF test period, as well as a rider component to collect costs forecasted to be incurred during the prospective 12-month period over which the proposed CPRE Program rider will be in effect.

DEP's proposed test period is the 12-month period beginning on April 1, 2021, and ending on March 31, 2022, and the proposed billing period for the CPRE Program rider is the 12-month period beginning on December 1, 2022, and ending on November 30, 2023.

The test period and the billing period proposed by DEP were not challenged by any party. Based on the foregoing, the Commission concludes that DEP used the appropriate test period and billing period in this proceeding.

#### **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 3-4**

The evidence for these findings of fact is contained in the direct testimony and exhibits of DEP witnesses Walker and Tabor, the supplemental testimony and revised exhibits of DEP witness Walker, and the affidavits of Public Staff witnesses Thomas and Meda. Prior to the scheduled hearing, DEP filed the Supplemental Testimony of witness Walker, along with Revised Walker Exhibits and supporting workpaper. These changes reflected the impact of three updates to numbers presented in witness Walker's direct exhibits and workpapers: (1) correction of total internal labor in the billing period; (2) correction of the IA Fees Not Recovered for the EMF period; and (3) included the increase in the regulatory fee per the Commission's June 30, 2022 Order in Docket No. M-100, Sub 142.

On Walker Revised Exhibit No. 1, DEP witness Walker identifies \$4,012,225 on a system basis of purchased power costs and authorized revenue for two Tranche 1 facilities during the EMF period. On Walker Revised Exhibit No. 2, DEP witness Walker set forth the per books implementation charges of \$493,414 incurred by DEP on a system basis to implement the CPRE Program during the test period.

Walker Revised Exhibit No. 4 evidences \$2,755,078 in costs incurred during the EMF period that were allocated to the North Carolina retail jurisdiction

and \$3,256,342 in CPRE Program rider revenues collected during the EMF period, resulting in an overcollection of \$501,264.

DEP witness Tabor testified regarding DEP's actions to implement the CPRE Program and comply with the CPRE Program requirements of N.C.G.S. § 62-110.8, as described in DEP's Compliance Report. She also testified about excess IA fees incurred after the conclusion of the IA's administration of CPRE Program Tranches 1 and 2. Witness Tabor stated that these fees stem from the IA's participation in unanticipated Commission proceedings and litigation related to CPRE Program Tranches 1 and 2 – not from DEP's Tranche 1 or 2 CPRE Program implementation. Due to the timing of when these expenses were incurred by the IA and subsequently invoiced to DEP, they were not recoverable from bidders or Tranche 1 and Tranche 2 winners. She testified that DEP therefore considers these limited IA fees to be appropriate for recovery through the CPRE Program Rider. Witness Tabor also testified that DEP considered the concerns from Tranche 1 and Tranche 2, and DEP did increase the amount that it would collect for Tranche 3 Winner's Fees.

Public Staff witness Thomas discussed the system-level expenses sought to be recovered by DEP, but he did not recommend any adjustments to the system-level expenses.

Public Staff witness Meda explained the procedures taken by the Public Staff to evaluate whether DEP properly determined its per books CPRE Program costs and revenues during the test period. No parties challenged the prudence of

the total amount of \$501,264, which excludes interest, that DEP is requesting to credit back to customers.

The Commission concludes that the \$501,264 North Carolina retail level overcollection collected by DEP during the EMF period for the CPRE Program were reasonably and prudently incurred and are appropriate to be credited back to customers by DEP.

DEP's CPRE Program implementation charges of \$493,414 include \$128,282 of excess IA Fees. Pursuant to N.C.G.S. § 62-110.8(d), the CPRE Program must be administered by an independent, third-party administrator. The IA's "reasonable and prudent administrative and related expenses incurred to implement [the CPRE Program] shall be recovered from market participants (MPs) through administrative fees levied upon those that participate in the competitive bidding process, as approved by the Commission." N.C.G.S. § 62-110.8(d). Further Commission Rule R8-71(d)(10) provides that:

The Independent Administrator's fees shall be funded through reasonable proposal fees collected by the electric public utility. The electric public utility shall be authorized to collect proposal fees up to \$10,000 per proposal to defray its costs of evaluating the proposals. In addition, the electric public utility may charge each participant an amount equal to the estimated total cost of retaining the Independent Administrator divided by the reasonably anticipated number of proposals. To the extent that insufficient funds are collected through these methods to pay of the total cost of retaining the Independent Administrator, the electric public utility shall pay the balance and subsequently charge the winning participants in the CPRE Program RFP Solicitation.

As explained by DEP witness Tabor and Public Staff witnesses Thomas and Meda, DEP has incurred additional IA fees above the amounts recovered by MPs. Although the Commission believes these amounts should have been recovered

from MPs, the Commission finds persuasive the testimony of DEP witness Tabor and the affidavits of Public Staff witnesses Thomas and Meda that DEP made reasonable efforts to recover IA fees from MPs, and that in this particular instance, it is reasonable for DEP to recover these excess IA fees through the CPRE Program Rider. In doing so, however, the Commission reiterates that DEP should seek to recover all IA fees from MPs in accordance with N.C.G.S. § 62-110.8(d), and that the Public Staff should continue to monitor the IA's fees with scrutiny.

Public Staff witness Thomas stated that DEP updated the Public Staff on the network upgrade cost assigned to Marley Solar. In rebuttal, DEP witness Tabor stated that Marley Solar will undergo a final accounting report once construction activities are complete and the facility has reached commercial operation. DEP's and the Public Staff's Joint Motion to Excuse Witnesses from Evidentiary Hearing stated that the parties have agreed to determine the appropriateness of Marley Solar's network upgrade costs after those costs are finalized and incurred by DEP.

Based on the foregoing, the Commission concludes in its discretion that it is reasonable and appropriate for DEP to recover the excess IA fees through the CPRE Program Rider.

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 5**

The evidence for this finding of fact is contained in the direct and supplemental testimony and exhibits of DEP witness Walker and the affidavit of Public Staff witness Meda.

In Walker Revised Exhibit No. 4, DEP witness Walker provided DEP's North Carolina retail jurisdictional allocation factors, including 61.54% for capacity-related costs and 61.01% for energy-related costs. The CPRE Program implementation charges allocation factor, which is a composite allocation factor based on the weighted average of capacity and energy purchases for purchased power costs, is 61.15%.

The Commission concludes that the 61.54% allocation factor for capacity-related costs and the 61.01% allocation factor for energy-related costs are appropriate for use in this proceeding.

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6**

The evidence supporting this finding of fact is contained in the direct testimony and exhibits of DEP witness Walker.

Walker Workpaper No. 4 provides DEP's North Carolina test period retail sales of 16,261,952 MWh for the Residential class, 1,895,276 MWh for the Small General Service class, 10,425,247 MWh for the Medium General Service class, 8,339,752 for the Large General Service class, and 319,438 MWh for the Lighting class. No other party presented evidence on the appropriateness of test period North Carolina retail sales.

The Commission concludes that the test period North Carolina retail MWh sales proposed by DEP for purposes of calculating the EMF billing factors are appropriate for use in this proceeding.

#### **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 7-8**



The evidence supporting these findings of fact is contained in the direct and supplemental testimony and exhibits of DEP witness Walker and the affidavit of Public Staff witness Thomas.

Walker Revised Exhibit Nos. 2 and 3 present DEP's projected North Carolina retail allocated CPRE Program costs of \$5,217,145 in the billing period, as well as the allocation of the system costs to the North Carolina retail jurisdiction and the North Carolina retail customer classes. DEP used the 2021 production plant jurisdictional allocation factor of 61.54% for capacity costs and the projected billing period sales jurisdictional allocation factor of 62.31% for energy costs for its allocation of CPRE Program purchased power costs.

Public Staff witness Thomas agreed with DEP's estimate of the CPRE Program costs for the billing period. No other party presented evidence on the appropriateness of DEP's proposed billing period charges anticipated to be incurred or the allocation of these costs.

The Commission concludes that DEP's North Carolina retail allocated charges of \$5,217,145 anticipated to be incurred during the billing period for purchased capacity and energy and ongoing implementation costs are appropriate for use in this proceeding. The Commission further concludes that the use of 61.54% for the capacity component and 62.31% for the energy component to allocate system-level CPRE Program purchased power costs to the North Carolina retail jurisdiction is appropriate for use in this proceeding, and that the use of production plant and energy sales, respectively, to allocate North Carolina retail jurisdictional capacity and energy costs to the customer classes is appropriate for

use in this proceeding. Further, the Commission concludes that the use of a composite rate for the allocation of North Carolina retail implementation costs to the North Carolina retail customer classes is appropriate for use in this proceeding.

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 9**

The evidence supporting this finding of fact is contained in the direct and supplemental testimony and exhibits of DEP witness Walker and the affidavit of Public Staff witness Thomas.

In Walker Revised Exhibit No. 3, DEP witness Walker provided DEP's projected billing period sales of 16,637,596 MWh for the Residential class, 1,797,603 MWh for the Small General Service class, 10,360,942 MWh for the Medium General Service class, 9,189,937 MWh for the Large General Service class, and 379,481 MWh for the Lighting class. Witness Walker further testified that the rate per customer class for purchased power is determined by dividing the sum of the billing period costs allocated to the class by the forecast billing period MWh sales for the customer class. Similarly, the rate per customer class for implementation costs is determined by dividing the sum of the billing period costs allocated to the class, using a composite rate determined in the purchased power calculation, above, by the forecast billing period MWh sales for the customer class.

The Public Staff witnesses did not propose any adjustments to the projected billing period sales amounts used in this proceeding. No other party presented evidence on the appropriateness of the projected billing period North Carolina retail sales.

The Commission concludes that DEP's projected billing period sales for North Carolina retail customer classes are as follows: 16,637,596 MWh for the Residential class, 1,797,603 MWh for the Small General Service class, 10,360,942 MWh for the Medium General Service class, 9,189,937 MWh for the Large General Service class, and 379,481 MWh for the Lighting class.

#### **EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 10-14**

The evidence supporting these findings of fact appears in DEP's Application, in the direct and supplemental testimony and exhibits of DEP witness Walker, and in the affidavits of Public Staff witnesses Thomas and Meda.

Walker Revised Exhibit No. 4 calculates for North Carolina retail customers a total over-recovery of \$501,264 in CPRE Program costs for the EMF period before interest. The North Carolina retail customer share of CPRE Program costs for the prospective billing period, as shown through witness Walker Revised Exhibit No. 3, amounts to a total of \$5,217,145.

In both the supplemental testimony of DEP witness Walker and the affidavit of Public Staff witness Thomas, the components of the proposed Total CPRE Program Rate were presented as follows, excluding the regulatory fee:

<b>DEP's Rider Request – Supplemental Testimony Filed on August 17, 2022 (cents per kWh)</b>			
<b>Customer Class</b>	<b>EMF Rate Component</b>	<b>Prospective Rate Component</b>	<b>Total CPRE Program Rate</b>
Residential	(0.001)	0.014	0.013
Small General Service	(0.001)	0.014	0.013
Medium General Service	(0.002)	0.013	0.011
Large General Service	(0.001)	0.013	0.012
Lighting	(0.001)	0.011	0.010

The Public Staff witnesses recommended that these rates be approved.

No other party presented evidence on the appropriateness of the rates.

Based on the foregoing, the Commission finds good cause to find that DEP's proposed rates are just and reasonable for purposes of this proceeding.

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 15**

The evidence supporting this finding of fact is contained in the direct testimony and exhibits of DEP witness Walker.

DEP witness Walker testified that N.C.G.S. § 62-110.8(g) and Commission Rule R8-71 limits the annual increase in CPRE Program-related costs recoverable by an electric public utility to 1% of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year. Witness Walker testified that the increase in aggregate costs DEP seeks to recover in this proceeding is less than the statutory maximum.

For the reasons stated herein, the Commission concludes that the costs DEP seeks to recover in this proceeding are not in excess of the cost cap established by

N.C.G.S. § 62-110.8(g).

#### **EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 16**

The evidence supporting this finding of fact is contained in the direct and rebuttal testimony and exhibits of DEP witness Tabor, including the Compliance Report, and the affidavit of Public Staff witness Thomas.

The direct testimony of DEP witness Tabor and the 2021 Compliance Report, which accompanied her direct testimony, detail DEP's actions to implement the CPRE Program requirements of N.C.G.S. § 62-110.8 in collaboration with the IA. In her direct testimony, DEP witness Tabor testified that Duke Energy Carolinas, LLC (DEC) has issued the Tranche 3 request for proposals seeking to procure 596 MW.

The 2021 Compliance Report filed with direct testimony on June 14 shows the status of the DEP CPRE winning projects for Tranches 1 and 2. In her testimony, witness Tabor explained that only 155 MW of projects remain in Tranche 3, short of the 596 MW target procurement volume. DEC and DEP plan to work with the Public Staff and stakeholders to address the shortfall to the 596 MW target volume and are committed to achieving the CPRE Program requirements. In the affidavit of Public Staff witness Thomas, he stated that the 2021 Compliance Report provides adequate information that satisfies the requirements of Commission Rule R8-71(h).

In light of the testimony received, the Commission concludes that the 2021 Compliance Report provides adequate information that satisfies the requirements of Commission Rule R8-71(h), and for the reporting period, DEP implemented the CPRE Program in compliance with the requirements of N.C.G.S. § 62-110.8.

IT IS, THEREFORE, ORDERED as follows:

1. That DEP's request to establish a prospective rate component as described herein is approved and that this rider shall remain in effect for a 12-month period beginning on December 1, 2022, and expiring on November 30, 2023;

2. That DEP's request to establish an EMF rate component as described herein is approved and that this rider shall remain in effect for a 12-month period beginning on December 1, 2022, and expiring on November 30, 2023;

3. That DEP shall file the appropriate rate schedules and riders with the Commission not later than ten days after the date of this Order so as to implement the provisions of this Order as soon as practicable, and that such rate schedules and riders shall reflect the updated regulatory fee;

4. That DEP shall work with the Public Staff to prepare a notice to customers of the rate changes ordered by the Commission in this docket, and DEP shall file such notice for Commission approval as soon as practicable, but not later than ten days after the Commission issues orders in all three dockets;

5. That DEP's 2021 Compliance Report is hereby approved; and

6. That DEP shall continue to furnish to the Public Staff copies of all IA invoices upon receipt.

ISSUED BY ORDER OF THE COMMISSION.

This the \_\_ day of October, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk