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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 CPRE Cost Recovery Rider and 2021
CPRE Compliance Report
Docket No. E-2, Sub 1296**

Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission ("NCUC" or the "Commission") is the Application of Duke Energy Progress, LLC ("DEP") for Approval of CPRE Cost Recovery Rider and 2021 CPRE Compliance Report pursuant to N.C. Gen. Stat. § 62-110.8 and Commission Rule R8-71, together with the testimony and exhibits of Christy J. Walker and Angela M. Tabor.

Certain information contained in the exhibits of Ms. Walker and Ms. Tabor 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. Parties to the docket may contact the Company regarding obtaining copies pursuant to an appropriate confidentiality agreement.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

Jack E. Jirak

Enclosures

OFFICIAL COPY

JUN 14 2022

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1296

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC)	APPLICATION FOR
Pursuant to G.S. 62-110.8 and Commission)	APPROVAL OF CPRE COST
Rule R8-71 Relating to CPRE Compliance)	RECOVERY RIDER AND 2021
Report and CPRE Cost Recovery Rider)	CPRE COMPLIANCE REPORT

Duke Energy Progress, LLC (“DEP,” the “Company,” or “Applicant”), pursuant to North Carolina General Statute (“N.C. Gen. Stat.”) § 62-110.8(g) and North Carolina Utilities Commission (“NCUC” or the “Commission”) Rule R8-71(j), hereby submits this Application requesting approval of (1) a Rider CPRE to recover the costs incurred to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program and comply with N.C. Gen. Stat. § 62-110.8 and (2) approval of its CPRE Compliance Report for calendar year 2021. In support thereof, the Applicant respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 526 South Church Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Progress, LLC
410 S. Wilmington Street
NCRH 20/ P. O. Box 1551
Raleigh, North Carolina 27602

2. The name and address of Applicant's attorney are:

Ladawn Toon
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Copies of all pleadings, testimony, orders, and correspondence in this proceeding should be served upon the attorneys listed above.

3. N.C. Gen. Stat. § 62-110.8 requires North Carolina's electric public utilities to file for Commission approval of a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs.

4. N.C. Gen. Stat. § 62-110.8(b) provides that electric public utilities may jointly or individually implement the aggregate competitive procurement requirements and may satisfy certain requirements set forth in N.C. Gen. Stat. § 62-110.8 for the procurement of renewable energy capacity to be supplied by renewable energy facilities through any of the following: (i) renewable energy facilities to be acquired from third parties and subsequently owned and operated by the soliciting public utility or utilities; (ii) renewable

energy facilities to be constructed, owned, and operated by the soliciting public utility or utilities subject to certain limitation set forth in N.C. Gen. Stat. § 62-110.8; or (iii) the purchase of renewable energy, capacity, and environmental and renewable attributes from renewable energy facilities owned and operated by third parties that commit to allow the procuring public utility rights to dispatch, operate, and control the solicited renewable energy facilities in the same manner as the utility's own generating resources.

5. N.C. Gen. Stat. § 62-110.8(g) provides that 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 through an annual rider approved by the Commission and reviewed annually.

6. N.C. Gen. Stat. § 62-110.8(h) provides that the Commission shall adopt rules to implement the requirements of the competitive procurement of renewable energy program. The Commission adopted and subsequently authorized amendments to Rule R8-71 to implement N.C. Gen. Stat. § 62-110.8, by orders issued November 6, 2017 and April 9, 2018, in Docket No. E-100, Sub 150.¹

7. Rule R8-71(j)(1) provides that the Commission shall schedule an annual public hearing pursuant to N.C. Gen. Stat. § 62-110.8(g) to review the costs incurred or anticipated to be incurred by the electric public utility to comply with N.C. Gen. Stat. § 62-110.8.

8. Rule R8-71(j)(2) provides that the Commission shall permit each electric public utility to charge an increment or decrement as a rider to its rates to recover in a

¹ See *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017); *Order Amending Commission Rule R8-71*, Docket No. E-100, Sub 150 (April 9, 2018).

timely manner the reasonable and prudent costs incurred and anticipated to be incurred to implement its CPRE Program and to comply with N.C. Gen. Stat. § 62-110.8. The costs and authorized revenue will be further modified through the use of a CPRE Program experience modification factor (CPRE EMF) rider. The CPRE EMF rider will reflect the difference between reasonable and prudently-incurred CPRE Program actual costs and authorized revenue, and the revenues that were actually realized during the test period under the CPRE Program rider then in effect.

9. Rule R8-71(h) provides that each electric public utility shall file its annual CPRE Program compliance report on the same date that it files its application to recover costs pursuant to Rule R8-71(j). The Commission shall consider each electric public utility's CPRE Program compliance report at the hearing provided for in Rule R8-71(j) and shall determine whether the electric public utility is reasonably and prudently implementing the CPRE Program requirements of N.C. Gen. Stat. § 62-110.8. *See* NCUC Rule R8-71(i)(l).

10. DEP and Duke Energy Carolinas, LLC are reasonably and prudently implementing the CPRE Program requirements. CPRE Tranches 1 and 2 are completed and Tranche 3 is currently underway. Further details regarding Tranche 3 and DEC and DEP's ongoing implementation of the CPRE Program requirements are described in the direct testimony and exhibit of DEP witness Angela M. Tabor.

11. Pursuant N.C. Gen. Stat. § 62-110.8(g) and Commission Rule R8-71(j), DEP hereby requests Commission approval of the Rider CPRE to recover the Company's reasonable and prudently incurred costs to comply with the CPRE Program. More specifically, the Company requests to give back to DEP's North Carolina retail customers,

through the CPRE EMF rider, (\$454,935) related to the actual CPRE costs incurred and other credits for the test period and to collect \$5,264,773 for CPRE costs projected to be incurred during the period from December 1, 2022 through November 30, 2023 (“Billing Period”). The Rider CPRE will be in effect for the twelve-month period December 1, 2022 through November 30, 2023.

12. In this Application, DEP proposes a CPRE Rider amount (excluding regulatory fee) of:

Residential – 0.014¢/kWh

Small General Service – 0.015¢/kWh

Medium General Service – 0.014¢/kWh

Large General Service – 0.013¢/kWh

Lighting – 0.011¢/kWh

And DEP proposes an EMF decrement (excluding regulatory fee) of:

Residential – (0.001)¢/kWh

Small General Service – (0.001)¢/kWh

Medium General Service – (0.001)¢/kWh

Large General Service – (0.001)¢/kWh

Lighting – (0.001)¢/kWh

This results in composite CPRE factors (excluding regulatory fee) of:

Residential – 0.013¢/kWh

Small General Service – 0.014¢/kWh

Medium General Service – 0.013¢/kWh

Large General Service – 0.012¢/kWh

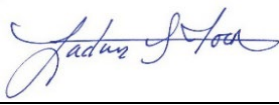
Lighting – 0.010¢/kWh

13. The Company also requests approval of its Compliance Report for calendar year 2021, which is being submitted as an attachment to the testimony of DEP witness Tabor. The Compliance Report details the Company’s compliance with the CPRE Program requirements of N.C. Gen. Stat. § 62-110.8 and, along with the Company’s updated CPRE Program Plan and the Independent Administrator’s Tranche 3 Status Report, demonstrates that the Company is reasonably and prudently implementing the CPRE Program requirements.

14. The information and data required to be filed by NCUC Rule R8-71 in connection with this application is contained in the testimony and exhibits of DEP witnesses Angela M. Tabor and Christy J. Walker, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, Duke Energy Progress, LLC requests that the Commission issue an order approving Rider CPRE, approving the Company’s Compliance Report, and finding the Company to be reasonably and prudently implementing the CPRE Program Requirements of N.C. Gen. Stat. § 62-110.8.

Respectfully submitted this 14th day of June, 2022.

By:  _____

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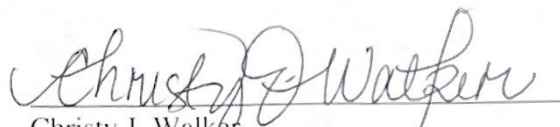
Attorneys for Duke Energy Progress, LLC

VERIFICATION

STATE OF NORTH CAROLINA)
)
 COUNTY OF MECKLENBURG) DOCKET NO. E-2, SUB 1296

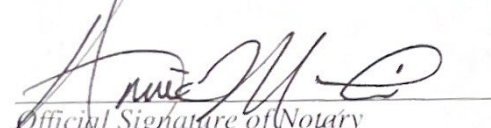
Christy J. Walker, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Progress, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes it to be true.


 Christy J. Walker

Signed and sworn to before me this day by Christy J Walker
Name of principal

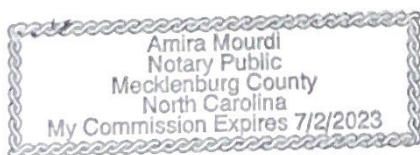
Date: June 9 2022


 Official Signature of Notary

(Official Seal)

AMIRA MOURDI, Notary Public
Notary's printed or typed name

My commission expires: July 2 2023



**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-7, SUB 1296

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC)	DIRECT TESTIMONY OF
Pursuant to G.S. 62-110.8 and Commission)	CHRISTY J. WALKER
Rule R8-71 for Approval of CPRE Compliance)	
Report and CPRE Cost Recovery Rider)	

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christy J. Walker, and my business address is 526 South Church
3 Street, Charlotte, North Carolina.

4 **Q. WHAT IS YOUR POSITION WITH DUKE ENERGY PROGRESS,**
5 **LLC?**

6 A. I am a Rates and Regulatory Strategy Manager for Duke Energy Progress,
7 LLC (“DEP” or the “Company”).

8 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
9 **BACKGROUND, BUSINESS BACKGROUND AND**
10 **PROFESSIONAL AFFILIATIONS.**

11 A. I received a Bachelor of Science Degree in Accounting from West Virginia
12 University. I am a certified public accountant licensed in the state of North
13 Carolina. I began my career with Duke Energy in 2001. Since that time, I
14 have held various manager and analyst positions within the accounting
15 department before transitioning to the Rates Department. My current role
16 is Rates and Regulatory Strategy Manager.

17 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AT DEP?**

18 A. I am responsible for providing guidance on compliance with, and cost
19 recovery related to, the program for competitive procurement of renewable
20 energy (“CPRE Program”) established by North Carolina General Statute
21 (“N.C. Gen. Stat.”) § 62-110.8 and applicable to both DEP and Duke
22 Energy Carolinas, LLC (“DEC”).

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
2 **CAROLINA UTILITIES COMMISSION?**

3 A. Yes. I filed direct testimony in DEC’s 2022 CPRE Rider proceeding, as
4 filed in Docket No. E-7, Sub 1262, and DEP’s 2021 CPRE Rider
5 proceeding, as filed in Docket No. E-2, Sub 1275.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to describe the calculation of and present
8 the support for DEP’s CPRE Program rider (“Rider CPRE”) filed for
9 recovery of CPRE Program-related costs under N.C. Gen. Stat.
10 § 62-110.8(g). I present the information and data required by North
11 Carolina Utilities Commission (“Commission”) Rule R8-71 as set forth in
12 Walker Exhibit Nos. 1 through 6.

13 N.C. Gen. Stat. § 62-110.8(g) authorizes recovery of CPRE Program costs,
14 including authorized revenue for Company-owned facilities, and limits the
15 annual increase in the aggregate amount of these costs that are recoverable
16 by an electric public utility from its North Carolina retail (“NC Retail”)
17 customers to an amount not to exceed one percent (1%) of the electric public
18 utility’s total NC Retail jurisdictional gross revenues for the preceding
19 calendar year. Rule R8-71(j)(2) states “[t]he Commission shall permit each
20 electric public utility to charge an increment or decrement as a rider to its
21 rates to recover in a timely manner the reasonable and prudent costs
22 incurred and anticipated to be incurred to implement its CPRE Program and
23 to comply with G.S. 62-110.8.” Rule R8-71(j)(5) describes the CPRE

1 Program experience modification factor (“EMF”) component of the CPRE
2 Program rider as the difference between CPRE Program costs actually
3 incurred and CPRE Program revenues actually realized during the EMF test
4 period, representing a true-up increment or decrement related to CPRE
5 Program revenues collected during the EMF test period. In this CPRE
6 Program rider filing, the rider proposed by the Company includes both an
7 EMF rider component to adjust for the difference in DEP’s costs incurred
8 compared to revenues realized during the EMF test period, as well as a
9 prospective billing period rider component to collect costs forecasted to be
10 incurred during the prospective twelve-month period over which the
11 proposed CPRE Program rider will be in effect.

12 **Q. PLEASE IDENTIFY THE EMF TEST PERIOD AND THE**
13 **PROSPECTIVE BILLING PERIOD APPLICABLE TO THE CPRE**
14 **PROGRAM RIDER PROPOSED BY THE COMPANY.**

15 A. The test period used in supplying the information and data included in my
16 testimony and exhibits is the twelve months beginning on April 1, 2021 and
17 ending on March 31, 2022 (“Test Period” or “EMF Period”), and the billing
18 period for the CPRE Program rider requested in the Company’s application
19 is the twelve months beginning on December 1, 2022 and ending on
20 November 30, 2023 (“Billing Period”).

21 **Q. PLEASE DESCRIBE THE EXHIBITS TO YOUR TESTIMONY.**

22 A. Walker Confidential Exhibit No. 1 identifies purchased power costs on a
23 system basis, in both the EMF Period and in the Billing Period for facilities

1 that were selected in Tranches 1 and 2 of the CPRE Program. One
2 Tranche 1 facility achieved commercial operation during the EMF Period.
3 The capacity and energy components of purchased power have been
4 calculated based on the forecasted megawatt hour (“MWh”) production of
5 each facility.

6 Walker Confidential Exhibit No. 2 identifies DEP’s total CPRE Program
7 implementation costs, on a system basis, for both the EMF Period and the
8 Billing Period.

9 Walker Exhibit No. 3 shows the calculation of the Rider CPRE amounts for
10 the Billing Period proposed by customer class: residential, small general
11 service, medium general service, large general service and lighting. The
12 Rider CPRE rates per customer class for purchased power is determined by
13 dividing the sum of the Billing Period costs allocated to the class by the
14 forecast Billing Period kWh sales for the customer class, resulting in a cents
15 per kilowatt hour rate. The Rider CPRE rate per customer class for
16 implementation costs is determined by dividing the sum of the Billing
17 Period costs allocated to the class, by the forecast Billing Period kWh sales
18 for the customer class.

19 Walker Exhibit No. 4 shows the calculation of the Rider CPRE amounts for
20 the EMF Period proposed by customer class: residential, small general
21 service, medium general service, large general service and lighting. The
22 EMF Period rider amount represents the difference between CPRE Program
23 costs incurred and CPRE Program rider revenues collected for the EMF

1 Period. The Company over-collected about \$0.5 million during the EMF
2 Period. The Rider CPRE rate per customer class, in cents per kWh, is
3 determined by dividing the sum of the EMF Period amounts for each
4 customer class by the forecast Billing Period kWh sales for the customer
5 class.

6 Walker Exhibit No. 5 summarizes the components of the proposed “Rider
7 CPRE (NC)” calculated in Walker Exhibit Nos. 3 and 4. It shows the total
8 proposed CPRE Program rider as the sum of the estimated CPRE Program
9 rider and the CPRE Program EMF rider applicable to the Billing Period.

10 Walker Exhibit No. 6 is the tariff sheet for the Rider CPRE. The applicable
11 regulatory fee factor is applied to each rate per customer class described
12 above to determine the final rates proposed by customer class, as displayed
13 on Walker Exhibit No. 6.

14 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR AT YOUR**
15 **DIRECTION AND UNDER YOUR SUPERVISION?**

16 A. Yes.

17 **Q. WHAT COSTS ARE INCLUDED IN DEP’S PROPOSED CPRE**
18 **PROGRAM RIDER?**

19 A. The proposed Rider CPRE is designed to recover DEP’s costs to implement
20 the CPRE Program pursuant to N.C. Gen. Stat. § 62-110.8, in compliance
21 with the requirements of Commission Rule R8-71. As described above,
22 Rider CPRE includes the CPRE Program EMF component to recover the
23 difference between the implementation costs and purchased power costs

1 incurred, and revenues realized during the EMF Period. The costs incurred
2 during the EMF Period are presented in this filing to demonstrate their
3 reasonableness and prudence as provided in Commission Rule R8-71(j).
4 The proposed Rider CPRE also includes a prospective component to
5 recover the costs expected to be incurred for the Billing Period.

6 The costs the Company proposes to recover are described in the direct
7 testimony of Company witness Tabor, and detailed in Walker Confidential
8 Exhibits No. 1 and 2. The costs that are included for recovery in this
9 proposed CPRE Program rider are the energy and capacity components of
10 purchased power as well as incremental internal Company labor, contract
11 labor including legal fees, and other related costs of implementing the
12 CPRE Program.

13 Fees paid to the Independent Administrator (“IA”) and costs incurred by the
14 Company’s designated evaluation team for bid evaluation work, are not
15 included for recovery in the proposed CPRE Program rider, except as noted
16 on Walker Confidential Exhibit No. 2 for unanticipated regulatory
17 proceedings and litigation related to Tranches 1 and 2, as described in
18 witness Tabor’s testimony. As also discussed by witness Tabor, prospective
19 costs for administering Tranche 3 are funded through Proposal Fees
20 collected by the Company from the participants in the Company’s CPRE
21 solicitation process.

1 **Q. PLEASE DESCRIBE THE METHOD USED BY DEP TO**
2 **ALLOCATE CPRE PROGRAM COSTS AMONG CUSTOMER**
3 **CLASSES FOR THE PURPOSE OF CALCULATING THE CPRE**
4 **PROGRAM RIDER FOR EACH CUSTOMER CLASS.**

5 A. Walker Exhibit Nos. 3 and 4 show the calculation of the Rider CPRE for
6 each customer class for the Billing Period and EMF Period, respectively.
7 CPRE Program costs, including purchased power costs and implementation
8 costs, are incurred by the Company in its efforts to procure capacity and
9 energy from renewable energy facilities, pursuant to N.C. Gen. Stat.
10 § 62-110.8.

11 The capacity component of purchased power cost is allocated to NC Retail
12 and among customer classes based on the final 2021 cost of service
13 production plant allocators. The energy component of purchased power
14 cost is allocated to each customer class based on MWh sales by class.

15 To allocate the reasonable and prudent implementation costs incurred and
16 anticipated to be incurred to implement its CPRE Program the Company is
17 using a composite capacity and energy allocation factor derived from the
18 allocations of purchased power amounts described above.

19 **Q. DOES THIS RIDER CPRE FILING INCLUDE ENERGY AND**
20 **CAPACITY COSTS ASSOCIATED WITH COMPANY-OWNED**
21 **FACILITIES?**

22 A. No, this Rider CPRE filing does not include energy or capacity costs
23 associated with Duke Energy-owned CPRE facilities.

1 **Q. IS THE ANNUAL INCREASE IN COSTS THE COMPANY**
2 **PROPOSES TO RECOVER WITH ITS PROPOSED CPRE**
3 **PROGRAM RIDER AND EMF RIDER WITHIN THE LIMIT**
4 **ESTABLISHED IN N.C. GEN. STAT. § 62-110.8?**

5 A. Yes. N.C. Gen. Stat. § 62-110.8(g) limits the annual increase in costs
6 recoverable by an electric public utility to one percent (1%) of the electric
7 public utility's total North Carolina retail jurisdictional gross revenues for
8 the preceding calendar year. Further, Rule R8-71 provides that “[t]he
9 annual increase in the aggregate costs recovered under G.S. 62-110.8(g) in
10 any recovery period from its North Carolina retail customers shall not
11 exceed one percent (1%) of the electric public utility’s North Carolina retail
12 jurisdictional gross revenues for the preceding calendar year as determined
13 as of December 31 of the previous calendar year. Any amount in excess of
14 that limit shall be carried over and recovered in the next recovery period
15 when the annual increase in the aggregate amount of costs to be recovered
16 is less than one percent (1%)”. The increase in aggregate costs DEP seeks
17 to recover pursuant to its proposed CPRE Program rider and CPRE Program
18 EMF rider is less than the statutory maximum.

19 **Q. HOW DOES DEP PROPOSE TO COLLECT THE CPRE PROGRAM**
20 **RIDERS FROM EACH CUSTOMER CLASS?**

21 A. DEP’s proposed Rider CPRE is attached as Walker Exhibit No. 6. As
22 shown on the rider, DEP proposes that a cents per kWh rate be applied to
23 all NC Retail kWh sales for the twelve-month Billing Period.

1 **Q. WHAT IS THE CPRE PROGRAM RIDER PROPOSED BY THE**
 2 **COMPANY FOR EACH CUSTOMER CLASS?**

3 A. The Company proposes the following CPRE Program rider to be effective
 4 December 1, 2022, and to remain in effect for the twelve-month Billing
 5 Period ending November 30, 2023.

6 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.001)	0.015	0.014	0.014	0.000
Medium General Service	(0.001)	0.014	0.013	0.013	0.000
Large General Service	(0.001)	0.013	0.012	0.012	0.000
Lighting	(0.001)	0.011	0.010	0.010	0.000

7 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider increase
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.001)	0.015	0.014	0.014	0.000
Medium General Service	(0.001)	0.014	0.013	0.013	0.000
Large General Service	(0.001)	0.013	0.012	0.012	0.000
Lighting	(0.001)	0.011	0.010	0.010	0.000

8 *Totals may not foot due to rounding*

- 1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 2 A. Yes.

CONFIDENTIAL DATA

Line No.	Market Participant	Facility Name	Location	Tranche No.	Nameplate Capacity (MW)	EMF Period April 1, 2021 - March 31, 2022			Reference	Billing Period December 1, 2022 - November 30, 2023			Reference
						Capacity	Energy	Total	Capacity Factor	Energy Factor	Input		
1				1									
2				1									
3	Sub-Total Tranche 1 Facilities				85.72	\$ 1,038,735	\$ 2,973,490	\$ 4,012,225					
4													
5													
6													
7													
8													
9													
10													
11				2	75	\$ -	\$ -	\$ -					
12	Sub-Total Tranche 2 Facilities				75	\$ -	\$ -	\$ -					
13													
14	Total of Tranche 1 and Tranche 2					\$ 1,038,735	\$ 2,973,490	\$ 4,012,225					

Note: Rounding differences may occur

CONFIDENTIAL DATA

Line No.	Implementation Cost / Activity	Reference	EMF Period		Billing Period	
			April 1, 2021 - March 31, 2022		December 1, 2022 - November 30, 2023	
1	[REDACTED]					
2	[REDACTED]		\$	[REDACTED]	\$	-
3	[REDACTED]		\$	[REDACTED]	\$	-
4	[REDACTED]		\$	[REDACTED]	\$	-
5	[REDACTED]		\$	[REDACTED]	\$	-
6	[REDACTED]		\$	[REDACTED]	\$	-
7	Total Internal Labor and Labor-Related Taxes and Benefits		\$	265,731	\$	279,018 *
8						
9	[REDACTED]		\$	[REDACTED]		
10	[REDACTED]		\$	[REDACTED]		
11	[REDACTED]		\$	[REDACTED]		
12	[REDACTED]	Company Records	\$	[REDACTED]		
13	[REDACTED]		\$	[REDACTED]		
14	[REDACTED]		\$	[REDACTED]		
15	[REDACTED]		\$	[REDACTED]		
16	[REDACTED]		\$	[REDACTED]		
17	[REDACTED]		\$	[REDACTED]		
18	[REDACTED]		\$	[REDACTED]		
19	Total Outside Services		\$	99,010	\$	13,000 *
20						
21	Total Employee-Related Expenses		\$	391	\$	300 *
22						
23	Independent Administrator Fees Not Recovered		\$	204,048	\$	-
24						
25	Total Implementation Costs	L7 + L19 + L21 + L23	\$	569,181	\$	292,318 *

Note: Rounding differences may occur

* Represents an estimate of implementation charges expected to be incurred in the prospective Billing Period.

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
<u>Allocation of CPRE Purchased Power by Customer Class (Prospective Billing Period)</u>								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 1,717,673
2	NC Retail Jurisdictional % Based on 2021 Production Plant Allocator	Input						61.54%
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,057,065
4								
5	NC Retail 2021 Production Plant Allocation Factors	Input	52.73%	5.99%	25.52%	15.77%	0.00%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2021 Production Plant Allocator	L3 * L5	\$ 557,344	\$ 63,285	\$ 269,740	\$ 166,696	\$ -	\$ 1,057,065
8								
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L14						\$ 6,461,723
10	NC Retail Jurisdictional % Based on Projected Billing Period Sales	Workpaper 3						62.31%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L9 * L10 [Total Only]						\$ 4,026,047
12								
13	Allocation Factor- MWh Sales	Workpaper 3	43.37%	4.69%	27.01%	23.95%	0.99%	100.00%
14								
15	NC CPRE Purchased and Generated Power - Energy Allocated on MWh Sales	L11* L13	\$ 1,745,934	\$ 188,639	\$ 1,087,268	\$ 964,384	\$ 39,822	\$ 4,026,047
16								
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L15	\$ 2,303,278	\$ 251,924	\$ 1,357,007	\$ 1,131,079	\$ 39,822	\$ 5,083,111
18								
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		45.31%	4.96%	26.70%	22.25%	0.78%	100.00%
		<u>Reference</u>	<u>Residential</u>	<u>Small General Service</u>	<u>Medium General Service</u>	<u>Large General Service</u>	<u>Lighting</u>	<u>Total</u>
<u>Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)</u>								
20	CPRE Implementation Costs - Total	Exhibit 2, L25						\$ 292,318
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						62.15%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21						\$ 181,662
23								
24	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L19	45.31%	4.96%	26.70%	22.25%	0.78%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 82,315	\$ 9,003	\$ 48,497	\$ 40,423	\$ 1,423	\$ 181,662
27								
28	Total of NC CPRE Purchased and Generated Capacity and Energy + Implementation Cost	L17+ L26	\$ 2,385,593	\$ 260,927	\$ 1,405,505	\$ 1,171,502	\$ 41,246	\$ 5,264,773
29								
30	NC Projected Billing Period MWh Sales	Workpaper 3	16,637,596	1,797,603	10,360,942	9,189,937	379,481	\$ 38,365,559
31								
32	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	L28 ÷ L30 ÷ 10	0.014	0.015	0.014	0.013	0.011	0.014

Note: Rounding differences may occur

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period)</u>								
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L14						\$ 1,038,735
2	NC Retail Jurisdictional % Based on 2021 Production Plant Allocator	Exhibit 3, L 2						61.54%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2						\$ 639,243
4								
5	NC Retail 2021 Production Plant Allocation Factors	Exhibit 3, L 5	52.73%	5.99%	25.52%	15.77%	0.00%	100.00%
6								
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2021 Production Plant	L3 * L5	\$ 337,045	\$ 38,271	\$ 163,121	\$ 100,807	\$ -	\$ 639,243
8								
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L3						\$ 2,973,490
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4						61.01%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy							\$ 1,814,126
12								
13	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L15 * L11 [Total Only]	\$ 792,156	\$ 92,323	\$ 507,837	\$ 406,248	\$ 15,561	\$ 1,814,126
14								
15	NC EMF Period MWh Sales	Workpaper 4	16,261,952	1,895,276	10,425,247	8,339,752	319,438	37,241,665
16								
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L13	\$ 1,129,201	\$ 130,594	\$ 670,958	\$ 507,055	\$ 15,561	\$ 2,453,368
18								
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		46.03%	5.32%	27.35%	20.67%	0.63%	100.00%
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>								
20	CPRE Implementation Costs - Total	Exhibit 2, L25						\$ 569,181
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	Exhibit 3, L24						61.15%
22	CPRE Implementation Costs - NC Retail Portion	L1 * L2						\$ 348,039
23								
24	% of NC CPRE Purchased and Generated Power - Capacity and Energy	L 19	46.03%	5.32%	27.35%	20.67%	0.63%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 160,190	\$ 18,526	\$ 95,183	\$ 71,932	\$ 2,207	\$ 348,039
27								
28	Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 1,289,391	\$ 149,120	\$ 766,141	\$ 578,986	\$ 17,768	\$ 2,801,407
29								
30	CPRE Revenues Realized During the Test Period (April through March)	Input	\$ 1,457,839	\$ 171,398	\$ 916,995	\$ 689,276	\$ 20,833	\$ 3,256,342
31								
32	CPRE (Over)/Under Collection	L28 - L30	\$ (168,448)	\$ (22,278)	\$ (150,854)	\$ (110,290)	\$ (3,065)	\$ (454,935)
33								
34	NC Projected Billing Period MWh Sales	Exhibit 3, L30	16,637,596	1,797,603	10,360,942	9,189,937	379,481	38,365,559
35								
36	NC CPRE EMF Rider Amount ¢/kWh	L32 ÷ L34 ÷ 10	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
37								
38	Annual Interest Rate		10%	10%	10%	10%	10%	10%
39								
40	Monthly Interest Rate	L38 ÷ 12	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
41								
42	Number of Months (October 1, 2021 - May 31, 2023)		20	20	20	20	20	20
43								
44	Interest	L32 * L40 * L42	\$ (28,075)	\$ (3,713)	\$ (25,142)	\$ (18,382)	\$ (511)	\$ (75,823)
45								
46	EMF Interest on Over Collection	L44 ÷ L34 ÷ 10	0.000	0.000	0.000	0.000	0.000	0.000

Line No.	Description	Reference	Residential ¢/kWh	Small General Service ¢/kWh	Medium General Service ¢/kWh	Large General Service ¢/kWh	Lighting ¢/kWh	Composite ¢/kWh
1	Prospective Billing Period Rider Charge							
2	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.014	0.015	0.014	0.013	0.011	0.014
3								
4	Experience Modification Factor Period Rider Charge							
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L36	-0.001	-0.001	-0.001	-0.001	-0.001	-0.001
6	EMF Interest (Decrement) ¢/kWh	Exhibit 4, L46	0.000	0.000	0.000	0.000	0.000	0.000
7								
8	Total Proposed CPRE Rider Charge ¢/kWh	L2 + L5 + L6	0.013	0.014	0.013	0.012	0.010	0.013

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Progress, LLC
(North Carolina)

RR-33

RIDER CPRE -2
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>-0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.013 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.013 ¢/kWh

SMALL GENERAL SERVICE

Prospective Component of CPRE	0.015 ¢/kWh
Experience Modification Factor	<u>-0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.014 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.014 ¢/kWh

MEDIUM GENERAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>-0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.013 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.013 ¢/kWh

LARGE GENERAL SERVICE

Prospective Component of CPRE	0.013 ¢/kWh
Experience Modification Factor	<u>-0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.012 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.012 ¢/kWh

LIGHTING

Prospective Component of CPRE	0.011 ¢/kWh
Experience Modification Factor	<u>-0.001 ¢/kWh</u>
Net CPRE Rider Factor	0.010 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.010 ¢/kWh

Effective for service rendered on and after December 1, 2022
NCUC Docket No. E-2, Sub 1296

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Tranche No.	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
1	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	Total DEP		1,771	1,798	1,612	7,259	15,237	18,544	13,126	10,578	6,720	10,707	11,718	15,142	114,213
4															
5															
6	CPRE Generation (\$)	Tranche No.	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
7															
8	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	Total DEP		\$0	\$94,165	\$59,220	\$46,533	\$46,293	\$45,264	\$1,338,163	\$45,725	\$978,644	\$328,202	\$491,535	\$538,481	\$4,012,225
11															
12															
13	CPRE Capacity (\$)	Tranche No.	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
14															
15	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
16	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
17	Total DEP		\$0	\$0	\$20,213	\$10,504	\$9,163	\$9,906	\$197,122	\$16,673	\$300,298	\$123,724	\$167,483	\$183,649	\$1,038,735
18															
19															
20	CPRE Energy (\$)	Tranche No.	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
21															
22	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
23	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
24	Total DEP		\$0	\$94,165	\$39,007	\$36,029	\$37,130	\$35,358	\$1,141,041	\$29,052	\$678,346	\$204,478	\$324,052	\$354,832	\$2,973,490

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Total	
Tranche No. 1															
1															
2															
3															
4	Tranche No. 2														
5															
6															
7	Total DEP	10,282	11,564	12,381	16,977	20,450	22,200	22,321	22,256	19,590	17,317	15,368	12,343	203,050	
8															
9															
10	CPRE Generation (\$)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Total	
11															
12	Tranche No. 1														
13															
14															
15															
16	Tranche No. 2														
17															
18															
19	Total DEP	\$ 478,164	\$ 522,512	\$ 548,545	\$ 741,670	\$ 835,383	\$ 941,207	\$ 807,661	\$ 780,589	\$ 711,396	\$ 619,611	\$ 642,075	\$ 550,583	\$ 8,179,396	

Duke Energy Progress, LLC
Docket No. E-2, Sub 1296
Projected Sales for the Prospective Billing Period

Walker Workpaper No. 3

Spring 2022 Forecast
Billed Sales Forecast
Sales Forecast - MWhs (000)

	Reference	Projected Sales for the Billing Period	Remove Impact of SC DERP Net Metered Generation	Adjusted Sales
North Carolina				
Residential		16,637,596		16,637,596
Small General Service		1,797,603		1,797,603
Medium General Service		10,360,942		10,360,942
Large General Service		9,189,937		9,189,937
Lighting		379,481		379,481
Total		38,365,559		38,365,559
South Carolina Retail		6,142,464	33,949	6,176,413
Wholesale	Company Records	17,033,967		17,033,967
Total Adjusted NC System Sales		61,541,989	33,949	61,575,938
NC as a percentage of total		62.34%		62.31%
SC as a percentage of total		9.98%		10.03%
Wholesale as a percentage of total		27.68%		27.66%
		100.00%		100.00%

Note: Rounding differences may occur

Residential	43.37%	43.37%
Small General Service	4.69%	4.69%
Medium General Service	27.01%	27.01%
Large General Service	23.95%	23.95%
Lighting	0.99%	0.99%
Total	100.00%	100.00%

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina Small General Service (MWh)	North Carolina Medium General Service (MWh)	North Carolina Large General Service (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Company Records	61,041,922	37,241,665	16,261,952	1,895,276	10,425,247	8,339,752
2								
3	NC Percentage of Total Company Unadjusted Sales	61.01%						
4	SC Percentage of Total Company Unadjusted Sales	9.73%						
5	Wholesale Percentage of Total Company Unadjusted Sales	29.26%						
		100.00%						

Note: Rounding differences may occur

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period (Exhibit 4, L22 + L34)	Billing Period (Exhibit 3, L20 + L29)	Total	NC Retail Gross Revenues
1	Amount Approved in 2021 Docket E-2, Sub 1275	\$ (33,657)	\$ 5,023,980	\$ 4,990,323	
2	Amount Proposed in current Docket	\$ (454,935)	\$ 5,264,773	\$ 4,809,838	
3	Annual Increase			\$ (180,485)	
4					
5	1% of 2021 NC Retail Gross Revenues			\$ 35,225,530	\$ 3,522,552,951
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1296

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC)	DIRECT TESTIMONY OF
Pursuant to G.S. 62-110.8 and Commission)	ANGELA M. TABOR
Rule R8-71 for Approval of CPRE Compliance)	
Report and CPRE Cost Recovery Rider)	

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Angela M. Tabor, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. PLEASE STATE YOUR POSITION WITH DUKE ENERGY AND**
5 **DESCRIBE YOUR CURRENT RESPONSIBILITIES.**

6 A. I am a Renewable Compliance Manager for Duke Energy Corporation
7 (“Duke Energy”) within the Business Development & Compliance
8 Department. In my current position, I am responsible for the development
9 and implementation of the competitive procurement of renewable energy
10 program (“CPRE Program”) established by Session Law 2017-192’s
11 (“House Bill 589” or the “Act”) enactment of North Carolina General
12 Statute (“N.C. Gen. Stat.”) § 62-110.8 and applicable to both Duke Energy
13 Carolinas, LLC (“DEC” or “the Company”), and Duke Energy Progress,
14 LLC (“DEP” and together with DEC, “the Companies”). My
15 responsibilities include compliance with CPRE Program requirements as
16 well as interface with the North Carolina Utilities Commission
17 (“Commission”) approved CPRE Program independent administrator,
18 Accion Group, LLC (“Accion Group”, “Independent Administrator”, or
19 “IA”), on behalf of DEC and DEP.

1 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
2 **BACKGROUND.**

3 A. I received a Bachelor of Science in Mechanical Engineering from North
4 Carolina State University. I am a licensed Professional Engineer in North
5 Carolina.

6 **Q. PLEASE DESCRIBE YOUR BUSINESS BACKGROUND AND**
7 **EXPERIENCE.**

8 A. I worked as a mechanical engineer from 2001 to 2002 and 2004 to 2010 at
9 Black & Veatch. I worked as a hardware engineer at Lockheed Martin
10 Aeronautics from 2002 to 2004. In 2010, I joined Progress Energy as a
11 Senior Auditor working on the Operational Audit team. In 2012, after the
12 merger of Duke Energy and Progress Energy, I worked in the NERC
13 Corporate Compliance group managing audits with external regulators. In
14 2018, I became a Wholesale Renewable Manager in the Distributed Energy
15 Technology Department working with interconnection customers of the
16 Companies. In October of 2021, I moved to my current position as
17 Renewable Compliance Manager in the Business Development &
18 Compliance Department.

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
20 **CAROLINA UTILITIES COMMISSION?**

21 A. Yes. I testified most recently in Docket No. E-7, Sub 1262 regarding DEC's
22 CPRE compliance reports and application for approval of their CPRE cost
23 recovery rider.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. The purpose of my testimony is to describe DEP's activities in connection
4 with implementation of the CPRE Program and to describe DEP's costs
5 incurred to implement the CPRE Program and to comply with N.C. Gen.
6 Stat. § 62-110.8 during the twelve months beginning on April 1, 2021 and
7 ending on March 31, 2022 ("EMF Period" or "Test Period"). My testimony
8 also supports DEP's purchased power and generated power costs projected
9 to be incurred during the CPRE Program rider billing period, which is the
10 twelve month period beginning on December 1, 2022 and ending on
11 November 30, 2023 ("Billing Period").

12 **Q. PLEASE DESCRIBE THE EXHIBIT TO YOUR TESTIMONY.**

13 A. My testimony includes one exhibit. Tabor Exhibit No. 1 is the Company's
14 2021 CPRE Compliance Report, which is being submitted in this docket in
15 compliance with Commission Rule R8-71(h). The Compliance Report
16 describes the Company's and DEC's ongoing joint efforts to procure
17 renewable energy resources under the CPRE Program and ongoing actions
18 to comply with the requirements of N.C. Gen. Stat. § 62-110.8 during the
19 reporting period, including a summary of key activities during the reporting
20 period, costs incurred to administer the CPRE Program, costs incurred and
21 fees collected by the Independent Administrator, and the current status of
22 CPRE Program requirements.

1 **Q. WAS THIS EXHIBIT PREPARED BY YOU OR AT YOUR**
2 **DIRECTION AND UNDER YOUR SUPERVISION?**

3 A. Yes. Tabor Exhibit No. 1 was prepared by me or under my supervision.
4 Tabor Exhibit No. 1, along with one of the appendices to Tabor Exhibit
5 No. 1, contains confidential and proprietary information and is being filed
6 with the Commission under seal. A redacted version suitable for public
7 filing is attached to my testimony.

8 **Compliance with CPRE Program Requirements**

9 **Q. PLEASE PROVIDE BACKGROUND REGARDING THE**
10 **ESTABLISHMENT OF THE CPRE PROGRAM.**

11 A. On July 27, 2017, House Bill 589 was signed into law, thereby enacting
12 several amendments to the Public Utilities Act. Part II of the Act enacted
13 N.C. Gen. Stat. § 62-110.8, which mandates that Duke Energy obtain
14 Commission approval to implement a CPRE Program to competitively
15 procure 2,660 megawatts (“MW”) of additional renewable energy resource
16 capacity (subject to adjustment) over a 45-month period commencing from
17 the date of Commission approval of the CPRE Program, to be accomplished
18 through a series of distinct Requests for Proposals (“RFPs”) referred to as
19 “Tranches.” N.C. Gen. Stat. § 62-110.8(g) establishes an annual CPRE
20 rider cost recovery mechanism to recover the costs incurred by DEC and
21 DEP to implement the CPRE Program.

1 **Q. HAS THE COMPANY RECENTLY FILED AN UPDATED 2021**
2 **CPRE PROGRAM PLAN?**

3 A. Yes. The Company filed an updated CPRE Program Plan on September 1,
4 2021, in Docket E-100, Sub 165, as required by Commission Rule
5 R8-71(g).

6 One of the key updates provided in that plan was to provide an update on
7 projected “Transition MW,” which has the potential to reduce the total
8 amount of MW to be procured through the CPRE Program. The
9 Companies’ 2021 CPRE Program Plan identified that additional MW were
10 needing to be procured under the CPRE Program based on Tranches 1 and
11 2 and current estimates of Transition MWs and indicated that they would
12 update the Commission on the final amount of capacity remaining to be
13 procured in order to meet their obligations under the CPRE Program prior
14 to the end of the 45-month procurement period. The Companies’ 2021
15 CPRE Program Plan was found to be in compliance with the CPRE Rule
16 and accepted for filing by Commission Order dated February 23, 2022.

17 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY TRANSITION MW.**

18 A. N.C. Gen. Stat. § 62-110.8(b)(1) provides that if prior to the end of the
19 initial 45-month competitive procurement period, the Companies have
20 executed PPAs and interconnection agreements for renewable energy
21 capacity within their Balancing Authorities (“BAs”) that are not subject to
22 economic dispatch or curtailment and were not procured under the Green
23 Source Advantage program pursuant to N.C. Gen. Stat. § 62-159.2

1 (“Transition MW” or “Transition MW Projects”) having an aggregate
2 capacity in excess of 3,500 MW, the Commission shall reduce the aggregate
3 targeted competitive procurement amount (2,660 MW) by the amount of
4 such exceedance (such adjusted targeted procurement amount, the “CPRE
5 Targeted Amount”). If the aggregate capacity of such Transition MW
6 Projects is less than 3,500 MW at the end of the initial 45-month
7 competitive procurement period, the Commission shall require the
8 Companies to conduct an additional competitive procurement in the amount
9 of such deficit.

10 **Q. HAVE THE COMPANIES PROVIDED THE COMMISSION AN**
11 **UPDATE ON THE TOTAL TRANSITION MW?**

12 A. Yes. On November 21, 2021, the 45-month CPRE Program Procurement
13 Period ended. On December 3, 2021, the Companies filed a Petition for
14 Determination of Final CPRE Program Procurement Amount in Docket
15 Nos. E-2, Sub 1159 and E-7, Sub 1156, requesting the Commission
16 determine the aggregate number of MW to be competitively procured
17 through the CPRE Program based on the exceedance of Transition MW over
18 the 45-month CPRE Procurement Period, and approve the resulting
19 Tranche 3 target MW amount of 596 MW. The Companies’ filing indicated
20 that the current total of Transition MW was 4,378 MW.

21 On December 20, 2021, the Commission issued its *Order Determining*
22 *Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE*
23 *Program Procurement Solicitation, Approving Resource Solicitation*

1 *Cluster, and Requiring Responses to Commission Questions Regarding Pro*
 2 *Forma PPA.* The Commission's Order authorized DEC to implement
 3 Tranche 3 of the CPRE Program through a Resource Solicitation Cluster,
 4 and determined that the current CPRE Program procurement target is 1,782
 5 MW as reduced in accordance with N.C.G.S. § 62-110.8(b)(1).
 6 My Table 1 below summarizes the current total number of Transition MW,
 7 MW procured through CPRE Tranches 1 and 2, and MW to be procured
 8 through CPRE Tranche 3.

9 **Table 1 DEC and DEP CPRE and Transition MW**

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

10 **Q. HAS TRANCHE 3 OF THE CPRE RFP BEEN ISSUED?**

11 A. Yes. The Companies issued the CPRE Tranche 3 RFP on January 5, 2022,
 12 seeking to procure 596 MW of renewable capacity in DEC. The bid
 13 window for CPRE Tranche 3 closed on February 3, 2022. Bid proposals
 14 are currently undergoing Step 2 evaluation. A summary and timeline of
 15 CPRE Tranche 3 Milestone activities completed in 2021 through May 2022
 16 are as follows:

CPRE Tranche 3 Milestones in 2021	
September Stakeholder Session 1	09/17/2021
Release RFP Documents	09/20/2021
September Stakeholder Session 2	09/24/2021
October Stakeholder Session 3	10/14/2021
November Stakeholder Session 4	11/04/2021
Release of updated RFP Documents	11/11/2021
PPA filed with NCUC	12/02/2021
Accion Group Report of the Independent Administrator	12/02/2021
CPRE Tranche 3 RFP filed with the NCUC	12/28/2021
CPRE Bid Window closed	02/03/2022
IA completed Step 1	03/31/2022
CPRE Participants signed Study Agreements	04/30/2022
Begin Step 2 of CPRE evaluation	05/17/2022

- 1 **Q. PLEASE PROVIDE A STATUS UPDATE ON THE AMOUNT OF**
2 **MW PROCURED THROUGH CPRE TRANCHE 3.**
- 3 A. There are currently approximately 155 MW of projects in the Step 2
4 Evaluation of CPRE Tranche 3. As recently detailed in Docket No. E-7,
5 Sub 1262, DEC and DEP will experience a “shortfall” to the 596 MW
6 originally expected to be procured through Tranche 3. However, and as also
7 explained in Docket No. E-7, Sub 1262, DEC and DEP plan to work with
8 the Public Staff and stakeholders to determine how to make up for this
9 Tranche 3 shortfall, and are committed to achieving the CPRE Program
10 requirements.

1 **Q. CAN YOU PROVIDE THE CURRENT EXPECTED COMMERCIAL**
2 **OPERATION DATES FOR ALL TRANCHE 1 AND TRANCHE 2**
3 **WINNING PROPOSALS?**

4 A. Yes. As of the filing date in this docket, the Tranche 1 winning projects
5 have the following actual commercial operation dates and the Tranche 2
6 winning project has the estimated commercial operation date shown:

7 **BEGIN CONFIDENTIAL**



8 **END CONFIDENTIAL**

9 Generation from winning projects currently in operation or forecasted to
10 commence operation by August 31, 2023, are included in the forecast billing
11 period.

12 **Q. HAS DEP PREPARED THE ANNUAL CPRE COMPLIANCE**
13 **REPORT AS REQUIRED BY SECTION (H) OF THE CPRE RULE?**

14 A. Yes, DEP's annual CPRE Compliance Report for 2021 is attached as
15 Exhibit 1 to my testimony. DEP requests that the Commission find that the
16 Company's ongoing actions to implement the CPRE Program requirements,
17 as described in the Compliance Report, are reasonable and prudent, in
18 accordance with NCUC Rule R8-71(i)(1).

1 **Costs of CPRE Program Compliance**

2 **Q. PLEASE DESCRIBE THE PERIOD OF COST RECOVERY UNDER**
3 **REVIEW IN THIS PROCEEDING.**

4 A. The CPRE Program rider authorized under subsection (j) of the CPRE Rule
5 allows the Company to establish “an increment or decrement as a rider to
6 its rates to recover in a timely manner the reasonable and prudent costs
7 incurred and anticipated to be incurred to implement its CPRE Program and
8 to comply with N.C. Gen. Stat. § 62-110.8.”

9 Subsection (j)(3) of the CPRE Rule further provides that, “[u]nless
10 otherwise ordered by the Commission,” the CPRE Program Rider test
11 period shall be the same as the annual fuel factor test period, which, for
12 DEP, is April 1, 2021 through March 31, 2022. The forecasted Billing
13 Period is also the same as DEP’s annual fuel factor, extending December 1,
14 2022 to November 20, 2023.

15 **Q. IS THE COMPANY PROJECTING TO INCUR CPRE PROGRAM**
16 **PURCHASED POWER EXPENSES THAT WOULD BE**
17 **RECOVERABLE DURING THE BILLING PERIOD AT ISSUE IN**
18 **THIS PROCEEDING?**

19 A. Yes. The two projects selected in Tranche 1 are included in the billing
20 period forecast. Estimated purchased power expenses from these third-
21 party owned CPRE projects are described in the direct testimony of
22 Company witness Walker and detailed in Walker Exhibit No. 1.

1 **Q. PLEASE DESCRIBE THE CATEGORIES OF COSTS INCURRED**
2 **OR POTENTIALLY EXPECTED TO BE INCURRED TO**
3 **IMPLEMENT THE REQUIREMENTS OF THE CPRE PROGRAM.**

4 A. The following is a summary of the types of costs that were and will likely
5 continue to be incurred to implement the CPRE Program and comply with
6 the procurement requirements of N.C. Gen. Stat. § 62-110.8:

- 7 • Fees for the Independent Administrator and internal Company labor
8 costs for bid proposal evaluation
- 9 • Purchased power related to CPRE Program renewable resources
- 10 • Internal Company labor, contract labor including legal fees, and other
11 related costs of implementing the CPRE Program

12 **Q. PLEASE DESCRIBE HOW COSTS FOR RETAINING THE**
13 **INDEPENDENT ADMINISTRATOR AND FOR INTERNAL**
14 **COMPANY LABOR TO EVALUATE PROPOSALS WILL BE**
15 **RECOVERED.**

16 A. Subsection (d)(10) of the CPRE Rule provides that the Companies'
17 estimated expense to retain the IA to administer the CPRE Program RFP
18 should be recovered from market participants through Proposal Fees. To
19 the extent that the total cost of retaining the IA exceeds the Proposal Fees
20 recovered from market participants, the Companies are required to pay the
21 IA the balance owed for services rendered and subsequently charge the
22 winning participants in the CPRE RFP solicitation.

1 The CPRE Rule also authorizes the Companies to collect Proposal Fees up
2 to \$10,000 per proposal to defray its costs of evaluating CPRE proposals.
3 As provided for in subsection (f)(3) of the CPRE Rule, the Companies have
4 established a designated internal evaluation team specifically assigned to
5 the CPRE proposal evaluation process.

6 In Tranche 3 of the RFP, DEC elected to structure the Proposal Fees and
7 Winners' Fees as follows:

8 1) Proposal Fees were required of each proposal submitted on the
9 Independent Administrators website, including Asset Acquisition
10 proposals. This fee was set at \$500/MW, based on the facility's
11 nameplate capacity, up to a maximum of ten thousand dollars (\$10,000).

12 Total Proposal Fees are not yet known for Tranche 3.

13 2) In addition, Winners' Fees will be collected on a pro-rata basis from
14 each winning proposal. This fee will be calculated on the amount of the
15 IA costs as well as any Duke Energy costs related to proposal evaluation
16 (i.e., costs incurred in the Step 2 evaluation process as described in the
17 RFP) that was not recovered from the Proposal Fees. The Winners' Fee
18 will be determined upon conclusion of the RFP and upon completion of
19 contracting. Any such Winners' Fees will be allocated among all
20 winning proposals selected by both DEC and DEP on a pro-rata basis
21 on a per MW basis. The total of the Winners' Fees shall not exceed one
22 million five hundred thousand dollars (\$1,500,000). Winner's Fees for
23 CPRE Tranche 3 are not yet known, and the Companies note that the

1 Winners' Fees \$1.5 million limit is an increase over the \$1 million not-
2 to-exceed amount used for Tranche 2, in order to better ensure all IA
3 expenses are recovered.

4 **Q. IS THE COMPANY SEEKING TO RECOVER ANY REMAINING**
5 **IA FEES RELATING TO ADMINISTRATION OF TRANCHES 1**
6 **AND 2 THROUGH THE CPRE RIDER IN THIS PROCEEDING?**

7 A. Yes. Walker Exhibit 2 details the limited IA fees sought for recovery in this
8 proceeding. These IA fees were incurred as a result of and following the
9 conclusion of the IA's administration of CPRE Tranches 1 and 2, and stem
10 from the IA's participation in unanticipated Commission proceedings and
11 litigation related to CPRE Tranches 1 and 2 – not from Tranche 1 or 2 CPRE
12 Program implementation. Due to the timing of when these expenses were
13 incurred by the IA and subsequently invoiced to DEP, they were not
14 recoverable from bidders or Tranche 1 and Tranche 2 winners. The
15 Companies therefore consider these limited IA fees to be appropriate for
16 recovery through the CPRE Rider.

17 **Q. WHAT ARE THE IA'S ESTIMATED FEES FOR CPRE**
18 **TRANCHE 3?**

19 A. Actual IA expenses for Tranche 3 are not yet known. However, in the
20 Commission's *Order Approving CPRE Rider and CPRE Program*
21 *Compliance Report* issued in Docket No. E-7, Sub 1247 on August 17,
22 2021, the Commission directed DEC and DEP to work with the IA to
23 develop a Tranche 3 scope of work and an IA fee estimate based on the IA's

1 proposed scope of work, in order to ensure that the proposed Tranche 3
2 program fee structure is reasonably designed to recover all Tranche 3-
3 related IA fees from market participants. On November 24, 2021, the
4 Companies filed the IA scope of work and Tranche 3 fee estimate developed
5 by the IA and based on a 300 MW procurement with the Commission.
6 However, shortly after filing, and as explained above, the Commission
7 determined a 596 MW target was appropriate for CPRE Tranche 3. As a
8 result of the increased capacity to be procured in the Tranche 3 solicitation,
9 the IA revised its estimated fees to approximately \$943,839. Assuming the
10 IA's updated fee estimates are reasonably accurate and there are no
11 significant post solicitation expenses (identified as Exclusions in the IA's
12 scope of work filed November 24, 2021), the Tranche 3 program fee
13 structure of Proposal Fees and Winners' Fees continues to be reasonably
14 designed to recover all Tranche 3-related IA fees from Tranche 3 market
15 participants.

16 **Q. PLEASE DESCRIBE THE COMPANY'S COSTS ASSOCIATED**
17 **WITH THE CPRE PROGRAM INCURRED DURING THE EMF**
18 **PERIOD.**

19 A. DEP's costs associated with implementing its CPRE Program include
20 internal labor associated with development of the CPRE Program Plan and
21 the Tranche 3 RFP documents, as well as interaction with the Independent
22 Administrator and the execution of the Tranche 3 RFP process. In addition

1 to internal labor, costs were incurred for external legal support for CPRE
2 program implementation, and for mandatory media publishings.

3 **Q. PLEASE PROVIDE DETAIL FOR THE INTERNAL LABOR COSTS**
4 **INCURRED TO IMPLEMENT THE CPRE PROGRAM THAT**
5 **WERE INCURRED DURING THE EMF PERIOD.**

6 A. DEP includes only the incremental cost of CPRE Program compliance for
7 recovery through its CPRE rider. Company employees that work to
8 implement the requirements of N.C. Gen. Stat. § 62-110.8 charge only that
9 portion of their labor hours to CPRE accounting codes.

10 **Q. HOW ARE EXTERNAL CPRE-RELATED IMPLEMENTATION**
11 **COSTS BEING ALLOCATED BETWEEN DEC AND DEP?**

12 A. These costs have been allocated equally between DEC and DEP. While the
13 overall CPRE Program is expected to procure significantly more total
14 megawatts for DEC versus DEP, these costs related to implementing the
15 CPRE Program are associated with administrative activities that benefit
16 DEC and DEP equally. Thus, the Company's proposed CPRE rider in this
17 docket appropriately reflects recovery of one half of the shared outside
18 administrative costs incurred.

19 **Q. ARE YOU SATISFIED THAT THE ACTUAL COSTS DEP HAS**
20 **INCURRED DURING THE EMF PERIOD ARE REASONABLE**
21 **AND HAVE BEEN PRUDENTLY INCURRED?**

22 A. Yes.

1 Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT
2 TESTIMONY?

3 A. Yes.

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1296

In the Matter of)
)
Application of Duke Energy Progress, LLC) DUKE ENERGY PROGRESS, LLC
Pursuant to G.S. 62-110.8 and Commission Rule) 2021 COMPETITIVE PROCUREMENT
R8-71 for Approval of CPRE Compliance) OF RENEWABLE ENERGY
Report and CPRE Cost Recovery Rider) PROGRAM COMPLIANCE REPORT
)
)

DUKE ENERGY PROGRESS, LLC
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY (“CPRE”)
COMPLIANCE REPORT

On November 6, 2017, the North Carolina Utilities Commission (“NCUC” or “Commission”) issued an order in Docket E-100, Sub 150 adopting regulations to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program.¹ Section (h) of NCUC Rule R8-71 (the “CPRE Rule”) requires Duke Energy Progress, LLC (“DEP” or the “Company”) to annually file a CPRE Program Compliance Report for the prior calendar year, which for purposes of this Compliance Report is calendar year 2021 (referred to as the “reporting year”). DEP hereby submits this CPRE Compliance Report for the reporting year.

I. CPRE Solicitation Overview (R8-71(h)(2)(i))

As noted in the Company’s initial CPRE Program Plan filed on November 27, 2017, DEP and Duke Energy Carolinas, LLC (“DEC” and together with DEP, “Duke Energy” or the “Companies”) have elected to jointly issue request for proposal (“RFP”) solicitations to comply with the aggregate procurement requirements of the CPRE Program. The Accion Group, LLC serves as the Independent Administrator (“IA”) of the CPRE Program.

On July 2, 2019, the Commission issued its *Order Modifying and Accepting CPRE Program Plan* in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, establishing the process and timeline for Duke Energy to initiate CPRE Tranche 2. DEP issued the CPRE Tranche 2 RFP on October 15, 2019, seeking to procure 80 MW of renewable capacity. As described in the IA’s Tranche 2 Final Report, on July 17, 2020, one proposal was selected as a winner for DEP totaling 75 MW. Its Purchase Power Agreement (“PPA”) was executed on October 15, 2020.

No DEP proposals in Tranche 2 were eliminated pursuant to subsection R8-71(f)(3)(ii).

In 2021, Duke Energy continued the CPRE Program. On June 2, 2021, the Commission issued its *Order Requesting Update* on the Companies’ CPRE Program compliance in advance of the conclusion of the CPRE Program’s 45-month compliance period, requesting an update from interested parties regarding (1) the most current status of the Transition MW², (2) the need for and appropriate timing of a CPRE Tranche 3, and (3) the parties’ positions on statutory interpretation regarding what must be completed within the 45-

¹ *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017). The Commission subsequently also issued an *Order Amending Commission Rule R8-71* in the same docket on April 9, 2018.

² “Transition MW” is the term the Companies use to refer to projects that qualify under N.C. Gen. Stat. § 62-110.8(b)(1) as having executed power purchase agreements (“PPA”) and interconnection agreements for renewable energy capacity within the DEC and DEP Balancing Authorities that are not subject to economic dispatch or curtailment and were not procured under the Green Source Advantage program pursuant to N.C. Gen. Stat. § 62-159.2. Pursuant to N.C. Gen. Stat. § 62-110.8, should the level of Transition MW exceed 3,500 MW, then the aggregate targeted competitive procurement aggregate amount (2,660 MW) is to be reduced. If the aggregate capacity of such Transition MW is less than 3,500 MW at the end of the initial 45-month competitive procurement period, the Commission shall also require the Companies to conduct an additional competitive procurement in the amount of such deficit pursuant to the statute.

month term and what actions the Commission may properly take beyond the 45-month timeframe to ensure that the final procurement target is met.

On September 1, 2021, the Companies filed their CPRE Program Plans identifying that implementation of queue reform introduces an additional layer of complexity regarding the timing of implementing CPRE Program Tranche 3, due to the need to integrate a competitive procurement solicitation into future planned cluster studies, which have established timelines under the North Carolina Interconnection Procedures (“NCIP”), South Carolina Generator Interconnection Procedures (“SC GIP”), and FERC Large Generator Interconnection Procedures. The 2021 CPRE Program Plan identified that approximately 300 MW were needing to be procured under the CPRE Program, and that the Companies would update the Commission on the final amount of capacity in order to meet their obligations under the CPRE Program prior to the end of the 45-month procurement period.

Following submission of the Companies’ 2021 CPRE Program Plans, DEC and DEP began to work collaboratively with the IA as well as engage with Carolinas Clean Energy Business Association (“CCEBA”), the Public Staff, and other stakeholders to determine feasible paths that would allow the Companies to meet their procurement obligations under the CPRE Program while also ensuring that the Companies can successfully achieve queue reform and transition to annual Cluster Studies in 2022. Through this engagement with stakeholders, the Companies determined that Tranche 3 should be a DEC-only procurement for third-party PPA resources and should not include asset acquisition bids. The Companies and stakeholders also agreed that Duke Energy should utilize a Resource Solicitation Cluster (“RSC”) held in spring 2022, and queued after the Transitional Cluster Study, to evaluate grid upgrades of Tranche 3 proposals.

On November 21, 2021, the 45-month CPRE Program Procurement Period ended.

On November 24, 2021, the Companies submitted a joint letter with CCEBA to the Commission in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 regarding the Companies’ plan to administer a DEC Tranche 3 RFP utilizing a Resource Solicitation Cluster (“RSC”) to complete Step 2 of the CPRE RFP evaluation process.

On December 3, 2021, the Companies filed a Petition for Determination of Final CPRE Program Procurement Amount in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, requesting the Commission 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, and approve the resulting Tranche 3 target MW amount of 596 MW.

On December 20, 2021, the Commission issued its *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA*. The Commission’s Order authorized DEC to implement Tranche 3 of the CPRE Program through an RSC, and determined that the current CPRE Program procurement target is 1,782 MW as reduced in accordance with N.C.G.S. § 62-110.8(b)(1).

The Companies issued the CPRE Tranche 3 RFP on January 4, 2022, seeking to procure 596 MW of renewable capacity. To more efficiently manage the RSC and based on other considerations addressed in the pre-issuance stakeholder engagement process, Proposals were solicited solely in DEC’s territory. The bid window for CPRE Tranche 3 closed on February 3, 2022. Following closure of the bid window, Tranche 3 market participants expressed concern to the IA over market uncertainty and requested DEC delay payment of the Tranche 3 RFP collateral requirements to proceed to Step 2 of the bid evaluation process. In order to balance current market uncertainty for market participants with the cost of administering the RFP, Duke Energy and the IA agreed to amend the Tranche 3 RFP Step 2 collateral requirements to allow market participants invited to proceed to Step 2 to either provide the non-refundable Step 2 Proposal Security (\$20/kW minus the M1 security to enter RSC Phase as required under current terms of the RFP) or pay a non-refundable fee of \$1/kW to defray the anticipated IA cost of administering the RFP. If the market participant elects option (ii) and pays a fee to continue in the Step 2 evaluation, then the remainder of the non-refundable proposal security (\$19/kW minus the M1 security to enter RSC Phase 1) shall be due by July 15, 2022.

The IA and T&D Subteam is currently completing Step 2 of the CPRE evaluation process for Tranche 3. As indicated in Docket No. E-7, Sub 1262, the number of MW currently remaining in Tranche 3 is below the 596 MW procurement target.³ Consequently, DEC and DEP will not achieve the total CPRE Program procurement target at the close of Tranche 3. However, the Companies are committed to complying with the CPRE Program requirements and procuring the solar through a future procurement to achieve CPRE procurement targets. The Companies plan to work with the Public Staff and stakeholders to determine how to best achieve the CPRE procurement targets going forward.

Below is a timeline presenting CPRE Tranche 3 Milestones completed in 2021 and 2022:

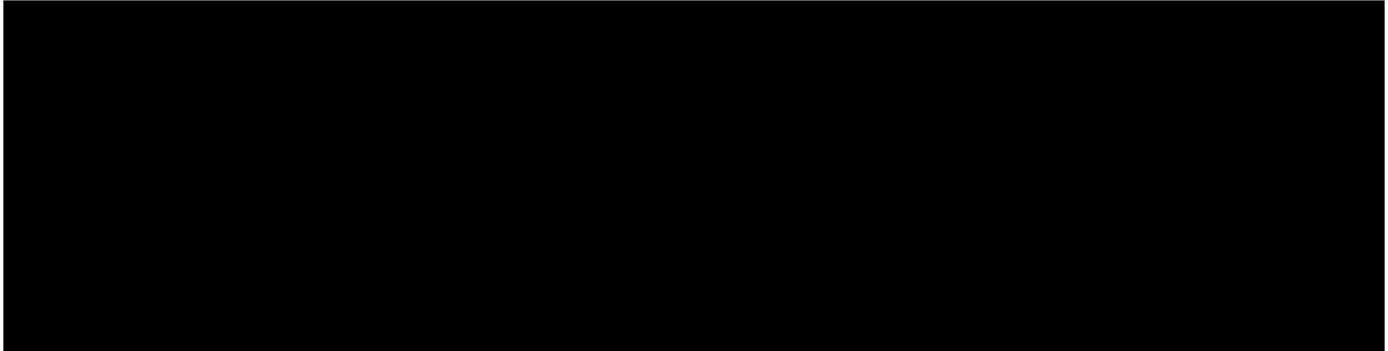
CPRE Tranche 3 Milestones in 2021-2022	
September Stakeholder Session 1	09/17/2021
Release RFP Documents	09/20/2021
September Stakeholder Session 2	09/24/2021
October Stakeholder Session 3	10/14/2021
November Stakeholder Session 4	11/04/2021
Release of updated RFP Documents	11/11/2021
PPA filed with NCUC	12/02/2021
Accion Group Report of the Independent Administrator	12/02/2021
CPRE Tranche 3 RFP filed with the NCUC	12/28/2021
CPRE Bid Window closed	02/03/2022
IA completed Step 1	03/31/2022
CPRE Participants signed Study Agreements	04/30/2022
Begin Step 2 of CPRE evaluation	05/17/2022

³ Rebuttal Testimony of Angela M. Tabor at 6, Docket No. E-7, Sub 1262 (filed May 26, 2022).

II. Summary of PPAs and Utility-Owned Assets Procured During the Reporting Year (R8-71(h)(2)(ii))

No PPAs were executed or utility-owned assets procured during the reporting year. Below follows a table identifying all projects procured in CPRE Tranches 1 and 2. The table lists whether such projects are utility-owned assets or third-party owned PPA assets, and provides estimated commercial operation dates as of the date of this filing for each project.

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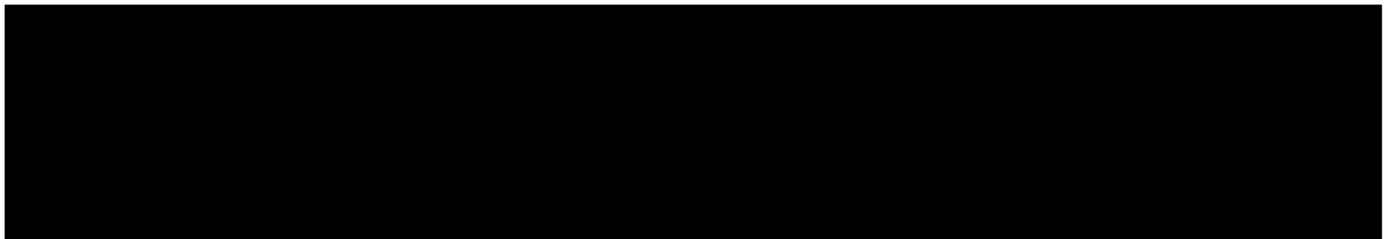
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III. Capacity and Energy Obtained through the CPRE Program During the Reporting Year (R8-71(h)(2)(iii))

The nameplate capacity of the winning proposals in DEP for Tranche 1 and Tranche 2 are identified above.

One Tranche 1 winning project was placed in service in 2020 and another started generating during the reporting year. No megawatt-hours of renewable energy or renewable energy certificates were obtained through the CPRE Program during the reporting year for the Tranche 2 project, because it was not online and operating during the reporting year. Details concerning the power delivered by the CPRE Tranche 1 projects during the 2021 reporting year are included in the following table:

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IV. Duke Owned Facilities Submitted as Proposals in CPRE Solicitation (R8-71(h)(2)(iv))

No proposals sponsored by Duke Energy Corp. or Duke Energy Corp. affiliates were submitted as part of the Tranche 3 CPRE RFP; Tranche 3 was limited to DEC only.

V. Avoided Cost Rates (R8-71(h)(2)(v))

As indicated above, CPRE Tranche 3 is limited to DEC. Therefore, please see Section V. of DEC's Updated 2021 Compliance Report filed in Docket No. E-7, Sub 1262 on May 2, 2022 as Tabor Supplemental Exhibit No. 1 for DEC's CPRE Tranche 3 avoided cost rates.

VI. Total Costs and Authorized Revenues (R8-71(h)(2)(vi))

During the reporting period, DEP has incurred a total of \$569,181, which includes costs for legal support, outside publishing, internal company labor, and Independent Administrator fees not recovered through program fees. The winning CPRE Tranche 2 project did not achieve commercial operation during the reporting year, so no purchased power costs associated with these assets were incurred. One CPRE winning proposal from Tranche 1 achieved commercial operation late in December of 2020 and the second CPRE winning proposal from Tranche 1 achieved commercial operation in July 2021. Purchased power costs associated with these assets totals \$4,012,225.

VII. Status of Compliance with CPRE Program Requirements (R8-71(h)(2)(vii))

DEC and DEP procured 1,024 MW and 161 MW, respectively through two Tranches of the CPRE Program. DEC and DEP have now issued Tranche 3 to fully comply with the aggregate CPRE Program procurement requirements. As explained above, the Commission's December 20, 2021 Order issued in Dockets Nos. E-2, Sub 1159 and E-7, Sub 1156 determined that the CPRE Program Procurement target is 1,782 MW, as reduced in accordance with N.C. Gen. Stat. § 62-110.8 (b)(1), and that the CPRE Tranche 3 procurement target shall be 596 MW. As indicated in Docket No. E-7, Sub 1262 and mentioned above, the number of MW currently remaining in Tranche 3 is below the 596 MW procurement target.⁴ Consequently, DEC and DEP will not achieve the current 1,782 MW CPRE procurement target at the close of Tranche 3. However, DEC and DEP are committed to complying with the CPRE Program requirements and achieving CPRE procurement targets.

VIII. Independent Administrator and Evaluation Costs (R8-71(h)(2)(viii))

The Independent Administrator was selected in January 2018. A copy of the contract between the Companies and the IA in effect for the 2021 reporting period can be found in DEC's 2019 and 2020 CPRE compliance reports filed previously with the Commission. The Companies note that this contract's term expired at the end of the 45-month CPRE procurement period (November 2021), and, as such, the Companies and IA amended the contract to extend the term through January, 2023 in order for the IA to remain engaged

⁴ Rebuttal Testimony of Angela M. Tabor at 6, Docket No. E-7, Sub 1262 (filed May 26, 2022).

through competition of CPRE Tranche 3. A copy of this contract amendment is included with this CPRE Compliance Report as Appendix A.

During the reporting year, the total costs incurred by the IA to implement the CPRE Program for DEC and DEP were approximately \$391,240. In Tranche 3 of the RFP, DEC elected to structure the Proposal Fees and Winners' Fees as follows:

- 1) Proposal Fees were required of each proposal submitted on the Independent Administrators website, including Asset Acquisition proposals. This fee was set at \$500/MW, based on the facility's nameplate capacity, up to a maximum of ten thousand dollars (\$10,000).
- 2) In addition, Winners' Fee will be collected on a pro-rata basis from each winning proposal. This fee will be calculated on the amount of the IA costs as well as any Duke costs related to proposal evaluation (i.e., costs incurred in the Step 2 evaluation process as described in the RFP) that was not recovered from the Proposal Fees. The Winners' Fee will be determined upon conclusion of the RFP and upon completion of contracting. Any such Winners' Fees will be allocated among all winning proposals selected by both DEC and DEP on a pro-rata basis on a per MW basis. The total of the Winners' Fees shall not exceed one million five hundred thousand dollars (\$1,500,000).

IX. Independent Administrator Certification (R8-71(h)(2)(ix))

The Independent Administrator certification required by NCUC Rule R8-71(h)(ix) is provided as Appendix B.

X. Grid Upgrade Costs⁵

There are no grid Upgrade costs to report on for the 2021 reporting year as no new PPAs or utility-owned assets were procured during the reporting year. See DEP's 2019 and 2020 compliance reports for grid Upgrades cost information regarding Tranches 1 and 2.

⁵ *Order Modifying and Approving Joint CPRE Program*, Docket Nos. E-7, Sub 1156, and E-2, Sub 1159 (Feb. 21, 2018) (directing that "[i]n addition to requiring Duke to address grid upgrade costs, as necessary, in its explanation of the elimination of proposals, Duke shall report on grid upgrade costs on a per-proposal basis in its future CPRE compliance reports").

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
INDEPENDENT ADMINISTRATOR SERVICES FOR THE NORTH CAROLINA
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY PROGRAM**

This First Amendment to the Professional Services Agreement, Independent Administrator Services For The North Carolina Competitive Procurement Of Renewable Energy Program (the “Amendment”) is made and entered into as of the 10th day of January 2022, by and between Duke Energy Business Services LLC, acting as agent for and on behalf of each of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “Duke Energy”), and Accion Group, LLC (“Consultant”). For purposes of this Amendment, the foregoing entities may collectively be generically referred to herein as the “Parties” to this Amendment. All capitalized terms not otherwise defined in this Amendment shall have the meanings given to them in the Agreement.

WITNESSETH:

WHEREAS, Duke Energy and Consultant entered into that certain Professional Services Agreement, Independent Administrator Services For The North Carolina Competitive Procurement Of Renewable Energy Program, effective as of January 9, 2018 (“Agreement”), pursuant to which Duke Energy engaged Consultant to provide technical expertise and consulting Services in the area of competitive renewable energy facility procurement; and

WHEREAS, subsequent to the development of the Tranche 3 scope of work and associated fee estimate, the Parties determined that a material increase in the targeted Tranche 3 procurement was needed to achieve the total Competitive Procurement Of Renewable Energy (“CPRE”) Program procurement target (as identified in the Duke Energy’s December 3, 2021 Petition for Determination of Final CPRE Program Procurement Amount), which had already been accepted by the North Carolina Utilities Commission; and

WHEREAS, recognizing the materiality of this change in the Tranche 3 procurement (and as a result of the increased capacity to be procured in the Tranche 3 solicitation), the Parties desire to amend the Agreement to extend the original Term of the Agreement and to update the Agreement with new pricing information.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows.

1. AMENDMENT.

The Agreement is hereby amended as follows:

- a) Deleting Section 3(c) in its entirety and replacing it with the following:

The term of this Agreement shall commence on the Effective Date and shall continue until January 10, 2023 (“Term”), unless extended by written agreement between Duke Energy and the Consultant, or unless

sooner terminated at any time during the Term in accordance with the terms and conditions hereof.

- b) Replacing Exhibit B (“Pricing Information”) with the new attached Exhibit B (“Pricing Information”).

2. **RATIFICATION.** In all other respects, the Agreement is ratified and confirmed and all other terms and conditions of the Agreement shall remain unchanged and in full effect.

3. **BINDING EFFECT.**

This Amendment shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

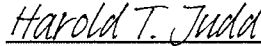
4. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

[Remainder of page intentionally left blank and signature page immediately follows]

IN WITNESS WHEREOF and in confirmation of their consent to the terms and conditions contained in this Amendment and agreeing to be legally bound hereby, the Parties have executed this Amendment by their respective duly authorized representatives as of the last date set forth below.

Duke Energy Business Services LLC, acting as agent for and on behalf of each of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC.

Accion Group, LLC.



Harold T. Judd (Apr 13, 2022 13:33 EDT)

Signed

Signed

Leighton Purcell

Harold T. Judd

Printed

Printed

Director, Sourcing

President

Title

Title

Apr 13, 2022

Apr 13, 2022

Date

Date

Exhibit B

Pricing Information
(Effective January 10, 2022)

Consultant Hourly Rates are shown in the table below and shall be held constant throughout the Term of this Agreement.

Position	Rates (USD)
President/Director	
Vice President	
Senior Consultant	
Consultant 1	
Consultant 2	
Analyst	

Categories of expenses:

- a) Fees will be charged on an hourly basis. Consultant will not charge for travel time or secretarial services.
- b) Supplies procured at the request of Duke Energy will be charged on an actual cost basis.
- c) Other direct costs: Consultant may charge for printing and production costs at 10 cents per page for standard copies and \$1.00 per page for color copies. In the event that Consultant must use outside services to copy or produce materials, these costs will be billed at actual charges incurred. Consultant will not charge for faxes, Internet usage or other overhead items. Telephone, postage and express delivery charges are billed at cost. Significant expenses will require Duke Energy’s prior written consent or Duke Energy will not accept responsibility of the reimbursement of the same.
- d) Travel costs will be billed at actual cost in accordance with Exhibit C, Guidelines for Consultant Expense Reimbursement.
- e) Website Design and Hosting will be invoiced on an annual basis at the rates set forth in the table below.

Year	Annual Price (USD)	Cumulative Price	Notes
2021			
2022			
2023			



CERTIFICATION

TO: Angela Tabor, Duke CPRE Coordinator
FROM: Harold T. Judd, Independent Administrator
DATE: February 28, 2022
RE: CPRE 2021 Process Certification

In January 2018 Accion Group, LLC, was approved by the North Carolina Utilities Commission ("NCUC") to serve as Independent Administrator ("IA") for the Duke Energy, Carolinas, LLC and Duke Energy Progress, LLC Competitive Procurement of Renewable Energy ("CPRE") Program. The CPRE Program was divided into annual "Tranches" as independent solicitations. Tranche 1 was issued in 2018 and completed in July 2019. Tranche 2 was released in August 2019, finalists were selected on July 17, 2020, and PPAs were executed on October 15, 2020.

Tranche 3 began on September 9, 2021, when the IA Website was released for Market Participant registration, and the first Stakeholder session was conducted by the IA on September 17, 2021. The second Stakeholder session was conducted on September 24, 2021, the third Stakeholder session was held on October 14, 2021. The fourth and final Stakeholder sessions 2021 prior to the submission of final documents to the North Carolina Utilities Commission ("NCUC"). The IA also conducted two open comment periods concerning the draft Tranche 3 Request for Proposal ("RFP") documents through November 22, 2021. The opportunity to submit proposals opened on January 5, 2022. The activities in 2022 will be addressed in a future certification.

The IA participated in the preparation of the Tranche 3 documents, including transitioning the CPRE Program to align with the revised generator interconnection cluster study process requirements. The IA provided the IA Website through which all information about the CPRE Program is available to interested parties. Similar to Tranches 1 and 2, in Tranche 3 all communications with Market Participants were conducted through the IA Website and all Proposals were received on the IA Website. The IA Website also serves as the repository of all Proposals, as well as retaining a record all exchanges with Market Participants for Tranche 3.

In 2021 the IA participated in a series of hearings before NCUC regarding issues arising from Tranche 1, and participated in litigation before the North Carolina Court of Appeals to defend a decision of the NCUC.

A handwritten signature in black ink, appearing to read "Harold T. Judd", written over a horizontal line.

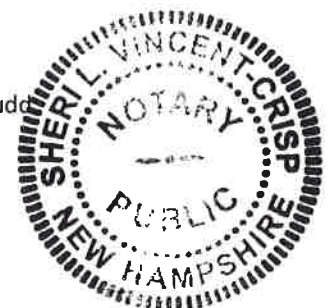
Harold T. Judd
President, Accion Group, LLC

The State of New Hampshire
County of Merrimack

This instrument was acknowledged before me on the 28th day of February, 2022 by Harold T. Judd

A handwritten signature in black ink, appearing to read "Sheri L. Vincent-Crisp", written over a horizontal line.

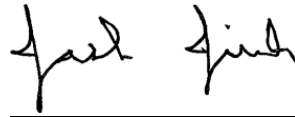
Sheri L. Vincent-Crisp, Notary Public, State of New Hampshire
My Commission expires April 7, 2026.



CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's CPRE Cost Recovery Rider and 2021 CPRE Compliance Report, 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 the parties of record.

This the 14th day of June, 2022.



Jack E. Jirak
Deputy General Counsel
Duke Energy Corporation
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Raleigh, North Carolina 27602
(919) 546-3257
jack.jirak@duke-energy.com