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July 24, 2020

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300

**RE: Duke Energy Progress, LLC's Application for Certificate of Public
Convenience and Necessity
Docket No. E-2, Sub 1257**

Dear Ms. Campbell:

Enclosed for filing is Duke Energy Progress, LLC's ("DEP") Application for a Certificate of Public Convenience and Necessity authorizing the construction and completion of the Woodfin Solar Generating Facility ("Woodfin Solar Facility") in Buncombe County, North Carolina on a landfill owned by Buncombe County.

Portions of the Application are being filed under seal and should be treated confidentially pursuant to N.C. Gen. Stat. § 132-1.2. Public disclosure of the information marked confidential would harm DEP's ability to negotiate favorable contracts because potential vendors would know the amounts DEP is willing to pay for products and services as well as the facility's forecasted operating costs.

Additionally, portions of Exhibit 1A, the DEP 2018 Integrated Resource Plan ("IRP") and 2019 IRP Update, contain confidential information that should be protected from public disclosure. Tables H-1 and H-2 of Appendix H in the 2018 IRP contain information concerning DEP's wholesale contracts. Public disclosure of this information would harm DEP's and/or its counterparties' ability to negotiate in the wholesale market. Table 2 of the 2018 and 2019 REPS Compliance Plans contains the Company's combustion turbine costs. If this commercially sensitive business and technical information were to be publicly disclosed, it would allow competitors, vendors and other market participants to gain an undue advantage, which may ultimately result in harm to customers. Exhibit A of the 2018 and 2019 REPS Compliance Plans contains names of counterparties with whom DEP has contracted for Renewable Energy Certificates ("RECs"), contract duration and estimated RECs. Public disclosure of this information would harm DEP's ability to

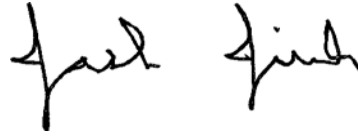
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negotiate and procure cost-effective purchases and discourage potential bidders from participating in requests for proposals.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

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Jack E. Jirak

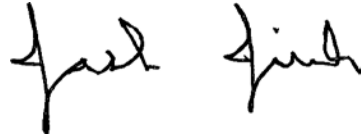
Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of the Application for Certificate of Public Convenience and Necessity of Duke Energy Progress, LLC, in Docket No. E-2, Sub 1257, 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 24th day of July, 2020.

A handwritten signature in black ink, appearing to read "Jack Jirak". The signature is written in a cursive style with a large initial "J" and "J".

Jack E. Jirak
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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1257

In the Matter of)	
Application of Duke Energy Progress, LLC for a Certificate of Public Convenience and Necessity to Construct a Solar Generating Facility in Buncombe County, North Carolina)	APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT THE WOODFIN SOLAR GENERATING FACILITY

Duke Energy Progress, LLC (“the Company” or “DEP”) hereby applies to the North Carolina Utilities Commission (“Commission”) pursuant to North Carolina General Statutes (“N.C. Gen. Stat.”) § 62-110.1 and Commission Rule R8-61 for a Certificate of Public Convenience and Necessity (“CPCN”) authorizing the construction and completion of the Woodfin Solar Generating Facility (“Woodfin Solar Facility”) in Buncombe County, North Carolina on a landfill owned by Buncombe County. The Woodfin Solar Facility is consistent with the Company’s commitment and the Commission’s March 28, 2016 *Order Granting Application, in Part, with Conditions, and Denying Application in Part* in Docket No. E-2, Sub 1089 (“the WCMP CPCN Order”). The Application is also supported by the testimony of Lawrence Watson, Director of Distributed Asset Commercial Development, and Exhibits. In accordance with Commission Rule R8-61(b)(1), Confidential Exhibit 1A contains the 2018 Duke Energy Progress Integrated Resource Plan (“IRP”) and 2019 IRP Update Report, and Exhibit 1B contains the additional resource planning information. Exhibit 2 (Siting and Permitting Information), Confidential Exhibit 3 (Equipment and Cost Information) and Exhibit 4 (Construction Schedule and Other Facility Information) contain the additional information required by Commission Rule R8-61(b)(2) – (4). All exhibits

are incorporated as part of the Application. In further support of the Application, the Company respectfully submits the following:

General Information

1. The Applicant's general offices are located at 410 S. Wilmington Street, Raleigh, North Carolina, and its mailing address is:

Duke Energy Progress, LLC
410 S. Wilmington Street, NCRH 20
Raleigh, North Carolina 27601

2. DEP is a public utility operating in North Carolina and South Carolina where it is engaged in the generation, transmission, distribution, and sale of electricity for compensation and is regulated by this Commission.

3. The names and addresses of Applicant's attorneys are:

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

Project Overview

4. The facility consists of an approximately 5 megawatt (“MW”) alternating current (“AC”) / 6.3 MW direct current (“DC”) solar photovoltaic (“PV”) electric generator in Buncombe County, North Carolina (“Woodfin Solar Facility”). The Woodfin Solar Facility is part of a larger solar facility deployment plan and grid modernization effort in the Western Carolinas. In response to the NCUC’s urging DEP to move forward in a timely manner on DEP’s commitment to site solar and energy storage as part of the Western Carolinas Modernization Project (“WCMP”), DEP identified opportunities to deploy 15 MW of solar PV and over 5 MW of energy storage projects throughout the region. DEP has received strong support from Buncombe County and other local community partners for the Woodfin Solar Facility.

5. The Woodfin Solar Facility will be located on a closed Buncombe County Landfill. The Woodfin Solar Facility will allow DEP to gain experience owning and operating a solar facility on a customer’s landfill site, and it will also be supportive of the customer’s renewable energy goals. While landfill PV development has occurred across the United States, Duke Energy has not deployed solar on a municipal-owned landfill in the Carolinas. While developing solar on a landfill can have an impact on costs due to the inability to penetrate the landfill cap, the size and other positive characteristics described help to balance overall project costs and limit local environmental impacts. In addition, finding available sites within the Asheville region that can support a solar facility of this scale while limiting environmental impacts (such as tree clearing and wetland disturbance) is challenging, given topography and high land cost in the Asheville region.

6. Exhibit 2 contains additional details concerning the Woodfin Solar Facility site and permitting details and includes Appendices 1 and 2 that provide site layout and other information. Exhibit 3 contains additional details related to cost and other financial aspects of the project. Finally, Exhibit 4 identifies details related to the anticipated construction schedule and other aspects of the facility. The Woodfin Solar Facility will be interconnected to the single DEP-owned 24 kV distribution feeder.

DEP REPS Compliance Needs

7. While the Woodfin Solar Facility is capable of producing renewable energy Certificates (“RECs”) that are eligible for compliance with the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) program, DEP is not planning to apply for approval as a New Renewable Energy Facility at this time. The Company’s plans for the RECs are addressed further in Exhibit 2. If necessary in the future, DEP would seek to register the facility as a New Renewable Energy Facility under N.C. Gen. Stat. § 62-133.8 in order to use these RECs for future compliance with the REPS program.

The Western Carolinas Modernization Project

8. As the Commission is aware from its approval in the WCMP CPCN Order, the WCMP is an energy innovation project for the Asheville area in the western region of DEP. The goal of this project is to partner with the local community and elected leaders to help transition Western North Carolina to a cleaner, smarter and more reliable energy future. DEP is committed to this partnership to promote the efficient use of energy in the region. The WCMP allows for the retirement of the existing Asheville coal units and replacement of the capacity with new natural gas combined cycle units. Additionally, the project calls for deliberate investment in distributed energy resources, including solar and

storage, and increased promotion and access to new and existing demand-side management and energy efficiency (“DSM/EE”) programs. In the WCMP CPCN Order, the Commission accepted DEP’s commitment to solar and storage projects and held, “As to solar and storage, the Commission expects DEP to file as soon as practicable the CPCN to construct at least 15 MW of solar at the Asheville Plant or in the Asheville region. The Commission further urges DEP to move forward in a timely manner with the 5 MW storage project in the Asheville region.” WCMP CPCN Order at p. 38.

9. The Woodfin Solar Facility is a key component of the Western Carolinas Modernization Project. The Project complies with DEP’s commitments and the Commission’s requirements in the WCMP CPCN Order and is consistent with, and designed to promote, the public policies of North Carolina, specifically those enumerated in Senate Bill 3 (Session Law 2007-397). The Woodfin Solar Facility will diversify the resources used to reliably meet the energy needs of consumers in the State while providing greater energy security through the use of indigenous energy resources available within the State.

10. DEP still intends to construct solar generation and battery storage facilities at the Asheville Plant site, itself. Although construction and final plans are contingent upon completion of the ash basin work and coal plant demolition activities, at this time the Company expects to install approximately 9-10 MW of solar generation along with additional battery storage at the Asheville Plant site and seek a CPCN from the Commission for the generation facilities prior to commencing construction sometime in the 2023-2024 timeframe.

11. The Company's 2018 Integrated Resource Plan ("IRP") was filed September 5, 2018 in Docket No. E-100, Sub 157 and includes the Western Carolinas Modernization Plan. The 2018 IRP incorporates a 15-year load forecast, purchase power contracts, existing generation, DSM/EE programs, new resource additions, and a minimum target planning reserve margin of 17.0%. The comprehensive planning process for the 2018 IRP demonstrates that a combination of renewable resources, DSM/EE programs, and additional base load, intermediate, and peaking generation are required over the next fifteen years to reliably meet customer demand. From a total system perspective, the DEP 2018 IRP identifies the need for approximately 6,300 MW of new resources to meet customers' energy needs by 2033. Additionally, the 2018 IRP calls for 80 MW of energy storage and approximately 1,000 MW of incremental solar installations over the next five years. Accordingly, the Woodfin Solar Facility is consistent with the 2018 IRP as well as the 2019 IRP Update Report.

Environmental

12. Operation of the Woodfin Solar Facility will have no emissions or pollutants, and the generation source of the solar facility's power will be 100% renewable. In addition, the Woodfin Solar Facility shall be designed in accordance with State of North Carolina environmental requirements with regard to materials.

Cost Estimates

13. The cost estimate for the Woodfin Solar Facility is approximately **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]**. The estimate includes Engineering Procurement & Construction ("EPC"), major equipment, labor, and associated permitting and development costs. The average annual operating cost is approximately

[BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. Any tax credits and accelerated depreciation benefits will offset project costs for the benefit of customers.

Contractors

14. The Company will contract with reputable component manufacturers. The Company will seek to purchase components and services from North Carolina providers – to the extent that they provide the required functionality and are cost competitive in relation to other options – so as to promote economic development in the State. The Company has started discussions with suppliers but has not yet signed any binding agreements related to the Woodfin Solar Facility.

WHEREFORE, Duke Energy Progress respectfully requests that the Commission issue a Certificate pursuant to N.C. Gen. Stat. § 62-110.1 that the public convenience and necessity require construction of the Woodfin Solar Facility and requests such further relief as the Commission deems just and proper.

Respectfully submitted, this the 24th day of July, 2020.



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Attorneys for Duke Energy Progress, LLC