

INFORMATION SHEET

PRESIDING: Commissioner Duffley, Presiding; Chair Mitchell; and Commissioners Brown-Bland, Clodfelter, Hughes, McKissick, and Kemerait

PLACE: Commission Hearing Room 2115, Dobbs Building, Raleigh, NC

DATE: Tuesday, June 7, 2022

TIME: 10:00 a.m. – 10:45 a.m.

DOCKET NOS.: E-7, Sub 1262

COMPANY: Duke Energy Carolinas, LLC

DESCRIPTION: Application for Approval of CPRE Cost Recovery Rider and Compliance Report Pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71

VOLUME NUMBER:

APPEARANCES

(See attached)

WITNESSES

(See attached)

EXHIBITS

(See attached)

---

DISTRIBUTE CONFIDENTIAL COPIES TO: All parties of record

REPORTED BY: KM

DATE FILED: June 23, 2022

TRANSCRIPT PAGES: 49

PREFILED PAGES: 72

TOTAL PAGES: 121

1 PLACE: Dobbs Building, Raleigh, North Carolina  
2 DATE: Tuesday, June 7, 2022  
3 TIME: 10:00 a.m. - 10:45 a.m.  
4 DOCKET NO: E-7, Sub 1262  
5 BEFORE: Commissioner Kimberly W. Duffley, Presiding  
6 Chair Charlotte A. Mitchell  
7 Commissioner ToNola D. Brown-Bland  
8 Commissioner Daniel G. Clodfelter  
9 Commissioner Jeffrey A. Hughes  
10 Commissioner Floyd B. McKissick, Jr.  
11 Commissioner Karen M. Kemerait  
12  
13  
14

15 IN THE MATTER OF:  
16 Application of Duke Energy Carolinas, LLC,  
17 Pursuant to N.C.G.S. § 62-110.8  
18 and Commission Rule R8-71  
19 for Approval of CPRE Cost Recovery Rider  
20 and Compliance Report  
21  
22  
23  
24

NORTH CAROLINA UTILITIES COMMISSION

1 A P P E A R A N C E S:

2 FOR DUKE ENERGY CAROLINAS, LLC:

3 Ladawn Toon, Esq.

4 Associate General Counsel

5 411 Fayetteville Street

6 Raleigh, North Carolina 27601

7

8 Robert W. Kaylor, Esq.

9 Law Office of Robert W. Kaylor

10 353 E. Six Forks Road, Suite 260

11 Raleigh, North Carolina 27609

12

13 E. Brett Breitschwerdt, Esq.

14 Kristin M. Athens, Esq.

15 McGuireWoods LLP

16 501 Fayetteville Street, Suite 500

17 Raleigh, North Carolina 27601

18

19 FOR CAROLINA UTILITY CUSTOMERS ASSOCIATION, INC.:

20 Craig Schauer, Esq.

21 Brooks Pierce

22 150 Fayetteville Street, Suite 1700

23 Raleigh, North Carolina 27601

24

1 A P P E A R A N C E S Cont'd.:

2 FOR CAROLINA INDUSTRIAL GROUP FOR FAIR UTILITY  
3 RATES, III:

4 Christina Cress, Esq.

5 Bailey & Dixon, L.L.P.

6 Post Office Box 1351

7 Raleigh, North Carolina 27602-1351

8

9 FOR NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION:

10 Peter H. Ledford, Esq.

11 Taylor Jones, Esq.

12 4600 Six Forks Road, Suite 300

13 Raleigh, North Carolina 27609

14

15 FOR THE USING AND CONSUMING PUBLIC:

16 Robert Josey, Esq.

17 North Carolina Utilities Commission

18 4326 Mail Service Center

19 Raleigh, North Carolina 27699-4300

20

21

22

23

24

NORTH CAROLINA UTILITIES COMMISSION

T A B L E O F C O N T E N T S		
E X A M I N A T I O N S		
		PAGE
1	As a panel,	
2	CHRISTY J. WALKER and ANGELA M. TABOR	
3	Direct Examination by Ms. Toon .....	11
4	Prefiled Direct Testimony of Ms. Walker ..	16
5	Prefiled Direct, Supplemental and Rebuttal	
6	Testimony of Ms. Tabor .....	36
7	Examination by Commissioner Duffley .....	72
8	Examination by Chair Mitchell .....	78
9		
10	As a panel,	
11	LYNN FEASEL and JEFF THOMAS	
12	Direct Examination by Mr. Josey .....	86
13	Prefiled Affidavit and Appendix A of	
14	Ms. Feasel .....	89
15	Prefiled Direct Testimony and Appendix A	
16	of Mr. Thomas .....	97
17	Examination by Commissioner Clodfelter ...	113
18	Examination by Chair Mitchell .....	115
19	Examination by Commissioner Duffley .....	116
20	Further Examination by	
21	Commissioner Clodfelter .....	118
22		
23		
24		

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

E X H I B I T S

Identified / Admitted

Walker Exhibits 1 - 6 and	
Workpapers 1 - 6 .....	14/14
Tabor Exhibit 1 and Appendix A .....	34/34
Confidential Supplemental Tabor	
Exhibit 1 and Appendix A .....	34/34
Application of Duke Energy	
Carolinas, LLC .....	85/85
Confidential Feasel Supplemental	
Exhibits 1 and 2 .....	88/88

NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE: June 7, 2022 DOCKET NO.: E-7 Subs 1262, 1263, 1264, 1265  
ATTORNEY NAME and TITLE: Robert W. Kaylor

FIRM NAME: Law Office of Robert W. Kaylor, P.A.  
ADDRESS: 353 E. Six Forks Rd. Ste 260  
CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARANCE ON BEHALF OF: Duke Energy Energy, LLC

APPLICANT:  COMPLAINANT:  INTERVENOR:   
PROTESTANT:  RESPONDENT:  DEFENDANT:

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE: Jun 7, 2022 DOCKET NO.: 27 sub 1262-1263

ATTORNEY NAME and TITLE: Ladawn Toon  
Associate General Counsel

FIRM NAME: Ladawn Toon

ADDRESS: 411 Fayetteville Ste

CITY: Raleigh STATE: NC ZIP CODE: \_\_\_\_\_

APPEARANCE ON BEHALF OF: Duke Energy Carolinas LLC

APPLICANT:  COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_

PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: ladawn.toon@duke-energy.com

SIGNATURE: [Handwritten Signature]

(Required for distribution of **CONFIDENTIAL** transcript)



NORTH CAROLINA UTILITIES COMMISSION

APPEARANCE SLIP

DATE: 6-7-22 DOCKET NO.: E-7, Sub 1262

ATTORNEY NAME and TITLE: Reeth Boitschwendt

FIRM NAME: McGuire Woods LLP

ADDRESS: 501 S. Fayetteville St, Suite 500

CITY: Raleigh STATE: NC ZIP CODE: \_\_\_\_\_

APPEARANCE ON BEHALF OF: Duke Energy Carolinas, LLC

APPLICANT:  COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_

PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

(Required for distribution of CONFIDENTIAL transcript)

**NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP**

DATE: June 7, 2022 DOCKET NO.: E-7 Sub 1262

ATTORNEY NAME and TITLE: Kristin M. Athens  
Associate

FIRM NAME: McGuire Woods LLP

ADDRESS: 501 Fayetteville St. Suite 500

CITY: Raleigh STATE: NC ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Duke Energy Carolinas, LLC

APPLICANT:  COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_

PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: kathens@mcguirewoods.com

SIGNATURE: Kristin Athens

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE: 6/7/2022 DOCKET NO.: E-7, Subs 1262-1265

ATTORNEY NAME and TITLE: Craig Schauer

FIRM NAME: Brooks Pierce

ADDRESS: 150 Fayetteville, Suite 1700

CITY: Raleigh STATE: NC ZIP CODE: 27601

APPEARANCE ON BEHALF OF: Carolina Utility Customers Assoc.

APPLICANT: \_\_\_ COMPLAINANT: \_\_\_ INTERVENOR:

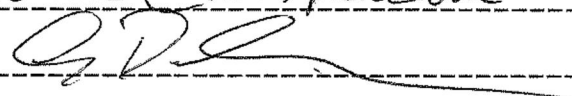
PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: cschauer@brooks-pierce.com

SIGNATURE: 

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE: 6/7/2022 DOCKET NO.: DEC R. der hearings

ATTORNEY NAME and TITLE: Christina Cress, Partner

FIRM NAME: Bailey & Dixon LLP

ADDRESS: 434 Fayetteville St, Ste. 2500

CITY: Raleigh STATE: NC ZIP CODE: 27607

APPEARANCE ON BEHALF OF: CIGFUR III

APPLICANT: \_\_\_ COMPLAINANT: \_\_\_ INTERVENOR:

PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: ccress@bdixon.com

SIGNATURE: 

(Required for distribution of CONFIDENTIAL transcript)

NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP

DATE: Aty June 7, 2022 DOCKET NO.: DEC Rider Hearings

ATTORNEY NAME and TITLE: Peter Ledford  
General Counsel

FIRM NAME: NC Sustainable Energy Association

ADDRESS: 4800 Six Forks Road, Suite 300

CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARANCE ON BEHALF OF: NC Sustainable Energy Association

APPLICANT: \_\_\_ COMPLAINANT: \_\_\_ INTERVENOR:

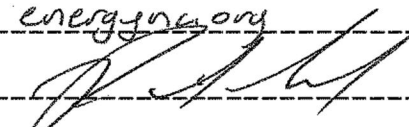
PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: peter@energyinc.org

SIGNATURE: 

(Required for distribution of **CONFIDENTIAL** transcript)

**NORTH CAROLINA UTILITIES COMMISSION  
APPEARANCE SLIP**

DATE: 6/17/22 DOCKET NO.: DEC Rider Hearings  
ATTORNEY NAME and TITLE: Taylor Jones, Regulatory Counsel

FIRM NAME: NCSEA / North Carolina Sustainable Energy Association  
ADDRESS: 4800 Six Forks Road Ste 300  
CITY: Raleigh STATE: NC ZIP CODE: 27609

APPEARANCE ON BEHALF OF: NCSEA

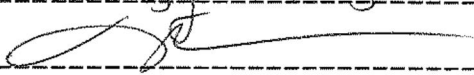
APPLICANT: \_\_\_ COMPLAINANT: \_\_\_ INTERVENOR: \_\_\_  
PROTESTANT: \_\_\_ RESPONDENT: \_\_\_ DEFENDANT: \_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print transcripts, go to <https://www.ncuc.net/>, hover over the Dockets tab and select Docket Search, enter the docket number and click search, select the highlighted docket number and select Documents for a list of all documents filed.

To receive an electronic **CONFIDENTIAL** transcript, please complete the following:

Yes, I have signed the Confidentiality Agreement.

Email: taylor@energy.nc.org

SIGNATURE: 

(Required for distribution of **CONFIDENTIAL** transcript)

**NORTH CAROLINA UTILITIES COMMISSION**  
**PUBLIC STAFF - APPEARANCE SLIP**

DATE June 7, 2022 DOCKET #: E-7 Sub 1262

PUBLIC STAFF ATTORNEY: Robert Josey

TO REQUEST A **CONFIDENTIAL** TRANSCRIPT, PLEASE PROVIDE YOUR EMAIL ADDRESS BELOW:

ACCOUNTING \_\_\_\_\_  
CONSUMER SERVICES \_\_\_\_\_  
COMMUNICATIONS \_\_\_\_\_  
ENERGY \_\_\_\_\_  
ECONOMICS \_\_\_\_\_  
LEGAL [robert.josey@psncuc.nc.gov](mailto:robert.josey@psncuc.nc.gov) \_\_\_\_\_  
TRANSPORTATION \_\_\_\_\_  
WATER \_\_\_\_\_

Non-confidential transcripts are located on the Commission's website. To view and/or print, please access <https://ncuc.net>.

COUNSEL/MEMBER(S) REQUESTING A **CONFIDENTIAL** TRANSCRIPT WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT WILL NEED TO SIGN BELOW.

/s/ Robert Josey

CONFIDENTIAL DATA

Line No.	Market Participant	Facility Name	Location	Tranche No.	Nameplate Capacity (MW)	EMF Period January 1, 2021 - December 31, 2021			Billing Period September 1, 2022 - August 31, 2023			
						Capacity	Energy <sup>2</sup>	Total	Capacity	Energy	Total	
						Purchased and Generated Power <sup>1</sup>			Purchased and Generated Power <sup>1</sup>			
									Capacity Factor	Energy Factor		
									17%	83%		
									Input		Input	
1				1								
2				1								
3				1								
4				1								
5				1								
6				1								
7				1								
8				1								
9				1								
10				1								
11	Sub-Total Tranche 1 Facilities					434.5	\$ 1,180,963	\$ 4,151,212	\$ 5,332,175	\$ 2,255,200	\$ 25,657,739	\$ 30,912,939
12									Capacity Factor	Energy Factor		
13									7%	93%		
14												
15												
16												
17												
18												
19				2								
20				2								
21				2								
22				2								
23				2								
24				2								
25				2								
26				2								
27				2								
28				2								
29	Sub-Total Tranche 2 Facilities					589.5	\$ -	\$ -	\$ -	\$ 274,312	\$ 3,644,431	\$ 3,918,743
30												
31	Total of Tranche 1 and Tranche 2						\$ 1,180,963	\$ 4,151,212	\$ 5,332,175	\$ 5,529,512	\$ 29,302,170	\$ 34,831,682

Note: Rounding differences may occur

<sup>1</sup> Duke-owned facilities are considered generated power rather than purchased power. The cost for Duke owned facilities is authorized revenue as provided by G.S. 62-110.8(g).

<sup>2</sup> Precommercial generation included at the energy-only component of the rate in accordance with CPRE PPA section 4.4.



CONFIDENTIAL DATA

Line No.	Implementation Cost / Activity	Reference	EMF Period	Billing Period
			January 1, 2021 - December 31, 2021	September 1, 2022 - August 31, 2023
1	[Redacted]	Company Records	[Redacted]	\$ -
2				\$ -
3				\$ -
4				\$ -
5				\$ -
6				\$ -
7	<b>Total Internal Labor and Labor-Related Taxes and Benefits</b>		\$ 275,534	\$ 298,530 *
8	[Redacted]	Company Records	[Redacted]	\$ -
9				\$ -
10				\$ -
11				\$ -
12				\$ -
13				\$ -
14	<b>Total Outside Services</b>		\$ 87,681	\$ 13,000 *
15				
16				
17				
18	<b>Total Employee-Related Expenses</b>		\$ 279	\$ 300 *
19				
20	<b>Independent Administrator Fees Not Recovered</b>		\$ 204,048	\$ -
21				
22	<b>Total Implementation Costs</b>	<b>L7 + L16 + L18 + L20</b>	<b>\$ 567,542</b>	<b>\$ 311,830 *</b>

Note: Rounding differences may occur

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

## Allocation of Prospective Billing Period CPRE Charges to Customer Classes

Line No.	Description	Reference	General Service and			Total
			Residential	Lighting	Industrial	
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (Prospective Billing Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L31				\$ 5,529,512
2	NC Retail Jurisdictional % Based on 2020 Production Plant	Input				66.98%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 3,703,500
4						
5	NC Retail 2020 Production Plant Allocation Factors	Input	47.00%	37.09%	15.90%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2020 Production Plant	L3 * L5	\$ 1,740,816	\$ 1,373,754	\$ 588,929	\$ 3,703,500
8						
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L31				\$ 29,302,170
10	NC Retail Jurisdictional % Based on Projected Billing Period Sales	Workpaper 3				66.08%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L9 * L10 [Total Only]				\$ 19,361,443
12						
13	Allocation Factor- MWh Sales	Workpaper 3	39.17%	39.88%	20.95%	100.00%
14						
15	NC CPRE Purchased and Generated Power - Energy Allocated on MWh Sales	L11 * L13	\$ 7,583,467	\$ 7,720,893	\$ 4,057,083	\$ 19,361,443
16						
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L17	\$ 9,324,283	\$ 9,094,647	\$ 4,646,013	\$ 23,064,942
18						
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		40.43%	39.43%	20.14%	100.00%
<u>Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)</u>						
		<b>Reference</b>	<b>Residential</b>	<b>General Service and Lighting</b>	<b>Industrial</b>	<b>Total</b>
20	CPRE Implementation Costs - Total	Exhibit 2, L22				\$ 311,830
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]				66.22%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21				\$ 206,488
23						
24	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L19	40.43%	39.43%	20.14%	100.00%
25						
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 83,475	\$ 81,420	\$ 41,593	\$ 206,488
27						
28	Total of NC CPRE Purchased and Generated Capacity and Energy + Implementation Cost	L17 + L26	\$ 9,407,758	\$ 9,176,066	\$ 4,687,606	\$ 23,271,430
29						
30	NC Projected Billing Period MWh Sales	Workpaper 3	22,809,193	23,222,537	12,202,704	58,234,434
31						
32	<b>NC CPRE Implementation Cost CPRE Charge ¢/kWh</b>	<b>L28 ÷ L30 ÷ 10</b>	<b>0.0412</b>	<b>0.0395</b>	<b>0.0384</b>	<b>0.040</b>

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1262

Walker Exhibit No. 4

## Allocation of Experience Modification Factor (EMF) Period Charges to Customer Classes:

Line No.	Description	Reference	Residential	General Service and Lighting	Industrial	Total
<u>Allocation of CPRE Purchased and Generated Power by Customer Class (EMF Period)</u>						
1	CPRE Purchased and Generated Power - Capacity	Exhibit 1, L31				\$ 1,180,963
2	NC Retail Jurisdictional % Based on 2020 Production Plant	Exhibit 3, L 2				66.98%
3	NC Retail Portion - CPRE Purchased and Generated Power - Capacity	L1 * L2				\$ 790,973
4						
5	NC Retail 2020 Production Plant Allocation Factors	Exhibit 3, L 5	47.00%	37.09%	15.90%	100.00%
6						
7	NC CPRE Purchased and Generated Power - Capacity Allocated Based on 2020 Production Plant	L3 * L5	\$ 371,794	\$ 293,399	\$ 125,780	\$ 790,973
8						
9	CPRE Purchased and Generated Power - Energy	Exhibit 1, L31				\$ 4,151,212
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4				67.09%
11	NC Retail Portion - CPRE Purchased and Generated Power - Energy					\$ 2,785,071
12						
13	NC Retail Portion - CPRE Purchased and Generated Power - Energy	L15 * L11 [Total Only]	\$ 1,075,531	\$ 1,122,144	\$ 587,396	\$ 2,785,071
14						
15	NC EMF Period MWh Sales	Workpaper 4	22,424,524	23,396,396	12,247,042	58,067,961
16						
17	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L7 + L13	\$ 1,447,325	\$ 1,415,543	\$ 713,176	\$ 3,576,045
18						
19	% of NC CPRE Purchased and Generated Power - Capacity and Energy		40.47%	39.58%	19.94%	100%
<u>Allocation of CPRE Implementation Costs by Customer Class (EMF Period)</u>						
20	CPRE Implementation Costs - Total	Exhibit 2, L22				\$ 567,542
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L13) ÷ (L1 + L9) [Total Only]				67.07%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21				\$ 380,624
23						
24	Total of NC CPRE Purchased and Generated Power - Capacity and Energy	L19	40.47%	39.58%	19.94%	100.00%
25						
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 154,049	\$ 150,667	\$ 75,909	\$ 380,624
27						
28	Total of NC CPRE Purchased and Generated Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 1,601,375	\$ 1,566,210	\$ 789,085	\$ 3,956,669
29						
30						
31	CPRE Revenues Realized During the Test Period	Input	\$ 2,443,057	\$ 2,472,568	\$ 1,257,067	\$ 6,172,692
32						
33	CPRE (Over)/Under Collection	L28 - L31	\$ (841,682)	\$ (906,358)	\$ (467,982)	\$ (2,216,022)
34						
35	Contract Fees Being Credited in CPRE Rider	Workpaper 5				\$ (70,000)
36	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	L21				67.07%
37	CPRE Contract Fees - NC Retail Portion	L35 * L36				\$ (46,946)
38						
39	CPRE Contract Fees by Customer Class	L37 * L24	\$ (19,000)	\$ (18,583)	\$ (9,362)	\$ (46,946)
40						
41	Total CPRE EMF Amount including Contract Fees	L33 + L39	\$ (860,682)	\$ (924,941)	\$ (477,345)	\$ (2,262,968)
42						
43	NC Projected Billing Period MWh Sales	Exhibit 3, L 30	22,809,193	23,222,537	12,202,704	58,234,434
44						
45	<b>NC CPRE EMF Rider Amount €/kWh</b>	<b>L41 ÷ L43 ÷ 10</b>	<b>(0.0038)</b>	<b>(0.0040)</b>	<b>(0.0039)</b>	<b>(0.0039)</b>
46						
47	Annual Interest Rate		10%	10%	10%	10%
48						
49	Monthly Interest Rate	L47 ÷ 12	0.83%	0.83%	0.83%	0.83%
50						
51	Number of Months (July 1, 2021 - February 28, 2023)		20	20	20	20
52						
53	Interest	L33 * L49 * L51	\$ (140,280)	\$ (151,060)	\$ (77,997)	\$ (369,337)
54						
55	<b>EMF Interest on Over Collection</b>	<b>L53 ÷ L43 ÷ 10</b>	<b>(0.0006)</b>	<b>(0.0007)</b>	<b>(0.0006)</b>	<b>(0.0006)</b>

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1262  
Summary of CPRE Proposed Rider Components

Walker Exhibit No. 5

Line No.	Description	Reference	Residential ¢/kWh	General Service and Lighting ¢/kWh	Industrial ¢/kWh	Composite ¢/kWh
1	<b>Prospective Billing Period Rider Charge</b>					
2	NC CPRE Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.0412	0.0395	0.0384	0.0400
3						
4	<b>Experience Modification Factor Period Rider Charge</b>					
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L45	(0.0038)	(0.0040)	(0.0039)	(0.0039)
6	EMF Interest Decrement ¢/kWh	Exhibit 4, L55	(0.0006)	(0.0007)	(0.0006)	(0.0006)
7						
8	<b>Total Proposed CPRE Rider Charge ¢/kWh</b>	L2+ L5+ L6	<b>0.0368</b>	<b>0.0348</b>	<b>0.0339</b>	<b>0.0355</b>

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Carolinas, LLC  
 Docket No. E-7, Sub 1262  
 Proposed Rider CPRE (NC)

Walker Exhibit No. 6

Duke Energy Carolinas, LLC

Electricity No. 4  
 North Carolina Second Revised (Proposed) Leaf No. 127  
 Superseding North Carolina Original Leaf No. 127

RIDER CPRE (NC)  
 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	0.0412 ¢/kWh
Experience Modification Factor	<u>(0.0044) ¢/kWh</u>
Net CPRE Rider Factor	0.0368 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.0368 ¢/kWh

## GENERAL SERVICE AND LIGHTING

Prospective Component of CPRE	0.0395 ¢/kWh
Experience Modification Factor	<u>(0.0047) ¢/kWh</u>
Net CPRE Rider Factor	0.0348 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.0348 ¢/kWh

## INDUSTRIAL SERVICE

Prospective Component of CPRE	0.0384 ¢/kWh
Experience Modification Factor	<u>(0.0045) ¢/kWh</u>
Net CPRE Rider Factor	0.0339 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0013</u>
CPRE Factor	0.0339 ¢/kWh

North Carolina First Revised (Proposed) Leaf No. 127  
 Effective for service rendered on and after September 1, 2022  
 NCUC Docket No. E-7, Sub 1262, Order dated \_\_\_\_\_

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Tranche No.	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
1	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2															
3															
4															
5															
6															
7															
8															
9															
10															
11	Total DEC		9,099	9,773	13,300	12,252	6,745	14,270	14,725	14,172	12,305	13,222	13,976	7,923	141,762
12															
13															
14	CPRE Generation (\$)	Tranche No.	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
15	[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
16															
17															
18															
19															
20															
21															
22															
23															
24															
25	Total DEC		\$354,442	\$387,274	\$518,179	\$473,679	\$257,192	\$495,880	\$494,043	\$483,064	\$412,030	\$512,530	\$580,783	\$363,080	\$5,332,175
26															

Note> No Tranche 2 facilities came online during the EMF period of January 1, 2021 to December 31, 2021. Therefore, only Tranche 1 facilities are currently being shown on this workpaper.

CONFIDENTIAL DATA

Line No.	CPRE Generation (MWh)	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Total
Tranche No. 1														
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
Tranche No. 2														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23	<b>Total DEC</b>	60,434	54,490	44,188	37,767	53,062	56,183	78,155	99,561	108,459	108,233	108,264	103,023	911,819

Line No.	CPRE Generation (\$)	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Total
Tranche No. 1														
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
Tranche No. 2														
40														
41														
42														
43														
44														
45														
46														
47														
48														
49														
50														
51	<b>Total DEC</b>	\$2,161,589	\$1,996,959	\$1,826,110	\$1,696,798	\$2,240,104	\$2,437,539	\$3,217,431	\$3,686,251	\$4,117,233	\$3,831,030	\$3,814,129	\$3,806,507	\$34,831,682

OFFICIAL COPY  
JUN 23 2022

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1262  
Projected Sales for the Prospective Billing Period

Walker Workpaper No. 3

Fall 2021 Forecast  
Billed Sales Forecast  
Sales Forecast - MWhs (000)

North Carolina	Reference	Projected Sales for the Billing Period	Remove Impact of SC	
			DERP Net Metered Generation	Adjusted Sales
Residential		22,809,193	-	22,809,193
General		22,983,240	-	22,983,240
Industrial		12,202,704	-	12,202,704
Lighting		239,297	-	239,297
North Carolina Retail		58,234,434	-	58,234,434
<b>South Carolina</b>				
Residential		6,851,656	133,318	6,984,974
General		5,765,026	42,173	5,807,199
Industrial		8,959,835	429	8,960,264
Lighting		39,929	-	39,929
South Carolina Retail	Company Records	21,616,446	175,920	21,792,366
<b>Total Retail</b>				
Residential		29,660,849	133,318	29,794,167
General		28,748,266	42,173	28,790,439
Industrial		21,162,539	429	21,162,968
Lighting		279,226	-	279,226
Total Retail Sales		79,850,880	175,920	80,026,800
<b>Wholesale</b>				
		8,106,884.66	-	8,106,885
<b>Projected System MWh Sales for Fuel Factor</b>		87,957,765	175,920	88,133,685
NC as a percentage of total		66.21%		66.08%
SC as a percentage of total		24.58%		24.73%
Wholesale as a percentage of total		9.22%		9.20%
		100.00%		100.00%

Note: Rounding differences may occur

Residential	39.17%
General Service/Lighting	39.88%
Industrial	20.95%
Total NC Retail	100.00%



Duke Energy Carolinas, LLC

Docket No. E-7, Sub 1262

North Carolina Retail Actual MWh Sales in the Experience Modification Factor (EMF) Period

Walker Workpaper No. 4

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina General Service/Lighting (MWh)	North Carolina Industrial (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Company Records	86,551,610	58,067,961	22,424,524	23,396,396	12,247,042
2							
3	NC Percentage of Total Company Unadjusted Sales	67.09%					
4	SC Percentage of Total Company Unadjusted Sales	23.66%					
5	Wholesale Percentage of Total Company Unadjusted Sales	9.25%					
		100.00%					

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1262  
Contract Fees Being Credited in CPRE Rider

Walker Workpaper No. 5

**CONFIDENTIAL DATA**

Line No.	Facility Name	Type of Fee	Date Paid	Amount Collected
1				
2				
3				
4				
5				
6				
7				
8	Total			\$ 70,000

Note: Rounding differences may occur

Duke Energy Carolinas, LLC  
Docket No. E-7, Sub 1262  
1% Calculation Test

Walker Workpaper No. 6

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, L41)	Billing Period (Exhibit 3, L20 + L25)	Total	NC Retail Gross Revenues
1	Amount Approved in 2020 Docket E-7, Sub 1247	\$ (1,911,943)	\$ 15,205,457	\$ 13,293,514	
2	Amount Proposed in current Docket	\$ (2,262,968)	\$ 23,271,430	\$ 21,008,462	
3	Annual Increase			\$ 7,714,948	
4					
5	1% of 2021 NC Retail Gross Revenues			\$ 47,201,369	\$ 4,720,136,851
6					
7	Excess of Current Docket over 1% NC Retail Gross Revenues			N/A	

Note: Rounding differences may occur

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1262

In the Matter of )  
 )  
Application of Duke Energy Carolinas, LLC ) DUKE ENERGY CAROLINAS, 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  
 )  
 )

---

OFFICIAL COPY

JUN 23 2022

**DUKE ENERGY CAROLINAS, 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 No. E-100, Sub 150 adopting regulations to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program.<sup>1</sup> Section (h) of NCUC Rule R8-71 (the “CPRE Rule”) requires Duke Energy Carolinas, LLC (“DEC” 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”). DEC 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, DEC and Duke Energy Progress, LLC (“DEP” and together with DEC, 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.

The Commission authorized the Companies to commence the CPRE Program by Order issued February 21, 2018, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, modifying and approving the joint CPRE Program.

The Companies issued the CPRE Tranche 1 RFP on July 10, 2018, seeking to procure 600 MW of renewable capacity for DEC and 80 MW of renewable capacity for DEP. The results of CPRE Tranche 1 were presented in the IA’s Tranche 1 Final Report filed with the Commission on July 18, 2019. Tranche 1 was completed in 2019 and was addressed in DEC’s 2019 CPRE compliance report filed with the Commission.

The Companies issued the CPRE Tranche 2 RFP on October 15, 2019, seeking to procure 600 MW of renewable capacity. The results of CPRE Tranche 2 were presented in the IA’s Tranche 2 Final Report filed with the Commission on February 9, 2021. Tranche 2 was completed in 2020 and was addressed in DEC’s 2019 and 2020 CPRE compliance reports filed with the Commission.

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)

---

<sup>1</sup> *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.

the most current status of the Transition MW<sup>2</sup>, (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-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 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

---

<sup>2</sup> "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.

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).

DEC issued the CPRE Tranche 3 RFP on January 4, 2022, seeking to procure 596 MW of renewable capacity. The bid window for CPRE Tranche 3 closed on February 3, 2022. Below follows a timeline regarding CPRE Tranche 3 Milestones completed in 2021:

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

The IA is now completing Step 1 of the CPRE evaluation process for Tranche 3.

**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.

**BEGIN CONFIDENTIAL**

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]





**END CONFIDENTIAL****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.

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

The Company's avoided costs used in the Tranche 3 CPRE solicitation are DEC's levelized 20 year avoided costs developed consistent with the methodology approved by the Commission in Docket No. E-100, Sub 167. Each proposal in Tranche 3 was required to submit their bid price as a positive \$/MWh decrement to the levelized avoided cost rates, as identified in the Tranche 3 RFP solicitation documents. The following is an excerpt from the RFP document describing the proposal pricing approach:

Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above. Proposal pricing must be stated as a fixed dollar per MWh decrement that is applied equally to all energy pricing periods. For example, an MP could propose pricing that is \$2.00/MWh less than the avoided cost in each energy pricing period (for clarity, the decrement does not apply to capacity pricing periods). This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA.

The bid form on the IA's website allowed only for a single (positive) pricing decrement to be entered, and then presented the resulting \$/MWh pricing for each pricing period based on this decrement. The avoided costs used in Tranche 3 are presented below:

**Avoided Costs Threshold for Tranche 3**

DEC 20 Year CPRE - Solar Only												
Capacity Pricing (\$/MWH)			Energy Pricing (\$/MWH)									
Summer Months PM	Winter AM	Winter PM	DEC Summer Prem-Peak	DEC Summer PM-Peak	DEC Summer Off Peak	DEC Winter Prem-Peak	DEC Winter AM-Peak	DEC Winter PM-Peak	DEC Winter Off Peak	DEC Shoulder Peak	DEC Shoulder Off Peak	
Distribution	23.81	110.61	35.79	41.8	41.2	35.9	65.9	50.7	52.1	40.2	38.4	29.3
Transmission	23.15	107.57	34.80	40.2	39.8	35.2	63.8	49.3	50.7	39.4	37.6	28.9

DEC 20 Year CPRE - Non-Solar Renewable Generation												
Capacity Pricing (\$/MWH)			Energy Pricing (\$/MWH)									
Summer Months PM	Winter AM	Winter PM	DEC Summer Prem-Peak	DEC Summer PM-Peak	DEC Summer Off Peak	DEC Winter Prem-Peak	DEC Winter AM-Peak	DEC Winter PM-Peak	DEC Winter Off Peak	DEC Shoulder Peak	DEC Shoulder Off Peak	
Distribution	23.81	110.61	35.79	42.9	42.3	37	67	51.8	53.2	41.3	39.5	30.4
Transmission	23.15	107.57	34.80	41.3	40.9	36.3	64.9	50.4	51.8	40.5	38.7	30

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

During the reporting period, DEC has incurred a total of \$567,542, which includes costs for legal support, outside publishing, internal company labor, and Independent Administrator fees not recovered through

program fees. None of the winning CPRE Tranche 2 projects achieved commercial operation during reporting year, so no purchased power costs or authorized revenues associated with these assets were incurred. One CPRE winning proposal from Tranche 1, a Company-owned project, achieved commercial operation late in December of 2020. Another Company-owned project from Tranche 1 was placed in service in January 2021. Authorized revenues associated with these two assets total \$5,332,175.

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

DEC and DEP have procured 1,024 MW and 161 MW, respectively through two Tranches of the CPRE Program. Collectively, 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 Docket 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.G.S. § 62-110.8(b)(1), and that the CPRE Tranche 3 procurement target shall be 596 MW. The Companies also note for transparency purposes that the 596 MW Tranche 3 target amount may be reduced as a result the Commission's *Order Granting Petition for Relief* issued in Docket No. SP-13695, Sub 1 on November 2, 2021. On February 8, 2022 Bid A notified the Company that it was declining to pursue a Tranche 1 PPA under the CPRE Program.

## 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 expired at the end of the 45-month CPRE procurement period, and, as such, the Companies and IA are currently in the process of negotiating an updated contract for the remaining CPRE Tranche 3 procurement period. Once the updated contract is executed, the Company will file the contract with the Commission.

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 A.

**X. Grid Upgrade Costs<sup>3</sup>**

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 DEC's 2019 and 2020 compliance reports for grid Upgrades cost information regarding Tranches 1 and 2.

---

<sup>3</sup> *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”)

I/A



## 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.

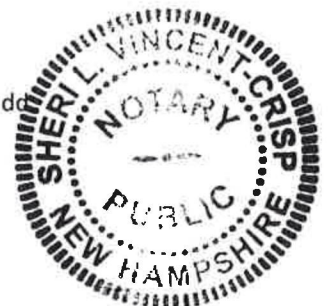
Harold T. Judd  
 President, Accion Group, LLC

The State of New Hampshire  
 County of Merrimack

This instrument was acknowledged before me on the 28<sup>th</sup> 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.



BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1262

In the Matter of	)	
	)	DUKE ENERGY CAROLINAS, LLC
Application of Duke Energy Carolinas, LLC	)	2021 COMPETITIVE PROCUREMENT
Pursuant to G.S. 62-110.8 and Commission Rule	)	OF RENEWABLE ENERGY
R8-71 for Approval of CPRE Compliance	)	PROGRAM COMPLIANCE REPORT
Report and CPRE Cost Recovery Rider	)	UPDATE OF MAY 2, 2022
	)	

---

OFFICIAL COPY

JULY 23 2022

**DUKE ENERGY CAROLINAS, LLC  
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY (“CPRE”)  
COMPLIANCE REPORT (UPDATED)**

On November 6, 2017, the North Carolina Utilities Commission (“NCUC” or “Commission”) issued an order in Docket No. E-100, Sub 150 adopting regulations to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program.<sup>1</sup> Section (h) of NCUC Rule R8-71 (the “CPRE Rule”) requires Duke Energy Carolinas, LLC (“DEC” 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”). DEC hereby submits this update to its 2021 CPRE Compliance Report for the reporting year and for certain recent updates that have occurred since the initial 2021 CPRE Compliance Report was filed on March 1, 2022.

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

As noted in the Company’s initial CPRE Program Plan filed on November 27, 2017, DEC and Duke Energy Progress, LLC (“DEP” and together with DEC, 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.

The Commission authorized the Companies to commence the CPRE Program by Order issued February 21, 2018, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, modifying and approving the joint CPRE Program.

The Companies issued the CPRE Tranche 1 RFP on July 10, 2018, seeking to procure 600 MW of renewable capacity for DEC and 80 MW of renewable capacity for DEP. The results of CPRE Tranche 1 were presented in the IA’s Tranche 1 Final Report filed with the Commission on July 18, 2019. Tranche 1 was completed in 2019 and was addressed in DEC’s 2019 CPRE compliance report filed with the Commission.

The Companies issued the CPRE Tranche 2 RFP on October 15, 2019, seeking to procure 600 MW of renewable capacity. The results of CPRE Tranche 2 were presented in the IA’s Tranche 2 Final Report filed with the Commission on February 9, 2021. Tranche 2 was completed in 2020 and was addressed in DEC’s 2019 and 2020 CPRE compliance reports filed with the Commission.

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)

<sup>1</sup> *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.

the most current status of the Transition MW<sup>2</sup>, (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-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 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

<sup>2</sup> "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.

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).

DEC issued the CPRE Tranche 3 RFP on January 4, 2022, seeking to procure 596 MW of renewable capacity. The bid window for CPRE Tranche 3 closed on February 3, 2022. Below follows a timeline regarding CPRE Tranche 3 Milestones completed in 2021:

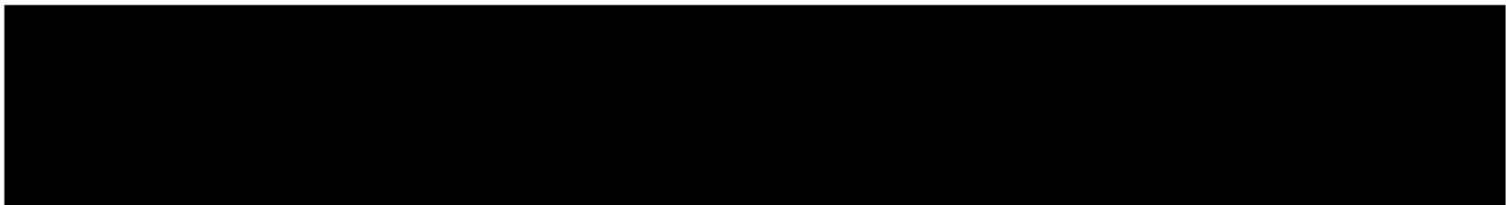
<b>CPRE Tranche 3 Milestones in 2021</b>	
September Stakeholder Session 1	09/17/2021
Release RFP Documents	09/20/2021
September Stakeholder Session 2	09/24/2021
October Stakeholder Session 3	10/14/2021
November Stakeholder Session 4	11/04/2021
Release of updated RFP Documents	11/11/2021
PPA filed with 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

The IA is now completing Step 1 of the CPRE evaluation process for Tranche 3.

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

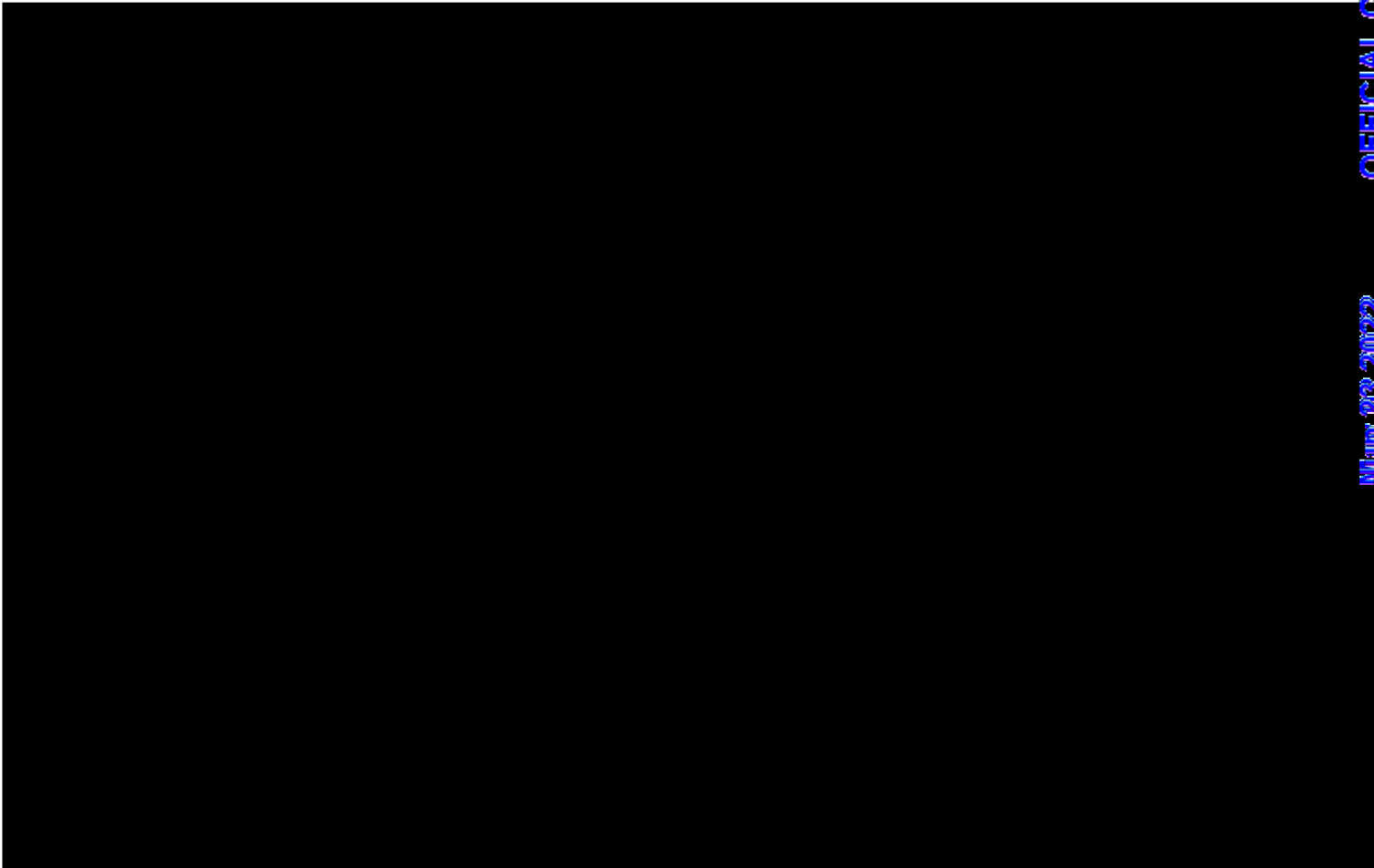
No PPAs were executed or utility-owned assets procured during the reporting year. Below follows a table identifying all projects procured in CPRE Tranches 1 and 2. The table lists whether such projects are utility-owned assets or third-party owned PPA assets, and provides estimated commercial operation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

**BEGIN CONFIDENTIAL**



<sup>3</sup> Estimated COD that are bolded have been updated since the Company's original March 1, 2022, filing.





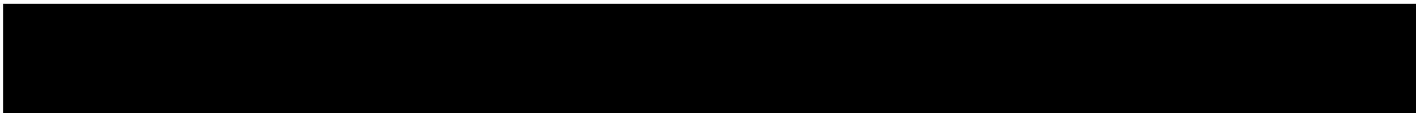
**END CONFIDENTIAL**

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

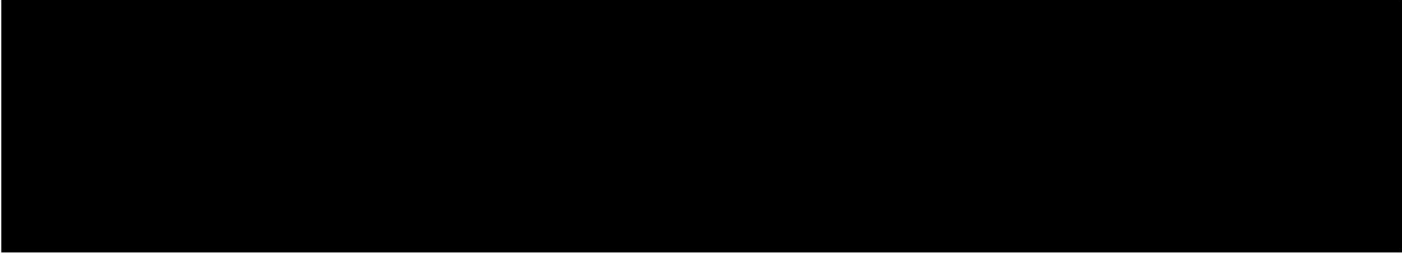
The nameplate capacity of the winning proposals in DEC for Tranche 2 are identified above. No megawatt-hours of renewable energy or renewable energy certificates were obtained through the CPRE Program during the reporting year for any Tranche 2 projects because none of the winning projects achieved commercial operation during the reporting year.

Two Tranche 1 winning projects were operational and delivered renewable energy to DEC during the reporting year. Details concerning those projects are included in the table below. Two additional Tranche 1 projects have now also achieved commercial operation and will be reported on in 2022.

**BEGIN CONFIDENTIAL**



<sup>4</sup> This project did not sign its Interconnection Agreement as of the required due date, April 19, 2022. DEC expects that the project will soon terminate its PPA.



**END CONFIDENTIAL**

**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.

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

The Company’s avoided costs used in the Tranche 3 CPRE solicitation are DEC’s levelized 20 year avoided costs developed consistent with the methodology approved by the Commission in Docket No. E-100, Sub 167. Each proposal in Tranche 3 was required to submit their bid price as a positive \$/MWh decrement to the levelized avoided cost rates, as identified in the Tranche 3 RFP solicitation documents. The following is an excerpt from the RFP document describing the proposal pricing approach:

Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above. Proposal pricing must be stated as a fixed dollar per MWh decrement that is applied equally to all energy pricing periods. For example, an MP could propose pricing that is \$2.00/MWh less than the avoided cost in each energy pricing period (for clarity, the decrement does not apply to capacity pricing periods). This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA.

The bid form on the IA’s website allowed only for a single (positive) pricing decrement to be entered, and then presented the resulting \$/MWh pricing for each pricing period based on this decrement. The avoided costs used in Tranche 3 are presented below:

**Avoided Costs Threshold for Tranche 3**

DEC 20 Year CPRE - Solar Only												
Capacity Pricing (\$/MWH)			Energy Pricing (\$/MWH)									
Summer Months PM	Winter AM	Winter PM	DEC Summer Prem-Peak	DEC Summer PM-Peak	DEC Summer Off Peak	DEC Winter Prem-Peak	DEC Winter AM-Peak	DEC Winter PM-Peak	DEC Winter Off Peak	DEC Shoulder Peak	DEC Shoulder Off Peak	
Distribution	23.81	110.61	35.79	41.8	41.2	35.9	65.9	50.7	52.1	40.2	38.4	29.3
Transmission	23.15	107.57	34.80	40.2	39.8	35.2	63.8	49.3	50.7	39.4	37.6	28.9

DEC 20 Year CPRE - Non-Solar Renewable Generation												
Capacity Pricing (\$/MWH)			Energy Pricing (\$/MWH)									
Summer Months PM	Winter AM	Winter PM	DEC Summer Prem-Peak	DEC Summer PM-Peak	DEC Summer Off Peak	DEC Winter Prem-Peak	DEC Winter AM-Peak	DEC Winter PM-Peak	DEC Winter Off Peak	DEC Shoulder Peak	DEC Shoulder Off Peak	
Distribution	23.81	110.61	35.79	42.9	42.3	37	67	51.8	53.2	41.3	39.5	30.4
Transmission	23.15	107.57	34.80	41.3	40.9	36.3	64.9	50.4	51.8	40.5	38.7	30

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

During the reporting period, DEC has incurred a total of \$567,542, which includes costs for legal support, outside publishing, internal company labor, and Independent Administrator fees not recovered through program fees. None of the winning CPRE Tranche 2 projects achieved commercial operation during reporting year, so no purchased power costs or authorized revenues associated with these assets were incurred. One CPRE winning proposal from Tranche 1, a Company-owned project, achieved commercial operation late in December of 2020. Another Company-owned project from Tranche 1 was placed in service in January 2021. Authorized revenues associated with these two assets total \$5,332,175.

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

DEC and DEP have procured 1,024 MW and 161 MW, respectively through two Tranches of the CPRE Program. Collectively, 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 Docket 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.G.S. § 62-110.8(b)(1), and that the CPRE Tranche 3 procurement target shall be 596 MW. The Companies also note for transparency purposes that the 596 MW Tranche 3 target amount may be reduced as a result the Commission's *Order Granting Petition for Relief* issued in Docket No. SP-13695, Sub 1 on November 2, 2021. On February 8, 2022 Bid A notified the Company that it was declining to pursue a Tranche 1 PPA under the CPRE Program. Bid B did not execute a Tranche 1 PPA by April 30, 2022, as requested by DEC in order for the Company to comply with the Commission's *Order Requesting Update on Status of B Bid B*.<sup>5</sup> Accordingly, the 596 MW Tranche 3 target will not be reduced as a result of the Commission's aforementioned *Order Granting Petition for Relief*.

As indicated above in Section II. of this report, a Tranche 2 project has terminated its PPA. This Tranche 2 75 MW project terminated its Tranche 2 PPA effective March 10, 2022, and paid DEC liquidated damages in the amount of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL], as required under the terms of the Tranche 2 PPA. As also indicated above, another Tranche 2 75 MW project recently failed to sign its Interconnection Agreement, and will likely be terminating its Tranche 2 PPA in the near future.

<sup>5</sup> The Commission's Order Requesting Update on the Status of Bid B directed that the Bid B Tranche 1 PPA needed to be resolved prior to Tranche 3 awards. On May 2, 2022 the Tranche 3 Step 2 Evaluation will begin; therefore, DEC allowed Bid B to execute the Tranche 1 PPA until April 30, 2022, at which point after Bid B's Tranche 1 PPA offer was terminated. DEC has communicated to Bid B that it may participate in the forthcoming 2022 Solar Procurement Program.

### **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 expired at the end of the 45-month CPRE procurement period, 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 through competition of CPRE Tranche 3. A copy of this contract amendment is included with this updated CPRE Compliance Report as Updated Appendix B.

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 A.

### **X. Grid Upgrade Costs<sup>6</sup>**

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 DEC's 2019 and 2020 compliance reports for grid Upgrades cost information regarding Tranches 1 and 2.

<sup>6</sup> *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 10<sup>th</sup> 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.

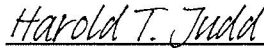
4. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

*[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			



STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

/A

DOCKET NO. E-7, SUB 1262

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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

---

Duke Energy Carolinas, LLC (“DEC,” “Company,” or “Applicant”), pursuant to North Carolina General Statutes (“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 Carolinas, LLC  
P. O. Box 1006  
Charlotte, North Carolina 28201-1006

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

Ladawn Toon  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551/NCRH 20  
Raleigh, North Carolina 27602  
(919) 546-7971  
ladawn.toon@duke-energy.com

E. Brett Breitschwerdt  
Kristin M. Athens  
McGuireWoods LLP  
434 Fayetteville Street, Suite 2600  
PO Box 27507 (27611)  
Raleigh, North Carolina 27601  
(919) 755-6563 (EBB)  
(919) 755-5909 (KMA)  
[bbreitschwerdt@mcguirewoods.com](mailto:bbreitschwerdt@mcguirewoods.com)  
[kathens@mcguirewoods.com](mailto:kathens@mcguirewoods.com)

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.<sup>1</sup>

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

---

<sup>1</sup> 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).

public utility to charge an increment or decrement as a rider to its rates to recover in a 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)(1).

10. DEC and DEP are reasonably and prudently implementing the CPRE Program requirements. CPRE Tranches 1 and 2 are completed and Tranche 3 is underway to procure the remaining 596 MW directed under the Program. Further details regarding Tranche 3, are described in the direct testimony of DEC witness Angela M. Tabor.

11. Pursuant N.C. Gen. Stat. § 62-110.8(g) and Commission Rule R8-71(j), DEC 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 DEC's North Carolina retail customers,

through the CPRE EMF rider, (\$2,262,968) related to the actual CPRE costs incurred and other credits for the test period and to collect \$23,271,430 for CPRE costs projected to be incurred during the period from September 1, 2022 through August 31, 2023 (“Billing Period”). The Rider CPRE will be in effect for the twelve-month period September 1, 2022 through August 31, 2023.

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

Residential – 0.0412¢/kWh

General Service & Lighting – 0.0395¢/kWh

Industrial – 0.0384¢/kWh

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

Residential – (0.0044)¢/kWh

General Service & Lighting – (0.0047)¢/kWh

Industrial – (0.0045)¢/kWh

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

Residential – 0.0368¢/kWh

General Service & Lighting – 0.0348¢/kWh

Industrial – 0.0339¢/kWh

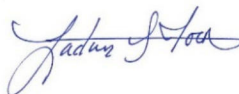
13. The Company also requests approval of its Compliance Report for calendar year 2021, which is being submitted as an attachment to the testimony of DEC witness Tabor. The Compliance Report details the Company’s compliance with the CPRE Program requirements of N.C. Gen. Stat. § 62-110.8 and, along with Company’s updated CPRE Program Plan and the IA’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 DEC witnesses Tabor and Christy J. Walker, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, DEC 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 1<sup>st</sup> day of March, 2022.



By: \_\_\_\_\_

Ladawn Toon  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551/NCRH 20  
Raleigh, North Carolina 27602  
(919) 546-7971  
Ladawn.toon@duke-energy.com

E. Brett Breitschwerdt  
Kristin M. Athens  
McGuireWoods LLP  
434 Fayetteville Street, Suite 2600  
PO Box 27507 (27611)  
Raleigh, North Carolina 27601  
(919) 755-6563 (EBB)  
(919) 755-5909 (KMA)  
[bbreitschwerdt@mcguirewoods.com](mailto:bbreitschwerdt@mcguirewoods.com)  
[kathens@mcguirewoods.com](mailto:kathens@mcguirewoods.com)

ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC

