

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1159
DOCKET NO. E-7, SUB 1156

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Joint Petition of Duke Energy Carolinas,)	ORDER MODIFYING
LLC, and Duke Energy Progress, LLC, for)	AND ACCEPTING
Approval of Competitive Procurement of)	CPRE PROGRAM PLAN
Renewable Energy Program)	

BY THE COMMISSION: On September 5, 2018, in Docket No. E-100, Sub 157,¹ as an attachment to their 2018 biennial integrated resource planning (IRP) reports, and pursuant to Commission Rule R8-71(g)(2), Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) (together, Duke), filed updates to their Competitive Procurement of Renewable Energy (CPRE) Program Plan (CPRE Program Plan).²

On October 5, 2018, in Docket No. E-100, Sub 101,³ and in the above-captioned proceedings, the Commission issued an Order Approving Interim Modifications to North Carolina Interconnection Procedures for Tranche 1 of CPRE RFP (October Order). Among other things, the October Order allowed parties to file comments related to the timing of consideration of potential changes to the administration of the CPRE Program.

On November 5, 2018, in Docket No. E-100, Sub 150,⁴ and in the above-captioned proceedings, Duke filed a letter and the Public Staff filed comments, both in response to the October Order. In Duke's letter, Duke committed to file with the Commission interim reports on the progress of the Tranche 1 CPRE RFP Solicitation at various points during that competitive procurement process so that the Commission could gather "lessons

¹ Docket No. E-100, Sub 157, is the Commission's generic proceeding established to review the biennial integrated resource planning reports filed by electric public utilities.

² DEC and DEP submitted CPRE Program plans that are substantially similar, and contemplate the continued joint implementation of the Program between the two utilities. For convenience, the Commission will refer to the two plans together in the singular throughout this Order. In addition, capitalized terms, not otherwise defined by parentheticals in this Order, are defined as provided in Commission Rule R8-71.

³ Docket No. E-100, Sub 101, is the Commission's generic proceeding established to consider revisions to the generator interconnection standards. Certain issues in dispute in that proceeding are relevant to the implementation of the CPRE Program, as noted in this Order.

⁴ Docket No. E-100, Sub 150, is the Commission's rulemaking proceeding established to adopt rules implementing the CPRE Program. On November 6, 2017, in that Docket, the Commission issued an Order adopting Commission Rule R8-71, implementing the CPRE Program established pursuant to N.C. Gen. Stat. § 62-110.8.

learned” from the ongoing Tranche 1 CPRE RFP Solicitation while considering the parties’ comments on the CPRE Program Plan.

On December 17, 2018, in Docket No. E-100, Sub 157, and in the above-captioned proceedings, the Commission issued an Order requiring Duke to file the interim reports regarding the status and results of the Tranche 1 CPRE RFP Solicitation on the schedule proposed in its letter filed with the Commission on November 5, 2018, authorizing Duke to implement the CPRE Program Plan on an interim basis, including the proposed schedule that would have the Tranche 2 CPRE RFP Solicitation open in July 2019, and setting out a schedule for the filing of comments on the CPRE Program Plan.

On February 1, 2019, in the above-captioned proceedings, the Commission issued an Order that revised the schedule for the filing of comments on the CPRE Program Plan by allowing all parties to file comments on or before March 22, 2019, and cancelling the filing of reply comments. These revisions were approved in response to an uncontested request by the Public Staff, in part, to accommodate the scheduling and conducting of two meetings with market participants, Duke, the Public Staff, and the Independent Administrator of the CPRE Program (IA), to discuss various issues involved in the implementation of the Tranche 2 CPRE RFP Solicitation.

On March 15, 2019, in the above-captioned proceedings, the IA filed a report on the two meetings that the IA held with the market participants, Duke, and the Public Staff, to discuss various issues involved in the implementation of the Tranche 2 CPRE RFP Solicitation. As discussed in further detail below, the IA’s report lists issues where consensus was reached among the meeting attendees and lists issues where consensus was not reached.

On March 22, 2019, in the above-captioned proceedings, Duke, the North Carolina Clean Energy Business Alliance (NCCEBA), First Solar, Inc. (First Solar), and the Public Staff filed comments addressing the CPRE Program Plan.

On May 1, 2019, in the above-captioned proceedings, the Commission issued an Order postponing the opening of the Tranche 2 CPRE RFP Solicitation and scheduling this matter for a technical conference on May 23, 2019. In addition, that Order allowed the parties to file proposed amendments to Commission Rule R8-71(f)(3) related to the structuring of a “bid refresh” procedure.

On May 16, 2019, in the above-captioned proceedings, Duke, NCCEBA, the IA, and the Public Staff filed proposed rule amendments in response to the Commission’s May 1 Order.⁵

⁵ There are other filings that are matters of record in the above-captioned proceedings. Among them, the Commission notes that the IA has filed reports on the progress of the Tranche 1 CPRE RFP Solicitation and a report on a stakeholder meeting held to discuss both lessons learned from the Tranche 1 CPRE RFP Solicitation and to solicit feedback on the RFP documents that relate to the Tranche 2 CPRE

CPRE PROGRAM PLAN AND DUKE'S COMMENTS

Pursuant to Commission Rule R8-71(g), Duke is required to annually file a CPRE Program plan that, at a minimum, addresses the following

- (i) an explanation of whether the electric public utility is jointly or individually implementing the aggregate CPRE Program requirements mandated by G.S. 62-110.8(a);
- (ii) a description of the electric public utility's planned CPRE RFP Solicitations and specific actions planned to procure renewable energy resources during the CPRE Program planning period;
- (iii) an explanation of how the electric public utility has allocated the amount of CPRE Program resources projected to be procured during the CPRE Program Procurement Period relative to the aggregate CPRE Program requirements;
- (iv) if designated by location, an explanation of how the electric public utility has determined the locational allocation within its balancing authority area;
- (v) an estimate of renewable energy generating capacity that is not subject to economic dispatch or economic curtailment that is under development and projected to have executed power purchase agreements and interconnection agreements with the electric public utility or that is otherwise projected to be installed in the electric public utility's balancing authority area within the CPRE Program planning period; and
- (vi) a copy of the electric public utility's CPRE Program guidelines then in effect as well as a pro forma power purchase agreement used in its most recent CPRE RFP Solicitation.

The CPRE Program Plan details Duke's proposed implementation of the aggregate CPRE Program requirement to procure energy and capacity from renewable energy facilities totaling 2,660 MW through RFPs during the 45-month term that began on February 21, 2018. As noted in the CPRE Program Plan, pursuant to N.C.G.S. § 62-110.8(b)(1), if prior to the end of the 45-month procurement period Duke has executed power purchase agreements (PPAs) and interconnection agreements for renewable energy capacity not subject to economic dispatch or curtailment (Transition MW Projects) that exceeds 3,500 MW, then the aggregate amount of energy and capacity required to be procured through the CPRE Program is subject to downward adjustment by the amount in excess of 3,500 MW. Duke projects that the total amount of Transition MW Projects will be in the range of 4,200 to 4,700 MW (approximately 1,100 in DEC and 3,600 in DEP). Thus, this range would result in a reduction of the aggregate procurement requirement by 700 to 1,200 MWs.

RFP Solicitation. The Commission has found these reports to be quite helpful in approaching the issues raised in the parties' comments.

The CPRE Program Plan proposes to reduce the number of RFP Solicitations or Tranches from 4 to 3 in light of delays in the Tranche 1 CPRE RFP Solicitations and accounting for the potential reduction in the aggregate procurement requirement due to the total number of Transition MW Projects expected to execute PPAs and Interconnection Agreements during the 45-month procurement period. The CPRE Program Plan provides both a proposed schedule of the RFP Solicitations and an allocation of the targeted procurement amounts between DEC and DEP, which is generally consistent with the allocation proposed in Duke's initial CPRE Program plan. The CPRE Program Plan also provides discussion of the location guidance provided to market participants in the Tranche 1 CPRE RFP Solicitation, in the form of a map and table of circuits and substations, which is intended to provide market participants with information on areas that have known transmission and distribution limitations as a result of the amount of existing or approved renewable energy facilities in the area. Duke states that it is continuing to evaluate how to provide similar guidance in future tranches and that it will provide this guidance as a part of the pre-solicitation process for the Tranche 2 CPRE RFP Solicitation, or potentially earlier, to provide potential market participants as much information as possible to enable the most cost-effective proposals to be bid into the RFP.

The CPRE Program Plan also addresses the CPRE Tranche 1 RFP Documents and pro forma PPA. Duke notes in its Plan that it modified a number of PPA terms and conditions based upon feedback received, as directed by the Commission. Duke further notes that during a webinar held on August 7, 2018, Duke received "very limited" comments on the PPA itself. Duke states that it provided responses to these comments and reiterated its commitment to consider those comments in the drafting of the Tranche 2 CPRE pro forma PPA. In addition, Duke states that pursuant to the Commission's rules implementing the CPRE Program, additional comment opportunity will be allowed during the pre-solicitation process for the Tranche 2 CPRE RFP Solicitation.

In the final section of the CPRE Program Plan, Duke addresses energy storage, impacts to the transmission system from distribution connected projects, and interconnection evaluation of CPRE proposals. As to energy storage, Duke notes that the pro forma PPA includes a storage operating protocol and states that Duke intends to continue to evaluate energy storage technologies and to pursue the most effective means to deploy these resources. Duke further states that this ongoing work and the results of the Tranche 1 CPRE RFP Solicitation will inform Duke's approach to energy storage in the subsequent tranches. As to impacts to the transmission system from distribution connected projects, Duke states that North Carolina is unique in terms of the significant and growing levels of "uncontrolled third-party owned utility-scale solar connected to the distribution system." Duke states that it is continuing to monitor the impact that these projects have on the transmission system and that, as the number of these projects grows they are increasingly affecting the transmission system upgrades required to accommodate new generation. As to the process for evaluating interconnection of CPRE proposals, Duke notes that it has requested Commission approval to use a grouping study

process to more efficiently evaluate CPRE proposals than the current serial review.⁶ Duke provides further detail on how that process works and concludes this section by stating that in order to manage the growing challenges and complexities of the interconnection queuing and study process, it is evaluating new interconnection queue-management best practices, including fully transitioning to employing temporal cluster studies for all projects requesting interconnection, including projects requesting to bid into future CPRE RFP tranches.⁷

In its comments, Duke argues that its CPRE Program Plan sets forth a reasonable plan for implementing the CPRE Program procurement requirements in accordance with N.C.G.S. § 62-110.8 and Commission Rule R8-71. More specifically, Duke argues that its proposed timeframe for CPRE RFP Solicitations and its proposed allocation of capacity to be solicited between DEC and DEP are reasonable and should be accepted by the Commission. Duke further argues that the results of the Tranche 1 CPRE RFP Solicitation will provide a strong indication regarding whether the CPRE process is achieving the statutory objectives, and that, if the Tranche 1 CPRE RFP Solicitation satisfies the procurement targets, then such results would provide strong evidence that the CPRE Program is being reasonably implemented. Duke states that it and the IA will provide a final report on the Tranche 1 CPRE RFP Solicitation promptly after conclusion of the contracting period and provide further updates in its CPRE Program plan due to be filed on September 2, 2019.

Duke notes that because the Tranche 1 CPRE RFP Solicitation is not complete, it is not possible for Duke or the Commission to fully assess potential changes to the CPRE Program before the Tranche 2 CPRE RFP Solicitation process begins. Specifically, Duke states that only the IA and Duke's T&D Sub-Team have been involved in the Step 2 evaluation process, and, therefore, details regarding the implementation of the allocation of grid upgrade costs are not available at this time. Thus, Duke argues that a final assessment of the efficacy of the grid upgrade allocation process, along with several other issues, is premature at this time.⁸

Duke next addresses the meetings with market participants hosted by the IA. Duke states that the majority of the discussion at those meetings was focused on particular aspects of the Tranche 2 CPRE RFP Solicitation and not specifically on the CPRE Program Plan. Duke states that it and the IA will take those comments into consideration in developing the Tranche 2 CPRE RFP Solicitation documents, but its comments specifically respond to the Commission's request for comments and address the content of the meeting discussions through "high-level responses to certain issues."

⁶ The Commission granted this request by Order dated October 5, 2018.

⁷ On June 14, 2019, the Commission issued an Order in Docket No. E-100, Sub 101 in which it required Duke to submit a report by July 31, 2019, as to the status of efforts to develop a grouping study proposal.

⁸ On April 9, 2019, Accion published its Step 2 Evaluation, which provided preliminary information about grid upgrade costs for Tranche 1 bidders.

Duke then notes again that the pre-solicitation process prescribed by Commission Rule R8-71(f)(1) for the Tranche 2 CPRE RFP Solicitation is currently scheduled to commence in the second quarter of 2019. Duke states that this pre-solicitation process will provide another forum for market participants to review the CPRE RFP Guidelines, including the RFP procedures, evaluation factors, credit and security obligations, the pro forma PPA, and the administratively established avoided cost against which proposals will be evaluated. Therefore, Duke argues that the present comment period is the appropriate forum for in-depth consideration of issues beyond the CPRE Program Plan and those issues identified by the Commission for comment. However, Duke states that, to the extent deemed necessary by the Commission, the Companies would be willing to provide responses to any particular comments of other parties to these proceedings.

Duke then responds to the following four issues, which were identified in the October Order for further consideration in these proceedings:

- 1) Change the CPRE program plan to remove the ability of Duke to recover grid upgrade costs in base rates;
- 2) Change the CPRE program plan to require the initial bid to contain all of the Interconnection Customer's costs;
- 3) Revise the CPRE process to allow competitive bidders to refresh their bids based upon the assessment of grid upgrades identified in Step Two of the CPRE RFP bid evaluation process; and
- 4) Explore options for Duke to more specifically direct generators to locations on the system that will not involve major network upgrades.

As to the first three issues, Duke states that it is not possible to fully assess these questions because the Tranche 1 CPRE RFP Solicitation is not complete and only the T&D Sub-Team and the IA have been involved in the Step 2 evaluation process. However, Duke further states that it continues to believe that the structure under which grid upgrade costs would be recovered in base rates rather than through the CPRE rider, as a part of the PPA payment, is a reasonable approach. Duke also states that it believes that a different approach may be appropriate based on the actual experience of implementing the Step 2 evaluation in the Tranche 1 CPRE RFP Solicitation.

Duke then relates its view that the question to be answered is not whether customers will bear the costs of grid upgrades, but, instead, whether customers will pay those costs indirectly through recovery of PPA payments or directly through general rates. Under either scenario, in Duke's view, customers will ultimately pay for the grid upgrades and the total cost must meet the avoided cost cap specified in N.C.G.S. § 62-110.8(b)(2). More specifically, Duke argues that if proposals submitted in a CPRE RFP Solicitation are required to include grid upgrade costs, then the PPA rates will be proportionally higher as a result, and, if Duke is permitted to recover grid upgrade costs through rate base cost

treatment, then the PPA would be proportionally lower as a result as the grid upgrade costs would be included in the relevant utility's rate base.

Specifically as to issue No. 3 above, Duke states that if the Commission were to conclude that the current structure for the Tranche 1 CPRE RFP Solicitation is not appropriate for future tranches, then it would be necessary to allow CPRE bidders to update bid prices during the evaluation process to allow for the required determination of cost effectiveness. Duke further states that it is not possible for a CPRE bidder to include grid upgrade costs in an initial bid because those costs will not be assessed until after bid submission, and that a bidder does not have the ability to even make a projection of grid upgrade costs. Duke recommends that if the Commission elects to adopt a structure in which grid upgrade costs are recovered through the PPA payment, then only CPRE bidders that are in the competitive tier be allowed to update their bids to avoid significant complexity in the bid evaluation process that would extend the length of time required to complete Step 2 of the evaluation process.

Finally, with respect to issue No. 4 above, Duke states that it will update and enhance its grid locational guidance like that provided in the Tranche 1 CPRE RFP Solicitation, but does not believe that it is appropriate to more specifically direct generators to specific locations on the grid, as this would deny some projects the opportunity to participate and potentially eliminate attractive proposals from consideration in the RFP.

Duke also addressed other issues raised by market participants during stakeholder meetings, as follows:

1) Grouping Study – Duke recommends that the grouping study process approved for use in the Tranche 1 CPRE RFP Solicitation be utilized for Tranche 2. Duke notes that it is pursuing more comprehensive queue reform that would allow for queue-wide grouping studies, however, those reforms will not be in place in time for use in the Tranche 2 CRPE RFP Solicitation. Finally, Duke states that late-stage proposals will not be applicable to future tranches.

2) Energy Storage – Duke expresses its support for allowing solar and co-located energy storage resources in the Tranche 2 CPRE RFP Solicitation, and for applying similar requirements related to storage equipment being located on the DC side of the inverter and to the storage equipment being charged exclusively by the co-located renewable energy facility and under the operational control of the seller. Duke states that it is continuing to assess the storage protocols included in the Tranche 1 PPA, and that, given the potential for changes in pricing periods it may be possible to reduce some of the operational constraints and limitations included in the Tranche 1 PPA. Duke states that it would release any such revisions as a part of the pre-solicitation process. Finally, Duke notes that the stakeholder meetings included discussion of “other services” that could be potentially provided by energy storage, however, Duke states that it does not believe that payment for services other than energy and capacity are appropriate at this time.

3) PPA-pre-COD Performance Assurance – Duke states that it received feedback at the stakeholder meetings that the pre-[commercial operation date] COD Performance Assurance for the CPRE PPA and the associated timing should match that historically required in the context of a negotiated PPA with qualifying facilities. For reasons detailed in its comments, Duke states that it continues to believe that the performance assurance equal to 4% of total projected revenue is a commercially reasonable requirement, taking into account the incentive this provides for completion and the risk of financial harm in the event of non-performance, as well as observed practices in similar procurement initiatives conducted by other utilities and general market requirements for long-term commodity transactions. As to the time allowed from the date the PPA is executed for a winning bidder to post the Pre-COD Performance Assurance (currently five days), Duke states that it believes that it is appropriate to require transition from the proposal security to the Pre-COD Performance Assurance as soon as possible. Nonetheless, Duke states that it is willing to extend the current five-business day requirement to 10 business days.

4) Curtailment – Duke states that it also received feedback on the curtailment provisions included in the Tranche 1 PPA, which allow Duke to effectuate the statutory requirement that CPRE renewable energy facilities be subject to Duke’s ability to dispatch, operate, and control those facilities in the same manner as Duke’s own generating resources. See N.C.G.S. § 62-110.8(b). Duke describes the curtailment rights currently provided in the Tranche 1 CPRE RFP Solicitation as “broad,” but of limited extent, noting that DEC is permitted to economically curtail CPRE facilities up to 5% of the facility’s expected annual output and DEP is permitted to economically curtail CPRE facilities up to 10% of the facility’s expected annual output. Duke further states that it is evaluating the appropriate curtailment limits to apply in Tranche 2, and that this information will be included in the updated pro forma CPRE PPA and made available for comment in the pre-solicitation process. In conclusion, Duke states that it does not support paying for curtailed energy as part of the ongoing contractual relationship under the CPRE pro forma PPA, and that, in the interest of moving expeditiously into Tranche 2, the approach of clear economic dispatch and curtailment employed in Tranche 1, with no payment for curtailed energy, should again be used in the Tranche 2 CPRE RFP Solicitation.

5) Avoided Cost Docket – Duke also addressed the subject of how the timing of the Commission’s current avoided cost docket⁹ will align with the initiation of the Tranche 2 CPRE RFP Solicitation. This issue, Duke states, is of importance because, pursuant to N.C.G.S. § 62-110.8(b)(2) evaluation of the cost-effectiveness of CPRE proposals is to be based on the utility’s current forecast of its avoided cost and shall be consistent with the Commission-approved avoided cost methodology. Duke notes that the IA has proposed an approach where the Tranche 2 pre-solicitation documents would be released with all details finalized, except for the final avoided cost pricing periods and rates. This, Duke argues, would have the benefit of allowing the pre-solicitation process to proceed without delay, facilitating the receipt of input that would inform the finalization

⁹ See In the Matter of Biennial Determination of Avoided Cost Rates for Electric Utility Purchases from Qualifying Facilities – 2018, Docket No. E-100, Sub 158 (the Sub 158 Proceeding).

of all aspects of the Tranche 2 CPRE RFP Solicitation with the exception of the avoided cost threshold, and allowing market participants to begin development of proposals immediately. After the issuance of a final order in that docket, Duke states that it and the IA would then evaluate whether any changes to the 20-year forecasted avoided cost rate are required, finalize the RFP documents, and open the bidding window.

Duke further states that market participants generally commented that proceeding as expeditiously as practical toward Tranche 2 is preferred and that Duke agrees with this assessment. To that end, Duke suggested that the Commission establish a “drop dead” date for the issuance of a final order in the Sub 158 Proceeding, and, after that date, the applicable avoided cost methodology and inputs used for cost-effectiveness evaluation would be either established pursuant to the final order issued, or, if an order has not issued by that date, then the methodology approved in Docket No. E-100, Sub 148 would be used. While Duke states that it is going to discuss this issue more with the Public Staff and, potentially, will seek further guidance from the Commission, Duke also stated its belief that proceeding with Tranche 2 on a timeline that allows submission of bids in 2019 is imperative.

6) Approval of Asset Acquisition Documents – Duke states that a number of participants in the stakeholder meetings expressed a desire for the Commission to approve the various asset acquisition contracts. Noting the Commission’s previous conclusion that these documents were not included in the pro forma CPRE PPA, which is expressly required to be approved by the Commission, Duke argues that there is no value “in litigating this issue for a third time.”

7) Post-Term Revenue Assumptions – Duke states that one participant in the stakeholder meetings raised the issue that Duke should be required to disclose its specific post-term revenue assumptions made in connection with its own utility-sponsored proposals. Noting that the Commission previously resolved this issue, Duke again states that there is no value in re-litigating this issue.

In conclusion, Duke argues that the Commission should accept Duke’s proposed CPRE Program Plan and allow the pre-solicitation process for the Tranche 2 CPRE RFP Solicitation to proceed as contemplated by Commission Rule R8-71(f)(1), and that this process is the appropriate forum for consideration of RFP-specific issues. Furthermore, Duke argues that the final Tranche 1 CPRE RFP Solicitation results will be available at that time and will provide more guidance regarding the overall RFP structure, including the treatment of grid upgrade costs. Finally, Duke requests that, to the extent that the Commission elects to consider any RFP-specific modifications, it be afforded an opportunity to respond to any recommendations made by market participants.

THE OTHER PARTIES' COMMENTS

First Solar

First Solar filed comments to supplement those comments filed by NCCEBA. First Solar's comments focus on discussion of changes to the CPRE pro forma PPA that would "shift renewables procurement from a curtailment-focused, energy-only contracting model to a dispatchable, capacity-based product." First Solar states that it has conducted extensive research on the technical capabilities, operational benefits and the economic benefits of a dispatchable renewable structure, which allows a solar power plant to be dispatched flexibly by a system operator. First Solar argues that this shift in procurement will be consistent with the legislative intent of House Bill 589 and be more cost effective for ratepayers, while also yielding operational benefits to Duke.

First Solar proposes a "dispatchable PPA" for future CPRE procurement by which market participants will bid fixed dollars per MW-month in response to future RFPs. First Solar states that by leveraging a capacity payment Duke will be able to treat a utility scale solar asset as fully dispatchable, while at the same time creating revenue certainty for the facility developer. First Solar further detailed its proposal as allowing Duke to flexibly dispatch solar assets alongside other generation assets based on optimal economic operations on a given day's forecasted insolation and customer demand; instead of delivered energy providing the key performance metric as is the case under the current pro forma PPA, renewable facilities will be required to meet dispatch availability and accuracy needs for Duke. First Solar further supports its position by citing to other jurisdictions that it views as allowing for similar contracting structures. First Solar next supports its position by detailing the technical capabilities and benefits that it believes are attainable through the use of dispatchable contracting structures, including frequency control, voltage control, ramping capability or flexible capacity, and, ultimately, cost savings for the overall system. Finally, First Solar argues that its proposal is consistent with the legislative intent of House Bill 589, will provide increased value to ratepayers and increased operational benefits to the utility, and that North Carolina can take early and full advantage of the "operational advantages offered by dispatchable inverter-based solar resources." In conclusion, First Solar requests that the Commission approve and order the implementation of its recommended changes to the PPA, and of those recommended by NCCEBA. First Solar attached to its comments proposed changes to the CPRE pro forma PPA.

NCCEBA

In its comments, NCCEBA first notes that its comments are in addition to or in response to information provided in the IA's report filed with the Commission on March 15, 2019, and that NCCEBA is not providing comments on the information in the IA's report with which NCCEBA agrees. NCCEBA first comments regarding the liquidated damages clause in the CPRE pro forma PPA, complaining that the provision is roughly four times that allowed under PPAs that Duke previously entered into and were successfully financed by project developers. NCCEBA describes the amount as

“exorbitant,” the increase “astronomical,” and, ultimately, argues that the liquidated damages amount bears no relationship to Duke’s actual damages should the project not be constructed, and thus constitutes an unlawful penalty. Further, NCCEBA argues that for a CPRE bidder to post this amount in the form of cash or a cash-collateralized letter of credit is a “totally unreasonable requirement” because “very few developers have the ability to come up with that amount of cash, especially if they receive multiple CPRE awards, and the requirement that they do so certainly increases the pricing of CPRE bids.” NCCEBA recommends that the Commission require Duke to reduce the liquidated damages amount and allow the use of surety bonds for this performance security.

NCCEBA next argues that Duke should continue to be able to recover network upgrade costs assigned to winning proposals in the Tranche 2 CPRE RFP Solicitation in a future rate case. NCCEBA further argues that by continuing to allow Duke to recover network upgrade costs in base rates, there will be no adverse impact to ratepayers, because CPRE bids, including the imputed grid upgrade costs for the project, must meet the cost-effectiveness test of N.C.G.S. § 62-110.8(b)(2). In addition, NCCEBA expresses the view that because the generating capacity added through the CPRE Program is mandated by legislative enactment it is a fortiori in the public interest, any network upgrade costs required to accommodate that generation is also in the public interest. Further, NCCEBA states that if grid upgrade costs are not recovered through base rates, CPRE bidders will increase their bid prices to cover the anticipated, but uncertain, amount of those costs. In short, NCCEBA’s view is that ratepayers would be “indifferent between network upgrade costs being paid for by Duke in the first instance and ratebased and those costs being included in bids and recovered as part of higher CPRE cost recovery.” Finally, NCCEBA argues that allowing Duke to recover these costs could reduce the ultimate costs of the CPRE Program because market participants who are faced with uncertain amounts of grid upgrade costs might over estimate those costs, inflating their bids unnecessarily.

NCCEBA next states that the IA incorrectly noted as an area of agreement the question of whether bids should be allowed to be refreshed if grid upgrade costs are assigned to projects. Instead, NCCEBA argues that CPRE bidders should not be allowed to refresh their bids to account for the assessment of grid upgrades in the evaluation process because it could create a disincentive for market participants to provide their best offers in their initial proposals and because allowing bids to be refreshed would complicate the evaluation process and lengthen the time required to complete Step 2 of the CPRE RFP bid evaluation process. NCCEBA suggests instead that CPRE bidders provide an adjustment factor to account for unknown network upgrade costs that become known through the cluster study process while avoiding the problems associated with submission of a new bid. In the alternative, if a bid refresh is allowed, NCCEBA argues that it should be available to all bidders and not just those in the competitive tier.

NCCEBA next argues that the CPRE Program Plan should not require the inclusion of interconnection costs in a bid proposal because these costs are paid by the winning bidders as required by the North Carolina Interconnection Procedures (NCIP).

Thus, NCCEBA equates interconnection costs with construction costs that are reflected within the bid price and argues that these costs should play no role in bid evaluation.

NCCEBA next requests that the Commission require Duke to provide updated information for locations on Duke's system where major upgrades will not be required as expeditiously as possible. NCCEBA argues that this updated information is necessary for market participants to submit the most cost-effective proposals in locations that do not require substantial network upgrades. While arguing for this requirement, NCCEBA also states that the guidance should not limit projects to specific areas, as overly specific detail could drive up land prices for market participants, resulting in higher bids.

NCCEBA next argues that the CPRE PPA should not include "problematic" energy storage requirements that would act as a barrier to energy storage in the CPRE Program. NCCEBA notes having raised this issue in these proceedings previously, and states that its concerns have been demonstrated by the results of the Tranche 1 CPRE RFP solicitation, where four of a total 78 projects were proposed to include an energy storage component. For the Tranche 2 CPRE RFP Solicitation, NCCEBA argues that there should be no operational restrictions on energy storage in the PPA, except for grid reliability, and unless there is a stakeholder process and the Commission determines that the restrictions are in fact necessary for grid reliability. NCCEBA then details the provisions of the CPRE PPA energy storage protocol that it views as problematic, focusing on the "ramp rate limitations" that NCCEBA believes would unnecessarily reduce the amount of energy storage facilities installed and energy storage protocol number nine that NCCEBA views as providing Duke with the "unfettered right" to add additional operating restrictions.

In the final sections of its comments NCCEBA argues that CPRE proposals should continue to be required to meet an in-service date of January 1, 2021, as an eligibility requirement and that this requirement should be enforced, that the curtailment provisions should be revised, and that certain documents used in the execution of self-developed facilities and asset acquisition proposals be subject to Commission approval. In conclusion, NCCEBA requests that the Commission consider the issues raised in its comments.

The Public Staff

In its comments, the Public Staff provides a detailed background on the implementation of the CPRE Program, including the market participant meetings held February 22, 2019, and March 6, 2019, and the IA's report filed with the Commission on March 15, 2019, which details the discussions held at those meetings. The Public Staff then addresses several discrete issues related to the CPRE Program Plan and raised by the Commission or by market participants. With regard to the four issues that the Commission noted in its October Order, the Public Staff first states that changing the CPRE construct to not allow for Duke's recovery of grid upgrade costs through general rates may create additional challenges for implementing the CPRE Program. The Public Staff states that while it shares the Commission's concern regarding potential increases in upgrade costs in the future, to require bidders to include these costs may result in

additional complexity as a “bid refresh” would be needed. That, the Public Staff states, would require a Commission rulemaking proceeding that would add additional delay in Tranche 2.

Aside from concerns about delaying Tranche 2, the Public Staff notes that it is unknown at this time whether Tranche 1 was successful in identifying and screening for projects with little to no upgrade costs. The Public Staff states that if imputed costs of system upgrades resulted in certain projects not being cost effective in Tranche 1, and projects with no upgrade costs were most competitive, then the RFP is working as anticipated. In addition, the Public Staff states that better location guidance can guide market participants towards projects that will require little to no upgrade costs in Tranche 2. In addition, the Public Staff states that the IA has identified an additional concern with a bid refresh procedure: the potential that such a procedure would result in an endless loop as allocated costs change and projects are eliminated and others added as part of that process. The Public Staff details the reasons that it shares these concerns and relates the concerns voiced by the market participants on this issue. The Public Staff concludes this section by arguing that “whether winning bidders pay for grid upgrades in their project price or the utility pays for grid upgrades and includes them in base rates, the difference to ratepayers is minimal.” Thus, the Public Staff states that there may be benefit in choosing the methodology that results in a simpler RFP and evaluation process, which would be socialization of the grid upgrade costs for winning bidders and no bid refresh, as utilized in Tranche 1. Finally, on this issue, the Public Staff states that while there is risk to the ratepayers of grid upgrade costs being underestimated in the evaluation phase of the RFP, better locational guidance may mitigate that risk.

As to grid locational guidance, the Public Staff states that Duke indicated at the February IA-hosted stakeholder meeting that it will continue to refine the maps used for grid locational guidance ahead of the Tranche 2 process. The Public Staff states that it supports more detailed maps or guidance to direct market participants to areas where there is existing capacity and where projects are not likely to trigger significant upgrade costs. However, the Public Staff notes that some market participants voiced concerns that locational guidance that is too specific might lead to inflated land prices and burdensome local regulatory activity in anticipation of solar facility development, while others indicated that more specific data would aid in business planning. Thus, the Public Staff states that it believes that it is appropriate for Duke to develop and publicize revised locational guidance that improves on that provided in Tranche 1, reflecting, to the extent possible, the impacts of projects that will be interconnected as a result of Tranche 1 and other developments in the interconnection queues.

As to energy storage, the Public Staff states that the IA has indicated that four competitive tier projects have an energy storage component. These projects have proposed to use storage devices to maximize revenue by discharging during on-peak hours and charging during off-peak hours. However, the Public Staff notes that using the broad on-peak hours defined in the Option B rate tariffs based upon the methodology established pursuant to the Commission’s Sub 148 Avoided Cost Order, which do not accurately reflect Duke’s current highest production cost hours, makes it unlikely that

energy storage operation using those on- and off-peak hours will maximize the benefits to ratepayers.

Turning to the discussion of energy storage at the stakeholder meetings, the Public Staff states that this discussion was “robust and informative.” First, the Public Staff further states that market participants and Duke generally agree that energy storage can provide many grid benefits, such as frequency regulation, operational reserves, and firm capacity; however, there is no mechanism to pay market participants for these services. Instead, the Public Staff states, the only way for a market participant to utilize energy storage in Tranche 1 was to either use it to capture curtailed energy or to engage in energy arbitrage by charging during off-peak hours and discharging during on-peak hours. In short, the Public Staff’s view is that energy storage promises many grid benefits but if future CPRE Tranches do not attempt to quantify their value and compensate developers for them, they will never be realized by ratepayers. Second, the Public Staff relates the stakeholders’ discussion of issues related to what party has operational control and dispatch rights over the energy storage. The Public Staff identifies this issue as one related to ancillary services in this regard: Duke would need operational control over the energy storage in order to maximize ancillary services, yet this could result in reduced value of these resources to the market participant by changing the energy output profile to no longer align with the on-peak hours, operating at reduced energy output to maximize frequency regulation benefits or other ancillary reserves, or, potentially, operating the energy storage system in a way that reduces its operational life. The Public Staff describes this issue as “complex and challenging” and states that its resolution may require significant modifications to the pro forma PPA. The Public Staff also states that no solutions to this issue were presented or discussed at the stakeholder meeting. Third, the Public Staff states that market participants expressed concerns about obtaining financing of projects in light of the energy storage protocol provisions. In particular, market participants were concerned about the requirement for Duke to provide the next day’s bulk discharge window by 4:00 p.m. of the current day, the tail end of a solar facility’s daily output profile. No specific recommendations to improve the energy storage protocol were presented at the stakeholder meetings. The Public Staff relates some areas of agreement related to energy storage, namely, market participants expressed a desire for more granular pricing and for more transparency into the IA’s evaluation methodology. Finally, the Public Staff recommended that a technical conference or separate stakeholder process focusing on energy storage may help resolve some of the complex technical issues related to the operation and compensation of energy storage.

The Public Staff next addresses the issue of transparency, as it relates to evaluation of proposals, post-Step One project rankings, and how winning and losing bids are treated in the interconnection queue. The Public Staff believes that the CPRE RFP process should be as transparent as possible, particularly with respect to the evaluation methodology. The Public Staff further explains the evaluation process and relates that some participants requested that the project rankings be released after the Step One process. However, the Public Staff states that it agrees with the IA that such a ranking would be of limited value prior to the winning proposals being announced, but also states that it would be appropriate and helpful for the IA to release an anonymized

post-Step One project ranking along with winning bids, so that market participants and other interested parties can understand how imputed project costs affected the proposal rankings.

The Public Staff next addresses issues related to the curtailment provisions in the CPRE pro forma PPA. The Public Staff states that there was general agreement that the 5% and 10% curtailment provisions resulted in bid prices that are higher than they otherwise would be, as market participants factored into their pricing assumptions that they will be curtailed up to those maximums, which would be reflected in each bid. The Public Staff further explains that the concern raised was that these provisions could cost ratepayers more if the facilities were not curtailed to the maximum, and, at the same time, the maximums were based on limits initially established in negotiated QF PPAs to provide flexibility to Duke to address system reliability events, not to facilitate an efficient level of curtailment for economic dispatch purposes. In addition, the Public Staff states that as solar penetration increases over time, the curtailment maximums may not accurately reflect the most cost-effective amount of dispatch control that Duke needs to operate its electric systems in a cost-effective fashion, and the 20-year terms do not provide flexibility to adjust these levels. Consensus on a resolution was not reached during the stakeholder meetings. However, several conceptual solutions were raised, including, incorporating the system emergency limits on curtailment that exists for QFs under PURPA, providing “full payment” for every MWh that is curtailed, providing “partial payment” for every MWh that is curtailed, and providing a fixed monthly payment with unlimited curtailment. The Public Staff concludes by stating that it would like to explore the option of a fixed monthly payment, and that it believes that the Commission should carefully consider this issue in the context of any potential changes to the pro forma PPA.

The Public Staff next addresses the potential of modifications to the RFP documents to be used in Tranche 2. Noting the Commission’s direction to Duke to continue its discussions with other parties about this subject, and Duke’s incorporation of revisions prior to the Tranche 1 CPRE RFP Solicitation, the Public Staff believes that it is appropriate for the Commission to review and approve the pro forma PPA for Tranche 2. The Public Staff also notes that market participants requested that the Commission approve the asset acquisition agreements, but the Public Staff states that it continues to maintain the position that only the pro forma PPA is required to be approved by the Commission. The Public Staff also expressed its hope that the IA will work to identify and facilitate agreement between the market participants and Duke to revise terms and conditions in the pro forma PPA that may be perceived as commercially unreasonable.

The Public Staff next addresses the RFP Solicitation schedule, stating that the timeline presented in the CPRE Program Plan is reasonable and will result in procurement within the statutorily required timeframe of 45 months. Nonetheless, the Public Staff states that it may also be prudent to consider delaying Tranche 2 and the entire CPRE Program Plan until the avoided cost rates proposed in the Sub 158 Proceeding are approved by the Commission. In that proceeding, the Public Staff is proposing more granular peak pricing periods that will allow more compensation in hours when capacity need is greatest and when energy storage is most valuable. The market participants also

agreed that more pricing periods would be preferable for Tranche 2. The Public Staff further states that the elimination of Tranche 4, as proposed in the CPRE Program Plan, allows more flexibility to delay Tranche 2, if there is a compelling reason to do so. The Public Staff seems to suggest that the benefit of having updated avoided cost rates based on the methodology approved by the Commission in the Sub 158 Proceeding would be a compelling reason. The Public Staff relates that market participants indicated an openness to a modest delay, but overall opposed any substantial delay due to cost factors. Finally, the Public Staff states that it believes that evaluating CPRE projects based on the most current avoided cost methodology is in the best interest of ratepayers and may resolve other challenges, including proper compensation for energy storage in Tranche 2. However, the Public Staff further states that if the Commission determines that the delay required to resolve all issues in the Sub 158 proceeding would result in too significant a delay for market participants, it may be possible to incorporate some components of the proposed changes if agreement can be reached in a reasonable timeframe.

In conclusion, the Public Staff makes the following recommendations: (1) it is appropriate to allow Duke to continue to recover the grid upgrade costs allocated to winning bids through base rates and not modify the CPRE Program to include a bid refresh process; (2) Duke should provide more detailed and updated grid locational guidance, reflecting the addition of Tranche 1 resources and other changes in its interconnection queues, which will direct market participants to areas of the grid with capacity to accommodate new facilities and that are less likely to require major grid upgrades; (3) in the interest of transparency, it is appropriate to require the IA to release a suitably anonymized post-Step One project ranking along with the winning bids; (4) It is appropriate to require Duke and the IA to provide a more full and complete description of the bid evaluation methodology prior to Tranche 2; (5) it is appropriate that additional changes to the pro forma PPA should be presented to the Commission for approval prior to Tranche 2. Changes proposed by Duke and commented on by intervenors should address the energy storage protocol and curtailment procedures, limits, and compensation; (6) a technical conference or stakeholder process focusing on energy storage has merit and should be considered; and (7) it is appropriate to utilize the avoided cost rates and methodology from the Sub 158 Proceeding for Tranche 2 purposes, even if this potentially results in a delay of Tranche 2 and successive tranches of the CPRE Program. In the alternative, if certain elements of the Sub 158 Proceeding, such as the more granular pricing periods can be agreed to by the interested parties and approved by the Commission prior to the issuance of Tranche 2, those elements should be used for Tranche 2 purposes.

THE TECHNICAL CONFERENCE

On May 23, 2019, this matter came on for technical conference as scheduled. The parties participating in the technical conference detailed their views on the issues identified by the Commission for discussion at the technical conference and responded to questions from the Commission. The Commission appreciates the efforts that the parties and the IA made to prepare for and participate in the technical conference.

DISCUSSION AND CONCLUSIONS

Based upon the foregoing and the entire record herein, including the CPRE Program Plan, the parties' comments, and the statements and arguments made at the technical conference, the Commission concludes that the CPRE Program Plan is reasonable for planning purposes and meets the requirements of Commission Rule R8-71. Therefore, the Commission further concludes that with the modifications discussed herein the CPRE Program Plan should be accepted. Most significantly, the Commission will direct Duke to revise the timeline for the Tranche 2 CPRE RFP Solicitation as follows: the 60-day pre-solicitation document review period will open on August 15, 2019, the acceptance of proposals shall open on October 15, 2019, and close on December 15, 2019, subject to adjustment depending upon the timing of the issuance of a final order or notice of decision in the Sub 158 Proceeding, as discussed further below. In addition, the Commission will resolve those issues that were the subject of the technical conference and address the appropriate treatment of interconnection cost overruns. The Commission is prepared to address those issues not specifically discussed in this Order during the 60-day pre-solicitation document review period ahead of the Tranche 2 CPRE RFP Solicitation. To facilitate a more efficient review process, the Commission will require Duke to host monthly meetings with the IA and market participants and to make corresponding monthly reports to the Commission on these discussions.

As to those issues identified in the Commission's October Order, the parties' written comments and the statements made at the technical conference confirmed for the Commission that the general structure of the CPRE Program used in the Tranche 1 CPRE RFP Solicitation was appropriate. In addition, except as to those issues addressed herein or reserved for consideration within the Tranche 2 pre-solicitation period, the Commission determines that it is appropriate to continue this structure in the Tranche 2 CPRE RFP Solicitation. Therefore, the Commission concludes that (1) it is unnecessary to amend Commission Rule R8-71(f)(3) to allow for a bid refresh procedure; (2) Duke should be required to update the grid locational guidance used in the Tranche 1 CPRE RFP Solicitation and publish that guidance to the market participants as soon as reasonably practical; (3) it is appropriate to require Duke to continue to evaluate the operational restrictions in the energy storage protocol that is a part of the CPRE PPA for the Tranche 1 CPRE RFP Solicitation and to continue discussions with the market participants regarding the energy storage protocol; and (4) approval of the use of the dispatchable PPA proposed by First Solar is premature at this time.

In reaching these conclusions, the Commission relies on the discretion delegated to it through the enactment of N.C.G.S. § 62-110.8 to implement the CPRE Program in a reasonable manner consistent with the plan language of the statute. To a great extent, the parties' comments on the contested issues are based upon their preferences for implementation of the Program and not on the provisions of that statute. Many of these comments include assertions of "commercial unreasonableness" that lack support. In short, the Commission determines that reasonable progress is being made toward achieving the goals of the CPRE Program and that the CPRE Program Plan is a

reasonable plan for achieving those goals in the future. With the additional requirements for meetings among the interested stakeholders and reporting to the Commission about those meetings, the Commission is prepared to advance to the Tranche 2 CPRE RFP Solicitation on the schedule detailed in this Order.

As to the question of what avoided cost rates and rate methodologies should be incorporated into the Program Methodology and used to evaluate proposals submitted in the Tranche 2 CPRE RFP Solicitation, the Commission concludes that a delay in the opening of Tranche 2 to establish updated avoided cost rates and rate methodologies is justified by the policy supporting the enactment of House Bill 589 and the policy goals embodied in N.C.G.S. § 62-110.8. Therefore, the Commission will direct Duke and the IA to proceed toward the opening of the Tranche 2 CPRE RFP Solicitation on the schedule provided above, including the preparation and publication of all relevant documents during the 60-day pre-solicitation period, with a “placeholder” for the relevant avoided cost rate information. It is the Commission’s intent to issue a notice of decision or final order in the Sub 158 Proceeding with sufficient time for Duke to make a compliance filing in response to that notice or order, and the rates and rate methodologies established pursuant thereto to be incorporated into the CPRE Program Methodology. Thus, the Commission will further direct Duke and the IA to schedule the proposal submission period for at least 60 days (approximately October 15—December 15), subject to automatic extension up to and including the 45th day after the Commission issues a notice of decision or final order in the Sub 158 Proceeding.

The parties’ written comments and the statements made at the technical conference focused the Commission’s attention on the potential that network upgrade costs exceed the estimates developed within the proposal evaluation process and used to evaluate cost-effectiveness. The Commission’s emphasis in resolving this issue is on the importance that all network upgrade costs be appropriately assigned to a proposal for evaluating cost-effectiveness pursuant to N.C.G.S. § 62-110.8(b)(2). In addition, the Commission recognizes that the potential for actual costs to exceed projected costs is presently without an effective regulatory limit. The Commission agrees with the Public Staff that it is appropriate to apply such a limit in the nature of a presumption that costs in excess of 25% of the estimated costs, are unreasonably incurred and not recoverable. In a general rate case where a Duke utility seeks to recover these costs, the utility may rebut this presumption by competent, material, and substantial evidence.

At the technical conference, the IA detailed for the Commission the development of a “base case” for the purposes of evaluating the potential costs of accommodating the renewable energy facilities that are the subject of proposals submitted into a CPRE RFP Solicitation. In summary, the discussion of this issue, which was not a topic expressly included in the scope of the technical conference, centered around recognition that Duke’s interconnection queue includes a significant number of pending requests, representing a significant amount of generation capacity, some of which may never progress to commercial operation. Thus, assuming that 100% of these facilities will become operational results in the “bloated base case” that the IA described. The Commission recognizes that this issue involves a myriad of considerations that are not

fully developed in the record here. In addition, as noted in the Commission's June 14, 2019 Order in Docket No. E-100, Sub 101, Duke is working to develop a proposal for overall queue reform and required to report to the Commission regarding that proposal on or before July 31, 2019. The Commission, therefore, determines that this issue is not ripe for decision, but nonetheless merits monitoring and, potentially, further consideration after the filing of the report, but prior to the opening of the Tranche 3 CPRE RFP Solicitation.

To the extent that issues raised by the parties were not specifically addressed in this Order, those issues should be the subject of ongoing discussions between Duke, the IA, the Public Staff, and the market participants. The Commission will require Duke to host monthly meetings with interested stakeholders and to report to the Commission on these meetings. These reports shall indicate the attendees at these meetings, provide a detailed and substantive summary of the subjects discussed at the meetings, and indicate areas of agreement and disagreement among the attendees. This requirement to meet and report will provide a measure of relief to those parties who have requested more transparency and information about Duke's preparation of the CPRE Program documents and the solicitation process. In particular, the Commission notes that Duke's representatives at the technical conference represented that consideration of the operational restrictions included in the energy storage protocol is ongoing in advance of the Tranche 2 CPRE RFP Solicitation. See Tr. Vol. 2, p. 57-59, 63-64, and 78. The Commission will require these meetings to begin prior to the 60-day pre-solicitation period with the goal of reaching consensus on the documents relevant to the Tranche 2 CPRE RFP Solicitation and to continue through the close of the proposal submission period with the goal of providing a forum for market participants to gain more detailed information about the solicitation process.

The Commission is prepared to address issues that cannot be resolved informally among the parties within the established pre-solicitation document review process. However, the Commission is not inclined to revisit its conclusions that the Self-developed and Asset Acquisition Contracts are not subject to Commission review and approval pursuant to N.C.G.S. § 62-110.8(b)(3),¹⁰ and that Duke has proposed a reasonable means of meeting the disclosure requirements of Commission Rule R8-71(l) with regard to assumptions related to post-term revenue for Duke-developed facilities. The Commission reiterates again its expectations that all parties and other participants in the CPRE Program meetings and discussions participate in good faith, seeking to resolve

¹⁰ See Order Approving CPRE PPA, p. 6-7, Docket Nos. E-2, Sub 1159, and E-7, Sub 1160 (June 25, 2018).

issues and reach consensus on the details of the structure of the Tranche 2 CPRE RFP Solicitation, including potential for revisions to the CPRE pro forma PPA.

IT IS, THEREFORE, ORDERED as follows:

1. That Duke shall modify its CPRE Program Plan to reflect the adjusted timeline for implementation of the Tranche 2 CPRE RFP Solicitation and, as necessary, to reflect the other conclusions reached in this Order;

2. That the CPRE Program Plan, as modified in compliance with this Order shall be, and is hereby, accepted; and

3. That Duke shall meet monthly with interested stakeholders to continue discussions with the IA, the Public Staff, and the market participants with the goal of reaching consensus on the documents that will be used in the Tranche 2 CPRE RFP Solicitation and of providing a forum for market participants to gain more detailed information about the solicitation process. Duke shall file reports detailing the status of these discussions on or before July 15, 2019, and every 30 days thereafter until December 15, 2019, as further described in this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Janice H. Fulmore".

Janice H. Fulmore, Deputy Clerk