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May 2, 2022

**VIA ELECTRONIC FILING**

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**Re: Supplemental Testimony of Angela M. Tabor  
Docket No. E-7, Sub 1262**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Duke Energy Carolinas, LLC is the Supplemental Testimony of Angela M. Tabor (“Supplemental Testimony”).

Portions of the Supplemental Testimony, Tabor Supplemental Exhibit No. 1, and the Appendix to Tabor Supplemental Exhibit No. 1 contain information designated as confidential and, therefore, are being filed under separate cover and under seal.

Please feel free to contact me if you have any questions. Thank you for your assistance in this matter.

Sincerely,

Ladawn S. Toon

cc: Parties of Record

OFFICIAL COPY

May 02 2022

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1262

In the Matter of )

)  
Application of Duke Energy Carolinas, LLC )  
Pursuant to G.S. 62-110.8 and Commission )  
Rule R8-71 for Approval of CPRE )  
Compliance Report and CPRE Cost )  
Recovery Rider )

**SUPPLEMENTAL  
TESTIMONY OF  
ANGELA M. TABOR**



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

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

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS**  
5 **PROCEEDING?**

6 A. Yes. I filed direct testimony in this proceeding on March 1, 2022. My  
7 direct testimony included an exhibit, Tabor Exhibit No. 1, which presented  
8 Duke Energy Carolinas, LLC's ("DEC" or the "Company") Competitive  
9 Procurement of Renewable Energy ("CPRE") Compliance Report, in  
10 accordance with North Carolina Utilities Commission (the "Commission")  
11 Rule R8-71(h).

12 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL**  
13 **TESTIMONY IN THIS PROCEEDING?**

14 A. The purpose of my supplemental testimony is to (1) make a correction to  
15 the Tranche 1 Winner's Fee amount described on page 12 at line 13 of my  
16 direct testimony and (2) present and support as compliant with NCUC  
17 Commission Rule R8-71(h) the Company's Updated 2021 CPRE  
18 Compliance Report, which provides new information about the CPRE  
19 Program having occurred after the initial March 1, 2022 filing.

20 **Q. DOES YOUR SUPPLEMENTAL TESTIMONY INCLUDE AN**  
21 **EXHIBIT?**

22 A. Yes. The Company's Updated 2021 CPRE Compliance Report is included  
23 as Tabor Supplemental Exhibit No.1 to my supplemental testimony. The

1 Company's Updated 2021 CPRE Compliance Report is being submitted in  
2 this docket in compliance with Commission Rule R8-71(h). As explained  
3 in my direct testimony, the Compliance Report describes the Company's  
4 and Duke Energy Progress, LLC's ("DEP") ongoing joint efforts to procure  
5 renewable energy resources under the CPRE Program and ongoing actions  
6 to comply with the requirements of N.C. Gen. Stat. § 62-110.8 during the  
7 reporting period, including a summary of key activities during the reporting  
8 period, costs incurred to administer the CPRE Program, cost incurred and  
9 fees collected by the Independent Administrator ("IA"), and the current  
10 status of CPRE Program requirements.

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

13 A. Yes. Tabor Supplemental Exhibit No. 1 was prepared by me or under my  
14 supervision. Tabor Supplemental Exhibit No. 1, along with one of the  
15 appendices to Tabor Supplemental Exhibit No. 1, contains confidential and  
16 proprietary information and is being filed with the Commission under seal.  
17 A redacted version suitable for public filing is attached to my testimony.

18 **Correction to Direct Testimony**

19 **Q. ARE THERE ANY CORRECTIONS THAT YOU WOULD LIKE TO**  
20 **MAKE TO YOUR DIRECT TESTIMONY?**

21 A. Yes. I have a correction on page 12 at line 13 of my direct testimony  
22 concerning the Tranche 1 Winners' Fee amount.

1 **Q. PLEASE ELABORATE.**

2 A. On page 12 of my direct testimony at lines 11 – 14, I stated the following:

3 Winner's Fees for CPRE Tranche 3 are not yet  
4 known, and DEC notes that the Winners' Fees \$1.5  
5 million limit is an increase over the \$1 million not-  
6 to-exceed amount used for Tranches 1 and 2, in order  
7 to better ensure all IA expenses are recovered.

8 The Tranche 1 Winners' Fee not-to-exceed amount in my direct testimony  
9 is incorrect. The Tranche 1 Winners' Fee not-to exceed amount was  
10 \$500,000. The Winners' Fee Tranche 2 not-to-exceed amount was  
11 \$1,000,000 and is correctly stated.

12 **Q. HOW SHOULD THIS SENTENCE IN YOUR DIRECT TESTIMONY**  
13 **HAVE READ WITHOUT THE CLERICAL ERROR?**

14 A. My direct testimony at page 12, lines 11 – 14 should have stated the  
15 following:

16 Winner's Fees for CPRE Tranche 3 are not yet  
17 known, and DEC notes that the Winners' Fees \$1.5  
18 million limit is an increase over the \$1 million not-  
19 to-exceed amount used for Tranche 2 and \$500,000  
20 not-to-exceed amount used for Tranche 1, in order to  
21 better ensure all IA expenses are recovered.

22 **Q. WITH THAT CORRECTION TO THE DESCRIPTION OF THE**  
23 **TRANCHE 1 WINNERS' FEE AMOUNT, IS YOUR DIRECT**  
24 **TESTIMONY, CORRECT?**

25 A. Yes.

26 **Q. DO YOU HAVE ANY ADDITIONAL CHANGES TO YOUR**  
27 **DIRECT TESTIMONY AT THIS TIME?**

28 A. No, I do not.

1 Updated CPRE Compliance Report

2 Q. PLEASE PROVIDE AN OVERVIEW OF THE UPDATES  
3 PRESENTED IN THE COMPANY'S UPDATED 2021 CPRE  
4 COMPLIANCE REPORT.

5 A. The Company is updating three sections in the 2021 CPRE Compliance  
6 Report to provide new information about the CPRE Program having  
7 occurred after March 1, 2022, through April 30, 2022. These updates are  
8 as follows:

9 **Section II: Summary of PPAs and Utility-Owned Assets**  
10 **Procured During the Reporting Year (R8-72(h)(2)(ii))** is being  
11 updated to account for a Tranche 2 Power Purchase Agreement  
12 ("PPA") termination, a potential Tranche 2 PPA termination, and to  
13 account for changes in certain projects' estimated commercial  
14 operation dates ("COD");

15 **Section VII. Status of Compliance with CPRE Program**  
16 **Requirements (R8-71(h)(2)(vii))** is also being updated to account  
17 for the Tranche 2 PPA termination and potential Tranche 2  
18 termination, as well as "Bid B" not executing a PPA by April 30,  
19 2022, and

20 **Section VIII. Independent Administrator and Evaluation Costs**  
21 **(R8-71(h)(2)(viii))** is being updated to include a copy of the IA  
22 contract amendment that extends the Company's and DEP's

1 engagement of Accion, LLC as IA of the CPRE Program through  
2 the completion of Tranche 3.

3 **Q. PLEASE ELABORATE ON THE TRANCHE 2 PPA**  
4 **TERMINATION.**

5 A. After the filing of my direct testimony, a project selected in Tranche 2  
6 terminated its Tranche 2 PPA with DEC and withdrew from the  
7 interconnection queue effective March 10, 2022. In accordance with the  
8 Tranche 2 PPA and as a result of Winners' elective termination, the  
9 Tranche 2 Winner paid DEC [BEGIN CONFIDENTIAL] [REDACTED]  
10 [REDACTED] [END CONFIDENTIAL] These liquidated  
11 damages revenues will be used to offset CPRE Program costs in DEC's  
12 2023 CPRE Rider proceeding, though no changes to the rates proposed in  
13 this proceeding are necessary at this time.

14 **Q. PLEASE ELABORATE ON THE TRANCHE 2 POTENTIAL PPA**  
15 **TERMINATION.**

16 A. One Tranche 2 project has not signed the Interconnection Agreement  
17 offered by DEC as of the required Interconnection Agreement execution  
18 due date, April 19, 2022. A ten (10) business day cure period was offered  
19 to the project on April 19, 2022; however, as of April 28, 2022, no  
20 Interconnection Agreement has been signed. DEC expects that this project  
21 will terminate its Tranche 2 PPA in the near future.

1 **Q. WHAT UPDATES WERE MADE TO THE 2021 CPRE**  
2 **COMPLIANCE REPORT TO ACCOUNT FOR THE TRANCHE 2**  
3 **PPA TERMINATION AND TRANCHE 2 POTENTIAL PPA**  
4 **TERMINATION?**

5 A. Updates were made to Sections II and III of the CPRE Compliance Report  
6 to account for the Tranche 2 project termination and potential Tranche 2  
7 project termination. Section II provides a summary of PPA and utility-  
8 owned assets procured during the reporting period and includes a  
9 confidential table identifying all projects procured in CPRE Tranches 1 and  
10 2, along with those projects' actual or estimated commercial operation  
11 dates. This Section II table has been updated to indicate that the above-  
12 described CPRE Tranche 2 project has terminated its PPA and will no longer  
13 achieve commercial operation. This Section II table has also been updated  
14 to note that another Tranche 2 project has not signed its Interconnection  
15 Agreement as of the required due date and will likely terminate its PPA in  
16 the near future.

17 Section IV provides an overview of DEC's status of compliance with CPRE  
18 Program requirements. This section has also been updated to indicate the  
19 Tranche 2 PPA termination and potential Tranche 2 PPA termination.

20 **Q. PLEASE PROVIDE A BRIEF UPDATE ON THE STATUS OF THE**  
21 **BID B PROJECT.**

22 A. As background, on March 10, 2022, the Commission issued its *Order*  
23 *Requiring Update on the Status of Bid B* ("Order"), directing that the Bid B



1 Tranche 1 PPA “be resolved before the final Tranche 3 PPAs [are]  
2 awarded.”<sup>1</sup> In response to the Order, DEC and DEP filed a letter with the  
3 Commission on March 14, 2022. The letter stated that DEC expected to  
4 execute a Tranche 1 PPA with Bid B on or before April 14, 2022, and that  
5 this date was being chosen due to the CPRE Tranche 3 Step 2 study  
6 beginning on May 2, 2022.

7 Bid B did not execute the Tranche 1 PPA by April 14, 2022, and  
8 instead requested an extension of time to sign the Tranche 1 PPA. The  
9 Company agreed to a limited extension through April 29, 2022. Despite  
10 diligent efforts by both parties over the past few months, Bid B informed  
11 the Company that it would not be able to execute the Tranche 1 PPA on the  
12 timeline required due to current market uncertainty, the need to reconfigure  
13 the project as the design submitted for the CPRE RFP in 2018 is now several  
14 years old and the equipment specified was no longer available, as well as  
15 other factors. Accordingly, DEC has terminated further negotiations with  
16 Bid B. However, DEC has also communicated to Bid B that it may elect to  
17 submit the project into the upcoming 2022 Solar Procurement Program RFP  
18 opening in June.

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<sup>1</sup> Order at 2.

1 **Q. WHAT UPDATES WERE MADE TO THE 2021 CPRE**  
2 **COMPLIANCE REPORT TO ADDRESS BID B NOT EXECUTING**  
3 **A TRANCHE 1 PPA?**

4 A. Section IV of the CPRE Compliance Report, which reports on DEC's status  
5 of compliance with the CPRE Program requirements, has been updated to  
6 indicate that Bid B did not execute a Tranche 1 PPA. As a result, DEC has  
7 updated this section to indicate that the Tranche 3 596 MW target will not  
8 be reduced as originally contemplated by the Commission in its December  
9 20, 2021 *Order Determining Adjusted CPRE Program Procurement*  
10 *Solicitation, Approving Resource Solicitation Cluster, and Requiring*  
11 *Response to Commission Questions Regarding Pro Forma PPA.*

12 **Q. PLEASE EXPLAIN THE UPDATES PROVIDED IN SECTION VII.**  
13 **OF THE CPRE COMPLIANCE REPORT REGARDING THE IA**  
14 **CONTRACT AMENDMENT.**

15 A. Section VII. of the CPRE Compliance Report addresses the IA and IA  
16 evaluation costs. In DEC's original Compliance Report filed March 1,  
17 2022, DEC indicated that it was in the process of negotiating an amendment  
18 to the IA's contract to extend Accion, LLC's engagement as IA of the CPRE  
19 Program completion of CPRE Tranche 3.

20 On April 13, 2022, the IA, DEC, and DEP executed an amendment  
21 to the IA's CPRE Program contract to extend through January, 2023. A  
22 copy of this contract amendment is included as a confidential appendix to  
23 the Updated 2021 CPRE Compliance Report.

1 **Q. ARE THERE ANY ADDITIONAL UPDATES TO THE 2021 CPRE**  
2 **COMPLIANCE REPORT?**

3 A. Yes. Since the filing of the Company's Application, several projects in  
4 Tranches 1 and 2 have either amended their Interconnection Agreements to  
5 account for changes to their estimated COD or notified DEC of a change in  
6 their estimated COD. Specifically, one project in Tranche 1 notified DEC  
7 that its estimated COD would be May 2022 as opposed to March 2022, and  
8 two projects in Tranche 2 amended their IAs to change their estimated  
9 CODs from Q1 of 2024 to November 2024.

10 **Q. HAS DEC PREPARED THE UPDATED 2021 CPRE COMPLIANCE**  
11 **REPORT AS REQUIRED BY SECTION (H) OF THE CPRE RULE?**

12 A. Yes. DEC renews its request that the Commission find that the Company's  
13 ongoing actions to implement the CPRE Program requirements, as  
14 described in the Updated 2021 CPRE Compliance Report, are reasonable,  
15 prudent, and in accordance with NCUC Rule R8-71(i)(l).

16 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

17 A. Yes.

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
	)	

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**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:

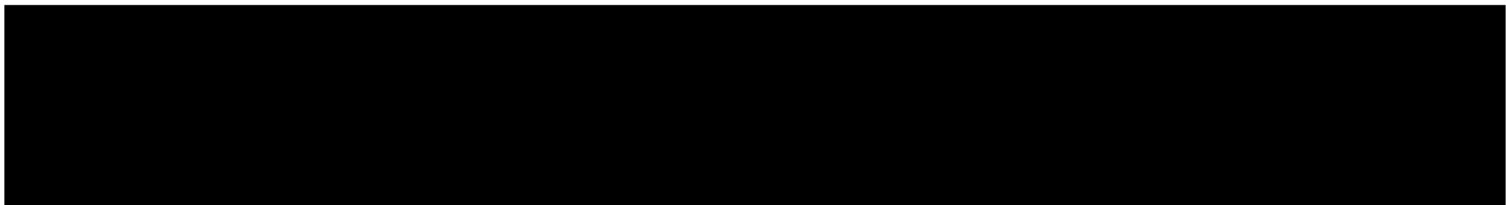
<b>CPRE Tranche 3 Milestones in 2021</b>	
September Stakeholder Session 1	09/17/2021
Release RFP Documents	09/20/2021
September Stakeholder Session 2	09/24/2021
October Stakeholder Session 3	10/14/2021
November Stakeholder Session 4	11/04/2021
Release of updated RFP Documents	11/11/2021
PPA filed with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

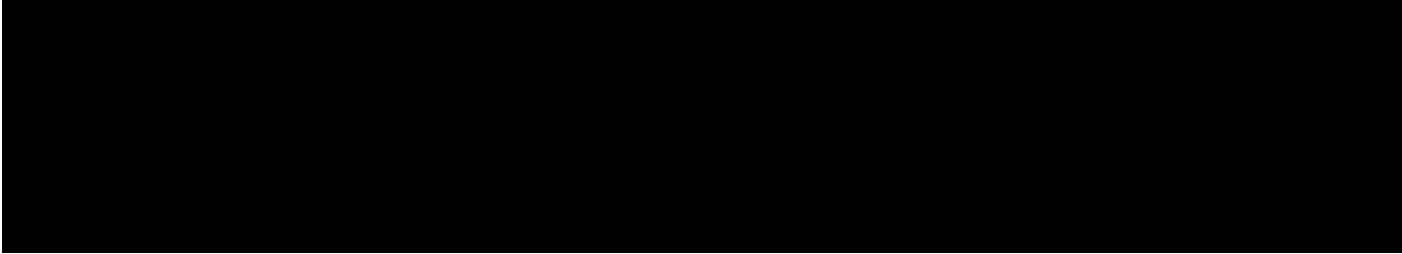
The nameplate capacity of the winning proposals in DEC for Tranche 2 are identified above. No megawatt-hours of renewable energy or renewable energy certificates were obtained through the CPRE Program during the reporting year for any Tranche 2 projects because none of the winning projects achieved commercial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

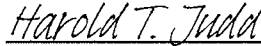
4. **COUNTERPARTS.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

*[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.

<b>Position</b>	<b>Rates (USD)</b>
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.

<b>Year</b>	<b>Annual Price (USD)</b>	<b>Cumulative Price</b>	<b>Notes</b>
2021			
2022			
2023			