



October 22, 2021

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

RE: CCEBA Letter in Lieu of Reply Comments - Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 – In the Matter of Joint petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of Competitive Procurement of Renewable Energy Program

Dear Ms. Dunston:

On October 13, 2021, the Commission issued an *Order Requesting Comments on Petition* in response to the Carolinas Clean Energy Business Association's ("CCEBA") October 5, 2021 Petition to Initiate Resource Solicitation Cluster. The Order sought comments by October 18, 2021 and allowed parties to file Reply Comments on or before October 22, 2021. This letter is in lieu of Reply Comments from CCEBA.

CCEBA notes that the Public Staff, Duke Energy Progress, LLC ("DEP") and Duke Energy Carolinas, LLC ("DEC," and together with DEP, "Duke"), the North Carolina Sustainable Energy Association ("NCSEA") and Accion Group, LLC, the Independent Administrator of the NC Competitive Procurement of Renewable Energy ("CPRE") Program, all filed comments. Those comments were positive regarding the concept of the commencement of a Resource Solicitation Cluster ("RSC") for implementation of CPRE Tranche 3 in 2021-2022.

CCEBA appreciates the constructive approach Duke has taken to identify an approach that will address the concerns that CCEBA noted in its petition and that Duke, Public Staff, and the IA have all discussed over recent weeks. The stakeholder engagement throughout the last several weeks has been highly productive.

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In its October 18 comments and during an October 14, 2021 stakeholder webinar, Duke presented an alternative RSC proposal, which it characterized as “both responsive to CCEBA’s feedback as well as executable by the Companies from a DEC study perspective in a manner that mitigates potential risks of delay and uncertainty for the Transitional Cluster as well as the DISIS Cluster 1.”

This proposal differs from CCEBA’s proposal in two primary ways: (1) Duke proposed that the entire Tranche 3 procurement would be limited to projects in DEC’s NC and SC territories; and (2) Duke proposed an RSC timeline with milestone dates slightly later than CCEBA’s proposal, including initiating the Tranche 3 Step 2 evaluation process after the Transition Cluster (“TCS”) Phase 2 power flow restudy.

The Public Staff filed a letter in lieu of comments, expressing support for the RSC concept in general and Duke Energy’s proposal in particular. The Public Staff noted that comments from stakeholders during the October 14 webinar were “positive overall, though the market participants seemed concerned that the RSC proposed would exclude bids in DEP.” The Public Staff expressed its support for that exclusion to “simplify the study process and allow Duke to meet the timelines necessary to implement a separate solicitation cluster.”

NCSEA filed a letter noting that “the proposed [RSC] taking place prior to the initial [DISIS] will allow for a timely completion of the third tranche of the CPRE program” and that “the RSC process, as outlined by CCEBA, will allow for a procurement process in a manner materially consistent with prior CPRE tranches, in the best interest of ratepayers, and, of course, consistent with the words and intent contained in N.C. Gen. Stat. § 62-110.8.” CCEBA appreciates the support of NCSEA.

The IA’s comments noted that both CCEBA and Duke Energy had proposed schedules which could be completed prior to DISIS and under which a full due diligence review of CPRE Step 1 could be accomplished. While the IA raises some additional questions regarding the design of the RSC, CCEBA anticipates further discussion regarding these issues in the coming weeks.

CCEBA believes that the timelines proposed by Duke in its comments are reasonable and also agrees that limiting Tranche 3 to projects located in the DEC territories is workable and would reduce the complexity of the study process. Although some issues regarding the design of an RSC remain under discussion, CCEBA is confident that consensus can be reached regarding the structure of an RSC and is committed to working with Duke, the Public Staff, the IA, and other stakeholders to finalize the structure of the Tranche 3 RSC.

Duke has requested that the Commission stay consideration of the CCEBA petition by 30 days. CCEBA understands Duke's request but believes that a 14-day stay would provide sufficient time for the stakeholders to work together to reach consensus, and not result in undue delay in the commencement of Tranche 3. In any event, Duke has proposed to file updated RFP documents on November 9, and CCEBA is hopeful that the parties will have reached agreement prior to Duke filing updated RFP documents, although that successful completion will of course depend on subsequent fruitful discussions regarding Duke's revised RSC proposal.

In the unlikely event the parties are not able to reach agreement on an RSC structure for Tranche 3, CCEBA maintains its requests included in its Petition and seeks the relief set forth therein.

This correspondence is being served electronically upon all parties of record to the above dockets.

Respectfully submitted,

/s/ John D. Burns
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