

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, LLC, and Duke Energy) ACCION GROUP, LLC'S
Progress, LLC, for Approval of Competitive) COMMENTS ON PETITION
Procurement of Renewable Energy Program)

Accion Group, LLC, serves as the Independent Administrator (“IA”) of the Competitive Procurement of Renewable Energy Program (“CPRE” or “Program”). The IA’s role is to administer the Program in conformity with the parameters established by the North Carolina Utilities Commission (“NCUC” or “Commission”). The Public Staff, representatives of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC, (collectively “Duke”) and representatives of Carolinas Clean Energy Business Association (“CCEBA”) have independently requested input from the IA regarding the feasibility of a variety of approaches for completing CPRE Tranche 3, in light of the transmission queue reform. The IA offers the following observations for consideration by the Commission.

The aspects of the schedules advanced by Duke and CCEBA that are specific to the Program are attainable. The IA believes sufficient time spans are provided to complete the requirements of each CPRE Step. These proposed schedules were presented at the third CPRE Stakeholder Session on October 14, 2021 and included in Attachment A to this filing. In particular, each of these parties recognizes that the CPRE Step 1 involves a full due diligence review of each bid and associated project. This review is far more than a numeric ranking of the prices bid.

The Duke Evaluation Team first learns the identity of bidders when presented with the final ranking of bids at the end of Step 2, at which point the IA identifies the bids that are ready for a Purchase Power Agreement (“PPA”) to be executed without further project and site due diligence (e.g., site control, properly sized project, ability to deliver to the Point of Interconnection, etc.) by Duke.¹ While this streamlines the process after the conclusion of CPRE Step 2, the 60 days identified for the CPRE Step 1 is appropriate for completing the necessary reviews.

In Tranche 1, 90 days was permitted for the execution of PPAs after the conclusion of CPRE Step 2 because of some confusion regarding competing public statements on the topic. In Tranche 2, the period between the end of CPRE Step 2 and the deadline for executing PPAs was

¹ The Duke transmission personnel who work with the IA in Step 2 are associated with the Duke evaluation team, but do not share bidder information during the CPRE Step 2 process. Similarly, no members of the Duke evaluation team, including the transmission team members, receive bid pricing information until the conclusion of CPRE Step 2.

60 days, which proved to be sufficient. The IA suggests this period could be 30 days, if the Commission finds that would assist in completing the CPRE Program.

Both schedules would have the IA completing CPRE Step 2 relying on Power Flow studies for the purpose of imputing the system impact cost of each bid and, hence, the determination of whether individual bids remain below Duke's 20-year projected Avoided Cost. However, the final determination of the transmission system improvements needed to serve the project would be completed months later. Each proposed schedule contemplates CPRE PPAs being executed in July and August 2022 (See: Attachment A). Duke's schedule acknowledges that the System Impact Study for the successful CPRE bids would be completed in December 2022: 5 months after the execution of PPAs. This creates the possibility that a bid would, in the final analysis, require system upgrades that would have the project's true cost to customers be above Avoided Cost.

Before bids are received and evaluated it is impossible to know how many, if any, would be close to being above Avoided Cost until the end of CPRE Step 2 under either scenario. However, while the statute is silent regarding to what extent transmission and interconnection analysis is appropriate for calculating system impact costs, the IA is mindful of the statutory requirement that CPRE PPAs be for projects determined to be below Avoided Cost. Further, the IA appreciates that the determination of ranking relative to the Avoided Cost cap relies on system upgrade costs provided by the Duke Transmission Evaluation Team.

The IA will appreciate guidance on whether the CPRE Tranche 3 process should be designed so that only projects that are projected to be below Avoided Cost after the System Impact Study is completed, or whether relying on the cost estimates derived from the Power Flow analysis is appropriate. Another approach would be for the IA to calculate, at the end of CPRE Step 2, the additional cost that could be imputed to a bid before exceeding the Avoided Cost cap (the so-called "head room") and provide the information to Duke with the final ranking. In this way Duke could decide whether the System Impact Study would likely result in a bid being above Avoided Cost before a PPA is executed. As a simple example, if a bid has head room of \$15 million, the decision is an easy one. If a bids headroom is \$5,000, the likelihood of exceeding the Avoided Cost cap is considerable. This, again, begs the question of what estimate of system impact analysis should be used when determining whether a bid is above Avoided Cost, that is, the Power Flow analysis, the System Impact Study, or a projection of what the final cost will be before the System Impact Study is completed.

Respectfully submitted, this the 18th day of October, 2021.

Accion Group, LLC
By its Attorneys
THE CRISP LAW FIRM, PLLC

By _____
Jack P. Crisp, Jr., Esquire

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DOCKET NO. E-7, SUB 1156

Attachment A

Proposed CPRE Tranche 3 Resource Solicitation Cluster Timelines
of Duke and CCEBA



Duke Energy Proposal for RSC Timeline

Event	Duration	Proposed Dates
Initial Release of draft RFP documents	60	9/20/2021 - 11/10/2021
Post updated RFP documents for comment	10	11/9/2021 - 11/19/2021
File Tranche 3 PPA with NCUC	30	11/30/2021 - 11/30/2021
Bid Window (30 days)*	30	1/5/2022 - 2/4/2022
RFP Step 1 ranking	60	2/5/2022 - 4/6/2022
RSC Customer Engagement Window (30 days)	30	4/7/2022 - 5/7/2022
CPRE Collateral Window (RFP + study costs)	14	4/7/2022 - 4/21/2022
TC Phase 2 Power Flow restudy (30-60 days)	45	4/1/2022 - 5/16/2022
CPRE RSC Cluster Power Flow (30-60 days)	45	5/17/2022 - 7/1/2022
CPRE Step 2 RFP - *IA Bid Evaluation*	14	7/2/2022 - 7/16/2022
CPRE Winners announced	1	7/17/2022 - 7/17/2022
Contract negotiation	30	7/18/2022 - 8/17/2022
CPRE winners System Impact Study	120	8/18/2022 - 12/16/2022

Steps completed by the IA

* Interconnection Portal will be open in January 2022

Timeline presented is dependent on timely completion of TC Phase 1, TC Phase 2 Power Flow restudy, and CPRE RSC Cluster Power Flow.

Resource Solicitation Cluster – CCEBA Proposal

Tranche 3 RFP Schedule

19 Nov 2021	T3 RFP issuance
30 Nov 2021	T3 Bid window closes Consistent with T1 and T2, ICs must submit an interconnection request by the T3 bid deadline. Note: Under RSC, bid window could be extended beyond Nov. 30.
1 Dec 2021 – 20 Feb 2022	T3 Step 1 Evaluation Notice of Competitive Tier Bid Bonds Posted Does not include interconnection study
21 Mar 2022	TCS Phase I concludes
18 Apr 2022	TCS Phase 2 Commences (M2 deadline) Note: Phase 2 could commence sooner
18 Apr 2022 - 30 May 2022	T3 Step 2 Evaluation Study TCS Phase 2 projects are included in baseline, i.e. RSC queue position is inferior to TCS cluster. For evaluation purposes, the cost of any contingent upgrade(s) would be assigned to CPRE projects.
13 June 2022	T3 PPA awards issued Unsuccessful bidders are released and may apply to DISIS
July - Aug 2022	T3 PPAs executed Executed PPAs provide firm baseline for DISIS Phase I
1 Sept 2022	DISIS Phase I commences TCS final projects and T3 contracted projects included in baseline (T3 selected projects could be used as an alternative)