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July 22, 2022

VIA ELECTRONIC FILING

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

**RE: Duke Energy Carolinas, LLC - Request for Approval of Renewable Advantage Rider (NC) and Customer Notice
Docket Nos. E-7, Sub 1185 and E-100, Sub 90**

Dear Ms. Dunston:

Duke Energy Carolinas, LLC (“DEC” or the “Company”) herein requests Commission approval of a \$1.00 per month increase in the monthly rates of its voluntary program offering residential and small business customers the option to purchase Renewable Energy Credits (“RECs”) to offset all or a portion of their electrical consumption. Specifically, the requested increase is reflected in the attached Renewable Advantage Rider (“Renewable Advantage Rider”). The Company additionally attaches its proposed Customer Notice, notifying participating customers of the increase if it is approved.

The Commission approved the Renewable Advantage Rider in its *Order Approving Renewable Advantage Rider and NC Greenpower Program Changes*, issued on October 15, 2019 in the above-captioned dockets (“Renewable Advantage Rider Order”). In its Renewable Advantage Rider Order, the Commission agreed that this offering “may promote the use of renewable attributes from renewable energy resources.”¹

The Renewable Advantage Rider allows a residential or small business customer to offset a portion or all of that customer’s consumption through acquiring multiple blocks in 250 kilowatt hour (“kWh”) increments of RECs. The tariff describes a REC as equal to 1,000 kWh from a renewable resource. For use in this offering, RECs are secured from both in-state and out-of-state renewable resources and include RECs from solar photovoltaic, wind-powered, hydroelectric, and bio-mass powered resources. All RECs acquired under the Rider are retired on behalf of the Rider’s participants.

Because the Renewable Advantage Rider is optional, it allows eligible customers to elect to support the use of renewable energy without impacting other non-participating

¹ *Renewable Advantage Rider Order* at 3.

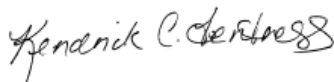
customers. The Company's costs for the Renewable Advantage Rider Program, including all billing, marketing, REC acquisition, and other costs, are recovered through the monthly rate paid by the voluntarily participating customers. In other words, the Company intended to recover its costs for the Renewable Advantage Rider Program through the monthly rates by 2026. REC costs, however, have increased more than forecasted in the original business modeling. Additionally, during the COVID-19 pandemic, customer attrition increased, resulting in lower customer participation. In response, beginning January 1, 2022, the Company reduced total marketing costs by ending less efficient marketing and bringing the marketing in-house. After a thorough financial review that included the reduced marketing costs, the Company has determined that to break even in 2026, a monthly rate increase is necessary. Therefore, the Company respectfully requests to increase the voluntary monthly rate from \$3.00 to \$4.00. With this proposed increase, a typical residential participating customer with an average monthly usage of 1,000 kWh would pay \$16.00 per month more than standard tariff rates if all their usage was supplied from renewable resources.

The Company has also provided for the Commission's review a proposed Customer Notice, notifying participating customers of the increase in the monthly rate. Participating customers may terminate their participation in this program at any time by giving at least thirty (30) days prior notice of such termination in writing.

The Company is not seeking any changes to NC GreenPower Rider GP with this request.

The Renewable Advantage Rider (redlined) and the proposed Customer Notice are attached as Attachments A and B, respectively. The Commission's prompt attention to this matter is appreciated. Please do not hesitate to contact me if you have any questions.

Sincerely,



Kendrick C. Fentress

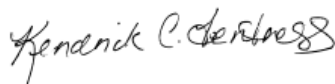
Enclosures

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Request for Approval of Renewable Advantage Rider (NC) and Customer Notice, in Docket Nos. E-7, Sub 1185 and E-100, Sub 90, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the parties of record.

This, the 22nd day of July, 2022.



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Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Original Leaf No. 335

RENEWABLE ADVANTAGE RIDER (NC)

AVAILABILITY (North Carolina only)

This Rider provides customers the option to foster and promote the use of renewable energy through the purchase of renewable attributes from Renewable Energy Resources. This Rider is available on a voluntary basis to residential and nonresidential customers receiving concurrent service from the Company who contract for a block(s) of Renewable Energy Credits generated from Renewable Energy Resources. The maximum number of customers served under this Rider shall be determined by the maximum number of blocks of Renewable Energy Credits available for purchase through the Rider. This Rider is not available for temporary service or for resale service. This Rider and the Program shall remain open to Eligible Customers pursuant to the Program's terms and conditions, as approved by the Commission.

GENERAL PROVISIONS

Each customer may contract with the Company for the purchase of a block of Renewable Energy Credits to be billed to the customer monthly. The customer may change the number of blocks of Renewable Energy Credits contracted for once during the contract year, unless otherwise authorized by the Company.

Renewable Energy Credits will be produced, purchased or otherwise acquired to meet the expected blocks contracted for during each calendar year. The actual amount of energy used by the customer during any given month may be more or less than the number of blocks of Renewable Energy Credits for which the customer has contracted.

Energy associated with Renewable Energy Credits displaces energy that often would have otherwise been produced from traditional generating facilities.

DEFINITIONS

Renewable Energy Resources: For the purposes of this Rider, Renewable Energy Resources shall include resources both within and outside North Carolina generating electricity from renewable resources such as solar, wind, hydro-electric and biomass. The Renewable Energy Credits purchased under the Rider may be derived from any combination of different Renewable Energy Resources which fosters a blend of renewable energy. Resources must be certified as meeting the Green-e National Standard and provide for the acquisition of all environmental attributes, including all carbon dioxide attributes. Green-e is a program that provides independent verification of renewable energy attributes.

Renewable Energy Credits (RECs): RECs shall mean all environmental attributes associated with energy generated by the Renewable Energy Resource and shall be retired on the Customer's behalf and shall not be used for any other REC compliance purposes. A REC is equal to 1,000 kWh produced from a renewable resource.

Block of Renewable Energy Credit: A block of Renewable Energy Credits shall be sized at either 250 kWh or 500 kWh, as further defined under the Monthly Rate.

MONTHLY RATE

In addition to all other charges stated in the applicable Schedule with which this Rider is used, the following charge shall also apply to each block Customer purchases:

- I. For residential and nonresidential customers with a contract demand under 1,000 kW:

\$ ~~4.00~~ per block of Renewable Energy Certificate per month with a block size of 250 kWh

Deleted: 3

- II. For nonresidential customers purchasing a minimum of 10 blocks with a contract demand of 1,000 kW or greater or an aggregated maximum annual demand at multiple service locations of 5,000 kW or greater:

\$ ~~4.00~~ per block of Renewable Energy Certificate per month with a block size of 500 kWh

Deleted: 3

The Monthly Rate shall apply to the Customer's bill regardless of Customer's actual monthly kilowatt-hour consumption. A portion of the payment from customers shall be paid to NC GreenPower to support the installation of

North Carolina Original Leaf No. 335
Effective for bills rendered on and after January 1, 2020
NCUC Docket Nos. E-7, Sub 1185 and E-100, Sub 90
Order dated October 15, 2019

Duke Energy Carolinas, LLC

Electricity No. 4
North Carolina Original Leaf No. 335

RENEWABLE ADVANTAGE RIDER (NC)

solar power systems in North Carolina. NC GreenPower is a 501(c)(3) nonprofit supporting renewable energy and carbon offset projects and providing grants for solar installations at K-12 schools.

CONTRACT PERIOD

Each customer shall purchase a specified number of blocks of Renewable Energy Resources on a month to month basis upon the condition that either party can terminate the contract by giving at least thirty (30) days prior notice of such termination in writing.



Street Address
Mail Code
City, State Zip

OFFICIAL COPY

Jul 22 2022

Jul. 22, 2022

Recipient's Full Name
Recipient's Company Name
Street Address
City, State ZIP

Subject: Renewable Advantage Rate Increase

Dear Mr. / Ms. / Mrs. / Dr. Name:

As a Renewable Advantage participant, you can match your home's electricity use by purchasing blocks of renewable energy certificates (RECs). These RECs certify the generation of green power on your behalf. Every block you purchase supports the advancement of environmentally friendly, renewable energy sources, thereby reducing dependence on fossil fuels to generate energy.

Effective **<INSERT DATE>** the rate will increase from \$3.00 to \$4.00 per 250 kWh block. This increase is primarily driven by an increase in REC prices driven by a rise in demand.

As a reminder, the money from this program is used to purchase renewable energy certificates and help cover the program's marketing and administration expense. Duke Energy does not profit from this program offering.

Thank you for being a Duke Energy Renewable Advantage customer.

Sincerely,

Duke Energy Renewable Advantage Staff