

**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 Progress, LLC, for Approval) ORDER REQUESTING
of Competitive Procurement of Renewable) UPDATE
Energy Program)

BY THE CHAIR: On September 1, 2020, in Docket No. E-100, Sub 165, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) (together, Duke), filed their 2020 Competitive Procurement of Renewable Energy (CPRE) Program Plan Update (September 1, 2020 Update), pursuant to Commission Rule R8-71(g), as part of their 2020 integrated resource planning (IRP) reports.

On February 23, 2021, pursuant to Commission Rule R8-71(h), DEC filed its 2020 Competitive Procurement of Renewable Energy Program Compliance Report (DEC 2020 Compliance Report) in Docket No. E-7, Sub 1247.

The above-referenced filings discuss renewable energy capacity contemplated in N.C. Gen. Stat. § 62-110.8(b)(1), otherwise known as Transition MW, which have the potential to reduce the total amount of MW to be procured through the CPRE Program. Particularly, N.C.G.S. § 62-110.8(b)(1) provides that, if prior to the end of the initial 45-month competitive procurement period, which is scheduled to end in November 2021, Duke has executed PPAs and interconnection agreements for renewable energy capacity within their 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.G.S. § 62-159.2, having an aggregate capacity in excess of 3,500 MW, the Commission shall reduce the aggregate targeted competitive procurement amount (2,660 MW) by the amount of such exceedance. However, if the aggregate capacity of such Transition MW Projects is less than 3,500 MW at the end of the initial 45-month competitive procurement period, the Commission shall require Duke to conduct an additional competitive procurement in the amount of such deficit.

As of the DEC 2020 Compliance Report, DEC reported that the amount of Transition MW (aggregated for DEC and DEP) is currently projected to significantly exceed the 3,500 MW stipulated in N.C.G.S. § 62-110.8(b)(1), with the total number of Transition MW projected to be between 4,775 and 5,300 MW, which would reduce the final net procurement target to somewhere in the range of 860 to 1,385 MW. According to the DEC

2020 Compliance Report, DEC and DEP have procured an aggregate total 1,185 MW via CPRE Tranches 1 and 2.

Filings made by DEC in Docket No. E-7, Sub 1247, including the DEC 2020 Compliance Report, make clear that Duke's position is that whether a CPRE Tranche 3 is needed remains an outstanding question to be resolved.

Duke's September 1, 2020 Update filing in Docket No. E-100, Sub 165 states that Duke intends to seek stakeholder feedback via the CPRE Program Independent Administrator's website for input regarding how to approach Tranche 3. The Update further states that Duke will petition the Commission for approval of any proposed plan and confirmation of the appropriate adjustment to the CPRE targeted procurement amount after receiving stakeholder feedback. The Update also notes that Duke interprets N.C.G.S. § 62-110.8(a) "to require that the CPRE procurements need only be commenced prior to the end of the initial 45-month competitive procurement period (November 2021) and not completed."

In light of the foregoing and the upcoming completion of the 45-month term established by the General Assembly,¹ the Chair finds good cause to request an update from the interested parties hereto regarding (1) the most current status of the Transition MW, (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.

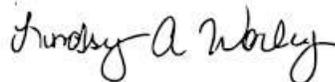
IT IS, THEREFORE, ORDERED as follows:

1. That on or before June 15, 2021, Duke and the Public Staff shall file initial comments responding to the topics enumerated herein and any other party hereto may also file initial comments responsive to the enumerated questions; and
2. That on or before June 30, 2021, parties may file reply comments.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of June 2021.

NORTH CAROLINA UTILITIES COMMISSION



Lindsey A. Worley, Acting Deputy Clerk

¹ Commission Rule R8-71(b)(5) defines the initial 45-month period in which the aggregate 2660 MW of renewable energy resource nameplate capacity is required to be procured as the "CPRE Program Procurement Period."