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Feb 11 2022

February 11, 2022

**VIA Electronic Filing**

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

*Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Motion  
to Modify GSA Program Tariffs  
Docket Nos. E-2, Sub 1170 and E-7, Sub 1169*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceedings is Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Motion to Modify GSA Program Tariffs.

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

Very truly yours,

/s/E. Brett Breitschwerdt

EBB:kjg

Enclosure

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1170  
DOCKET NO. E-7, SUB 1169

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Petition of Duke Energy Progress, LLC,	) DUKE ENERGY CAROLINAS, LLC'S
and Duke Energy Carolinas, LLC,	) AND DUKE ENERGY PROGRESS,
Requesting Approval of Green Source	) LLC'S MOTION TO MODIFY GSA
Advantage Program and Rider GSA to	) PROGRAM TARIFFS
Implement N.C.G.S. § 62-159.2	)

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (collectively, the “Companies” or “Duke Energy”), and pursuant to North Carolina Utilities Commission (“Commission”) Rule R1-7, hereby motion the Commission to modify the Green Source Advantage (“GSA”) Program tariffs to implement Section 11.19.(f1) of Session Law 2021-180 making available and reserving certain GSA Program capacity to a qualifying “eligible customer.”

**BACKGROUND**

1. N.C. Gen. Stat. § 62-159.2 directs the Companies to implement a direct renewable procurement program applicable to the University of North Carolina (“UNC”) system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW. The statute also provides that the program shall not exceed a combined 600 megawatts (“MW”) of renewable energy facility capacity between the DEC and DEP service territories. Of the 600 MW of capacity available pursuant to N.C. Gen. Stat. § 62-159.2(d), 250 MW shall be reserved exclusively

for use by the UNC system and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the “Reserved Capacity”).

2. On February 1, 2019, the Commission issued its *Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing and Allowing Comments* (“GSA Program Order”), approving the Companies’ direct renewable energy procurement program, the GSA Program, in accordance with N.C. Gen. Stat. § 62-159.2.

3. On August 5, 2019, the Commission issued its *Order Approving Compliance Filing* in the above-captioned dockets approving DEC’s and DEP’s respective Rider GSA tariffs and directing DEC and DEP to open the GSA Program for GSA Customer enrollment within 60 days of the Commission’s Order.

4. On March 2, 2020, the Commission issued its *Order on Petition for Approval to Reallocate Unreserved Capacity* allowing capacity not reserved for military and UNC system customers to be equally available to both DEC and DEP customers eligible for the GSA Program.

5. On November 3, 2021, the Commission issued its *Order Granting Motion to Modify GSA Program*, approving the Companies’ request to modify GSA Program eligibility requirements for prospective GSA facilities by aligning the GSA Program with the Transitional and Definitive Interconnection Study Processes.

6. On November 18, 2021, the General Assembly ratified and Governor Cooper Signed into law Session Law 2021-180. Section 11.19.(f1) of Session Law 2021-180 modifies N.C. Gen. Stat. § 62-159.2 by making available and reserving certain GSA Program capacity to an “eligible customer.” As defined by Section 11.19.(f1), an “eligible customer,” means any customer of an electric public utility that locates a new

manufacturing facility at a project site that is subject to an agreement with the Department of Commerce pursuant to subsection (d) of [Section 11.19].”

### **REQUEST TO MODIFY GSA PROGRAM TARIFFS**

7. DEC and DEP hereby motion the Commission for authority to modify the Companies’ respective Rider GSA and Rider GSA-3 tariffs to implement the requirements of Section 11.19.(f1) of Session Law 2021-180.

8. As currently drafted, the GSA Program tariffs reflect only the requirements of N.C. Gen. Stat. § 62-159.2 and the Commission’s aforementioned Orders. The proposed modifications to the Companies’ GSA Program tariffs implement the requirements of Session Law 2021-180, Section 11.19.(f1), extending GSA Program eligibility to participants meeting the definition of “eligible customer” and modifying future eligibility for Reserved Capacity.

9. Section 11.19.(f1) of Session Law 2021-180 necessitates modifications to the Companies’ GSA Program by requiring that (1) any unsubscribed amount of the 350 MW of Reserved Capacity be made available to an “eligible customer;” (2) any Reserved Capacity remaining unsubscribed by August 5, 2022, be solely reserved for an “eligible customer” through January 1, 2028; and (3) such “eligible customer” be entitled to subscribe to a capacity amount sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer’s actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

10. Included as Attachment A and Attachment B to this Motion are redline and clean versions of DEC's and DEP's modified Riders GSA and GSA-3, implementing the requirements of Session Law 2021-180.

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully motion the Commission to modify the Green Source Advantage Program tariffs to implement Section 11.19.(f1) of Session Law 2021-180.

Respectfully submitted, this 11<sup>th</sup> day of February, 2022.

/s/E. Brett Breitschwerdt

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*Counsel for Duke Energy Carolinas, LLC and  
Duke Energy Progress, LLC*

Duke Energy Carolinas, LLC

Electricity No. 4  
North Carolina First Revised Leaf No. 145  
Superseding North Carolina Original Leaf No. 145

RIDER GSA  
GREEN SOURCE ADVANTAGE (NC)

AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer's behalf pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited under N.C. Gen. Stat. § 62-159.2 to the University of North Carolina ("UNC") system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a combined total of 600 MW of renewable energy facilities between the Duke Energy Carolinas and Duke Energy Progress service territories ("Maximum GSA Program Capacity"). Of the 600 MW of Maximum GSA Program Capacity available under the Program, 250 MW shall be reserved exclusively for use by the UNC system, and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the "Reserved Capacity"). Pursuant to Section 11.19.(f1) of Session Law 2021-180, the total 350 MW of Reserved Capacity shall also be made available and reserved for an "eligible customer" - is also eligible to for the 350MW of reserved capacity for the UNC system and the military, defined as any customer of an electric utility that locates a new manufacturing facility at a project site that is subject to agreement with the Department of Commerce pursuant to Section 11.19.(d) of Session Law 2021-180. The remaining 250 MW shall be reserved for use by Eligible GSA Customers in either Duke Energy Carolinas or Duke Energy Progress service territories on a first-come, first-served basis. Any Reserved Capacity that is not subscribed by the UNC system or major military installations by August 5, 2022 shall be solely reserved for an eligible customer pursuant to Section 11.19.(f1) of Session Law 2021-180 through January 1, 2028. or "eligible customer", as applicable, within the three year Reserved Capacity period following initial Program approval of August 5, 2019 will remain available for "eligible customer" until January 1, 2028. shall then be made available for subscription by any Eligible GSA Customer in either Duke Energy Carolinas or Duke Energy Progress service territories. This This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of five years following initial Program approval of August 5, 2019 and shall remain open to an "eligible customer" pursuant to Section 11.19.(f1) of Session Law 2021-180 until January 1, 2028.

DIRECTED PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility ("GSA Facility"). A GSA Facility must be a new renewable energy facility located in the Duke Energy Carolinas service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request affiliates of Duke Energy Carolinas to develop a facility or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a power purchase agreement ("GSA PPA") with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer's behalf. The Customer may apply for the Company to develop or procure renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within Duke Energy Carolinas' North Carolina service territory. An eligible customer under Session Law 2021-180 is authorized to subscribe to a capacity amount of

North Carolina First Revised Leaf No. 145

Effective for service rendered on and after March 1, 2020

NCUC Docket No. E-7, Sub 1169

Order dated March 2, 2020

Duke Energy Carolinas, LLC

Electricity No. 4  
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Superseding North Carolina Original Leaf No. 145

RIDER GSA  
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remaining Reserved Capacity sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer's actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify the requested Bill Credit option and contract term (two, five, ten, fifteen, or twenty years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20 year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-

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first-served” basis based upon the date and time of receipt of the Customer’s completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company’s Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer’s application is rejected due to insufficient GSA Program Capacity.

A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer must execute and return the GSA Service Agreement within 30 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 30 days of delivery by the Company. Failure to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer’s application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with NC-RETS pursuant to Commission Rule R8-66 or another REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer’s primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

1. GSA Product Charge – The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit (“Administratively Established Avoided Cost Bill Credit”) or (2) the hourly rate bill credit (“Hourly Marginal Avoided Cost Bill Credit”).

Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology approved pursuant to N.C. Gen. Stat. § 62-



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156(c) calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5 years or more). In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.

Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly Rate = (Hourly Energy Charges + Rationing Charges).

- i. Hourly Energy Charge = Expected marginal production cost, and other directly-related costs.
- ii. Rationing Charge = marginal capacity cost during hours with generation constraint.
- iii. The Hourly Rate will not, under any circumstance, be lower than zero.

If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

2. GSA Administrative Charge – the applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

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**RIDER GSA  
GREEN SOURCE ADVANTAGE (NC)**

**AVAILABILITY**

This Green Source Advantage Program (“GSA Program” or “Program”) is available to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer’s behalf pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited under N.C. Gen. Stat. § 62-159.2 to the University of North Carolina (“UNC”) system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW (collectively, “Eligible GSA Customers” or “Customer”). The Program is also limited to a combined total of 600 MW of renewable energy facilities between the Duke Energy Carolinas and Duke Energy Progress service territories (“Maximum GSA Program Capacity”). Of the 600 MW of Maximum GSA Program Capacity available under the Program, 250 MW shall be reserved exclusively for use by the UNC system, and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the “Reserved Capacity”). Pursuant to Section 11.19.(f1) of Session Law 2021-180, the total 350 MW of Reserved Capacity shall also be made available and reserved for an “eligible customer” defined as a customer of an electric utility that locates a new manufacturing facility at a project site that is subject to agreement with the Department of Commerce pursuant to Section 11.19.(d) of Session Law 2021-180. The remaining 250 MW shall be reserved for use by Eligible GSA Customers in either Duke Energy Carolinas or Duke Energy Progress service territories on a first-come, first-served basis. Any Reserved Capacity that is not subscribed by the UNC system or major military installations by August 5, 2022 shall be solely reserved for an eligible customer pursuant to Section 11.19.(f1) of Session Law 2021-180 through January 1, 2028. This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of five years following initial Program approval of August 5, 2019 and shall remain open to an “eligible customer” pursuant to Section 11.19.(f1) of Session Law 2021-180 until January 1, 2028.

**DIRECTED PROCUREMENT OF GSA FACILITIES**

The Program allows Eligible GSA Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the renewable energy certificates (“RECs”) generated by a GSA Facility (“GSA Facility”). A GSA Facility must be a new renewable energy facility located in the Duke Energy Carolinas service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner (“Renewable Supplier”) and used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request affiliates of Duke Energy Carolinas to develop a facility or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a power purchase agreement (“GSA PPA”) with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

**APPLICATION PROCESS AND GSA SERVICE AGREEMENT**

To participate in the GSA Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer’s behalf. The Customer may apply for the Company to develop or procure renewable generation capacity up to 125% of the Customer’s aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within Duke Energy Carolinas’ North Carolina service territory. An eligible customer under Session Law 2021-180 is authorized to subscribe to a capacity amount of remaining Reserved Capacity sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer's actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

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Superseding North Carolina Original Leaf No. 145

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The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify the requested Bill Credit option and contract term (two, five, ten, fifteen, or twenty years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20 year limit for a Customer electing the Hourly Marginal Avoided Cost Bill Credit). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-

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A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer must execute and return the GSA Service Agreement within 30 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 30 days of delivery by the Company. Failure to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer’s application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with NC-RETS pursuant to Commission Rule R8-66 or another REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

MONTHLY RATE

An amount computed under the GSA Customer’s primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

1. GSA Product Charge – The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit – The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit (“Administratively Established Avoided Cost Bill Credit”) or (2) the hourly rate bill credit (“Hourly Marginal Avoided Cost Bill Credit”).

Administratively Established Avoided Cost Bill Credit:

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology approved pursuant to N.C. Gen. Stat. § 62-

Duke Energy Carolinas, LLC

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If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

2. GSA Administrative Charge – the applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed.

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

Duke Energy Progress, LLC  
(North Carolina Only)

RR-29

RIDERGSA-3  
GREEN SOURCE ADVANTAGE (NC)

AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer's behalf pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited under N.C. Gen. Stat. § 62-159.2 to the University of North Carolina ("UNC") system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a combined total of 600 MW of renewable energy facilities between the Duke Energy Carolinas and Duke Energy Progress service territories ("Maximum GSA Program Capacity"). Of the 600 MW of Maximum GSA Program Capacity available under the Program, 250 MW shall be reserved exclusively for use by the UNC system, and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the "Reserved Capacity"). Pursuant to Section 11.19.(f1) of Session Law 2021-180, the total 350 MW of Reserved Capacity shall also be made available and reserved for an "eligible customer" is also eligible to for the 350MW of reserved capacity for the UNC system and the military defined as any customer of an electric utility that locates a new manufacturing facility at a project site that is subject to agreement with the Department of Commerce pursuant to Section 11.19.(d) of Session Law 2021-180. The remaining 250 MW shall be reserved for use by Eligible GSA Customers in either Duke Energy Carolinas or Duke Energy Progress service territories on a first-come, first-served basis. Any Reserved Capacity that is not subscribed by the UNC system or major military installations by August 5, 2022 shall be solely reserved for an eligible customer pursuant to Section 11.19.(f1) of Session Law 2021-180 through January 1, 2028. or "eligible customer", as applicable, within the three-year Reserved Capacity period following initial Program approval of August 5, 2019 will remain available for "eligible customer" until January 1, 2028, shall then be made available for subscription by any Eligible GSA Customer in either Duke Energy Carolinas or Duke Energy Progress service territories. This This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of five years following initial Program approval of August 5, 2019 and shall remain open to an "eligible customer" pursuant to Section 11.19.(f1) of Session Law 2021-180 until January 1, 2028.

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Customers seeking to participate in the Program shall have the option to either (1) request affiliates of Duke Energy Progress to develop a facility or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a power purchase agreement ("GSA PPA") with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer's behalf. The Customer may apply for the Company to develop or procure renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within Duke Energy Progress' North Carolina service territory. An eligible customer under Session Law 2021-180 is authorized to subscribe to a capacity amount of remaining Reserved Capacity sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer's actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

The Customer's application will designate the Renewable Supplier selected by the Customer. The application shall also identify the requested Bill Credit option and contract term (two, five, ten, fifteen, or twenty years for a Customer electing Administratively Established Avoided Cost Bill Credit or any number of years up to the 20-year limit for a GSA-3

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Customer electing the Hourly Marginal Avoided Cost Bill Credit). All Customer applications shall be accompanied by the payment of a \$2,000 nonrefundable application fee. Program reservations will be accepted on a "first-come-first-served" basis based upon the date and time of receipt of the Customer's completed application and application fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient GSA Program Capacity.



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A Customer submitting an application shall also be required to deliver, at the time of application, a standard-form term sheet executed by the Customer and Renewable Supplier, which shall identify the Renewable Supplier and provide information about the proposed GSA Facility and other information as requested by the Company and identified in the term sheet.

The GSA Service Agreement shall include the general terms and conditions applicable under this Rider and shall specify the rates and charges applicable under the GSA Program for the contract term. The Customer must execute and return the GSA Service Agreement within 30 days of delivery by the Company and the Renewable Supplier must execute and return the GSA PPA within 30 days of delivery by the Company. Failure to timely execute and return the GSA Service Agreement or GSA PPA will result in termination of the Customer's application and GSA capacity reservation, which would then require the Customer to start the Program enrollment process anew in order to participate in the Program.

#### GSA PPA RATES AND TERMS

The GSA PPA delivered to a Renewable Supplier selected to provide a GSA Facility shall include delivery of energy and capacity. The GSA PPA contract price shall be equal to the applicable Bill Credit selected by the Customer.

#### RENEWABLE ENERGY CREDITS

The Renewable Supplier is required to register the Renewable Facility with NC-RETS pursuant to Commission Rule R8-66 or another REC tracking system to facilitate the issuance of RECs. The Renewable Supplier shall transfer all RECs to the Customer pursuant to the GSA Service Agreement, and the GSA Service Agreement shall include an attestation by the Customer that the RECs generated by the designated GSA Facility will be transferred by the Renewable Supplier to the applicable tracking account identified by the GSA Customer. The Renewable Supplier shall be solely responsible for procuring, delivering, and transferring RECs to the Customer.

#### MONTHLY RATE

An amount computed under the GSA Customer's primary rate schedule and any other applicable riders plus the sum of the (1) the GSA Product Charge, (2) the GSA Bill Credit, and (3) the GSA Administrative Charge.

1. GSA Product Charge - The GSA Product Charge shall be equal to the Negotiated Price. The monthly GSA Product Charge shall be determined by multiplying the Negotiated Price times the energy produced by the GSA Facility in the prior billing month.

GSA Bill Credit - The GSA Bill Credit shall, as elected by the Customer and designated in the GSA Service Agreement, be either (1) the avoided cost bill credit ("Administratively Established Avoided Cost Bill Credit") or (2) the hourly rate bill credit ("Hourly Marginal Avoided Cost Bill Credit").

#### *Administratively Established Avoided Cost Bill Credit:*

The Administratively Established Avoided Cost Bill Credit shall be equal to the fixed levelized avoided energy and capacity rate calculated using the methodology approved pursuant to N.C. Gen. Stat. § 62-156(c) calculated over a period of 2 years (for contract terms of 2 years) or 5 years (for contract terms of 5 years or more) . In the case of contract terms longer than 5 years, the Administratively Established Avoided Cost Bill Credit will be recalculated every five (5) years using the then approved methodology. If the Administratively Established Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly GSA Bill Credit shall be determined by multiplying the applicable Administratively Established Avoided Cost Bill Credit times the energy produced in the applicable hours by the GSA Facility in the prior billing month.



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Hourly Marginal Avoided Cost Bill Credit:

The Hourly Marginal Avoided Cost Bill Credit applicable to each hour shall be equal to the following:

Hourly RTP Rate= MENERGY + CAP

where:

MENERGY = Marginal Energy Cost per kilowatt-hour including marginal fuel and variable operating and maintenance expenses

CAP= Tiered Capacity Charge per kilowatt-hour applicable whenever the day-ahead forecast of the ratio of hourly available generation to hourly demand is equal or less than 1.15

The hourly RTP rate will not, under any circumstances, be lower than zero. If the Hourly Marginal Avoided Cost Bill Credit is designated in the GSA Service Agreement as the applicable bill credit, the Monthly Bill Credit shall be determined by multiplying the applicable Hourly Marginal Avoided Cost Bill Credit times the energy produced by the GSA Facility in the applicable hours in the prior billing month.

2. GSA Administrative Charge - the applicable monthly administrative charge shall be \$375 per Customer Account, plus an additional \$50 charge per additional account billed

GENERAL PROVISIONS

For the avoidance of doubt, the Company (1) shall not be liable to the Customer in the event that a GSA Facility fails to produce energy as required under a GSA PPA or as otherwise consistent with the Customer's expectations and (2) shall have no obligation under any circumstance to supply RECs to the Customer. The GSA Facility shall be a system resource and energy produced and delivered under the GSA PPA shall not be directly delivered to the GSA Customer.

Supersedes Rider GSA-1  
Effective for service rendered on and after March 1, 2020  
NCUC Docket No. E-2, Sub 1170

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RIDERGSA-3  
GREEN SOURCE ADVANTAGE (NC)

AVAILABILITY

This Green Source Advantage Program ("GSA Program" or "Program") is available to nonresidential customers meeting the eligibility criteria specified herein and receiving concurrent service on another rate schedule, excluding service under outdoor lighting schedules, who elect to direct the Company to procure renewable energy on the Customer's behalf pursuant to the terms of the GSA Program, as approved by the Commission. Eligibility for the Program is limited under N.C. Gen. Stat. § 62-159.2 to the University of North Carolina ("UNC") system, major military installations, and nonresidential customers with a minimum Maximum Annual Peak Demand of 1,000 kW or an aggregated Maximum Annual Peak Demand at multiple service locations of 5,000 kW (collectively, "Eligible GSA Customers" or "Customer"). The Program is also limited to a combined total of 600 MW of renewable energy facilities between the Duke Energy Carolinas and Duke Energy Progress service territories ("Maximum GSA Program Capacity"). Of the 600 MW of Maximum GSA Program Capacity available under the Program, 250 MW shall be reserved exclusively for use by the UNC system, and 100 MW shall be reserved exclusively for use by major military installations in North Carolina (together, the "Reserved Capacity"). Pursuant to Section 11.19.(f1) of Session Law 2021-180, the total 350 MW of Reserved Capacity shall also be made available and reserved for an "eligible customer" defined as a customer of an electric utility that locates a new manufacturing facility at a project site that is subject to agreement with the Department of Commerce pursuant to Section 11.19.(d) of Session Law 2021-180. The remaining 250 MW shall be reserved for use by Eligible GSA Customers in either Duke Energy Carolinas or Duke Energy Progress service territories on a first-come, first-served basis. Any Reserved Capacity that is not subscribed by the UNC system or major military installations by August 5, 2022 shall be solely reserved for an eligible customer pursuant to Section 11.19.(f1) of Session Law 2021-180 through January 1, 2028. This Rider and the Program shall remain open to Eligible GSA Customers pursuant to the Program's terms and conditions, as approved by the Commission, for a period of five years following initial Program approval of August 5, 2019 and shall remain open to an "eligible customer" pursuant to Section 11.19.(f1) of Session Law 2021-180 until January 1, 2028.

DIRECTED PROCUREMENT OF GSA FACILITIES

The Program allows Eligible GSA Customers to direct the Company to procure renewable energy that will be used to supply all customers and allows the Customer to obtain the renewable energy certificates ("RECs") generated by a GSA Facility ("GSA Facility"). A GSA Facility must be a new renewable energy facility located in the Duke Energy Progress service territory in either North Carolina or South Carolina with supply that will be dedicated to the Program by the facility owner ("Renewable Supplier") and used to serve all customers.

Customers seeking to participate in the Program shall have the option to either (1) request affiliates of Duke Energy Progress to develop a facility or (2) identify and propose to the Company a GSA Facility developed by another Renewable Supplier. The Renewable Supplier will enter into a power purchase agreement ("GSA PPA") with the Company. The Customer will negotiate price terms directly with a Renewable Supplier. As described below, the Renewable Supplier shall transfer RECs directly to the Customer through a separate contractual arrangement.

APPLICATION PROCESS AND GSA SERVICE AGREEMENT

To participate in the GSA Program, a Customer must submit an application to the Company requesting an annual amount of renewable capacity to be developed or procured on the Customer's behalf. The Customer may apply for the Company to develop or procure renewable generation capacity up to 125% of the Customer's aggregate Maximum Annual Peak Demand at eligible Customer service location(s) within Duke Energy Progress' North Carolina service territory. An eligible customer under Session Law 2021-180 is authorized to subscribe to a capacity amount of remaining Reserved Capacity sufficient to produce on an annual basis one hundred percent (100%) of the eligible customer's actual annual electricity usage or reasonably projected annual electricity usage over the immediately subsequent annual period, up to the total Reserved Capacity available at the time of subscription and not to exceed 350 MW.

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fee. Subsequent applications will be held until earlier applications are resolved and will not be rejected until the Company's Maximum GSA Program Capacity is satisfied. The \$2,000 application fee will be refunded to the Customer only in the event that the Customer's application is rejected due to insufficient GSA Program Capacity.

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Supersedes Rider GSA-1  
Effective for service rendered on and after March 1, 2020  
NCUC Docket No. E-2, Sub 1170

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Motion to Modify GSA Program Tariffs, as filed in Docket Nos. E-2, Sub 1170 and E-7, Sub 1169, was served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 11<sup>th</sup> day of February, 2022.

/s/E. Brett Breitschwerdt

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and Duke Energy Progress, LLC*