

**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

August 29, 2023

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

Re: Docket No. E-2, Sub 1323 – Application of Duke Energy Progress, LLC, for Approval of CPRE Program Compliance Report and CPRE Program Cost Recovery Rider

Dear Ms. Dunston:

Attached for filing on behalf of the Public Staff in the above-referenced docket are the following:

1. Notice of Affidavit of Jeff T. Thomas, Engineer, Electric Section – Operations and Planning, Energy Division; and
2. Affidavit of Jeff T. Thomas, Jeff T. Thomas, Engineer, Electric Section – Operations and Planning, Energy Division.

By copy of this letter, I am forwarding a copy to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
/s/ Robert B. Josey
Staff Attorney
robert.josey@psncuc.nc.gov

Attachments

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Economic Research
(919) 733-2267

Energy
(919) 733-2267

Legal
(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
(919) 733-5610

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1323

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC, for)
Approval of CPRE Program Compliance Report and)
CPRE Program Cost Recovery Rider Pursuant to)
N.C.G.S. § 62-110.8 and Commission Rule R8-71)

**NOTICE OF
AFFIDAVIT**

NOW COMES THE PUBLIC STAFF of the North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, as constituted by N.C. Gen. Stat. § 62-15, and gives notice that the Affidavit of:

Jeff T. Thomas, Engineer, Electric Section – Operations and Planning,
Energy Division
Public Staff of the North Carolina Utilities Commission
430 North Salisbury Street – Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699-4300

will be used in evidence at the hearing in this docket scheduled for September 19, 2023, pursuant to N.C.G.S. § 62-68. The affiant will not be called to testify orally and will not be subject to cross-examination unless an opposing party or the Commission demands the right of cross-examination by notice mailed or delivered to the proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68.

THEREFORE, the Public Staff moves that the Affidavit of Jeff T. Thomas be admitted into evidence in the absence of notice pursuant to N.C.G.S. § 62-68.

Respectfully submitted this 29th day of August, 2023.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

Lucy E. Edmondson
Chief Counsel

Electronically submitted
/s/ Robert B. Josey
Staff Attorney
robert.josey@psncuc.nc.gov

430 North Salisbury Street - Dobbs Building
4326 Mail Service Center
Raleigh, North Carolina 27699
Telephone: (919) 733-6110

CERTIFICATE OF SERVICE

I certify that I have caused to be delivered and served a copy of the foregoing together with the affidavit of Jeff T. Thomas on all the parties of record in accordance with the Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 29th day of August, 2023.

/s/ Robert Josey, by electronic filling
Robert Josey
Staff Attorney

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1323

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Duke Energy Progress, LLC, for)
Approval of CPRE Program Compliance)
Report and CPRE Program Cost Recovery)
Rider Pursuant to N.C.G.S. § 62-110.8 and)
Commission Rule R8-71)

**AFFIDAVIT OF
JEFF T. THOMAS**

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Jeff T. Thomas, first being duly sworn, do depose and say:

I am an Engineer in the Electric Section - Operations and Planning of the Public Staff's Energy Division. A summary of my duties, education, and experience is attached to this affidavit as Appendix A.

North Carolina General Statute § 62-110.8(a) states that “[e]ach electric public utility shall file for Commission approval a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs.”

General Statute § 62-110.8(g) further states that “[a]n electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities” procured pursuant to the statute, “and to recover the authorized revenue

of any utility-owned assets” selected pursuant to the statute through a Competitive Procurement of Renewable Energy (CPRE) annual rider “approved by the Commission and reviewed annually.” Commission Rule R8-71(j)(4) and (5) also require the following: (1) that the CPRE rider will be recovered over the same period as the utility’s fuel and fuel-related cost rider; and (2) that the costs or authorized revenue will be modified through the use of a CPRE Program experience modification factor (CPRE EMF) rider. The CPRE EMF rider is utilized to “true-up” the recovery of reasonable and prudently incurred CPRE Program costs incurred during the test period established for each annual rider proceeding.

The purpose of my affidavit is to present the results of the Public Staff Energy Division’s investigation of the CPRE Rider revenue requirements and calculations proposed by Duke Energy Progress, LLC (DEP or the Company) in its application filed in this proceeding on June 13, 2023. The Energy Division’s investigation reviews the prospective component of the CPRE Rider, including the costs and revenue projected for the December 1, 2023, through November 30, 2024 period (Billing Period). Furthermore, I support and assist the Public Staff Accounting Division’s investigation of the CPRE EMF rider, which reviews actual costs and revenues incurred from April 1, 2022, through March 31, 2023 (EMF Period). I also present the results of the Public Staff’s review of the CPRE Compliance Report, filed pursuant to Commission Rule R8-71(h).

The Public Staff Energy Division’s specific responsibilities in this CPRE rider proceeding are to: (1) review the Company’s application and proposed prospective rates for compliance with N.C.G.S. 62-110.8 and Commission Rule R8-71; (2)

review the CPRE Compliance Report and address any deficiencies pursuant to Commission Rule R8-71(h) and Commission Orders; and (3) make recommendations regarding changes to the Company's calculations of the proposed prospective rates.

In its application, DEP proposed EMF and Billing Period increment riders in cents per kilowatt-hour (kWh), excluding the North Carolina regulatory fee, for each North Carolina retail customer class as follows:

DEP's Rider Request – Supplemental Testimony Filed on August 17, 2022 (cents per kWh)			
Customer Class	EMF Rate	Billing Period Rate	Total CPRE Rate
Residential	(0.001)	0.014	0.013
Small General Service	(0.002)	0.014	0.012
Medium General Service	(0.002)	0.013	0.011
Large General Service	(0.001)	0.012	0.011
Lighting	(0.001)	0.011	0.010

DEP calculated the Billing Period rates by dividing the projected North Carolina Retail portion of energy, capacity, and CPRE implementation costs for each customer class, as shown on Walker Exhibit No. 3, by DEP's North Carolina projected billing period retail sales of 17,326,377 megawatt-hours (MWh) for the residential class, 1,816,847 MWh for the small general service class, 10,471,370 MWh for the medium general service class, 9,239,420 MWh for the large general service class, and 384,646 MWh for the lighting class. I am not recommending any adjustment to Billing Period projected costs. Therefore, I recommend that the Commission approve the Billing Period rates in the Company's testimony filed on June 13, 2023.

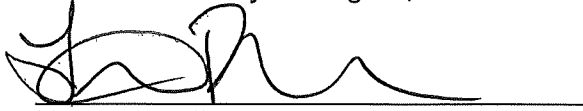
I have also reviewed the CPRE Compliance Report, included as Tabor Exhibit No. 1. The report provides the information required by Commission Rule R8-71(h) and the Commission's February 21, 2018, *Order Modifying and Approving Joint CPRE Program* in Docket No. E-2, Sub 1159. The CPRE Compliance Report details activities in calendar year 2022. Tranche 2 concluded with the execution of a Purchase Power Agreement with the sole DEP winning project on October 15, 2020, and Tranche 3, which did not seek to procure any renewable energy in DEP's service territory, opened on January 5, 2022 and closed on February 3, 2022. Ultimately, only 155 MW of CPRE resources completed the Tranche 3 bid evaluation process and signed CPRE Program Purchase Power Agreements (PPAs), all in Duke Energy Carolinas, LLC's (DEC) service territory.

I also investigated whether the contracts entered into between third-party power producers and DEP had properly entered the expiration dates associated with performance guarantees into its Credit Information Manager system, and if there had been any liquidated damages collected by DEP. It appears DEP has properly entered these expiration dates, where applicable, into its Credit Information Manager system. DEP also confirmed that it has not collected any liquidated damages in the EMF Period, nor does it expect to collect any during the Billing Period.

This completes my affidavit.

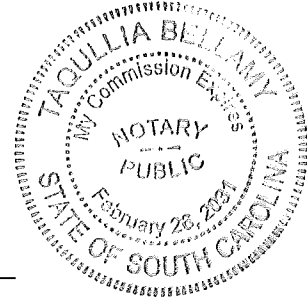

Jeff T. Thomas

Sworn to and subscribed before me
this the 29th day of August, 2023.



Notary Public

My Commission Expires: 2/26/31



QUALIFICATIONS AND EXPERIENCE**JEFF T. THOMAS, PE**

I graduated from the University of Illinois Champaign-Urbana in 2009, earning a Bachelor of Science in General Engineering. From 2009 to 2015, I worked in various operations management roles for General Electric, United Technologies Corporation, and Danaher Corporation. I left manufacturing in 2015 to attend North Carolina State University, earning a Master of Science degree in Environmental Engineering. At NC State, I performed cost-benefit analysis evaluating smart grid components, such as solid-state transformers and grid edge devices, at the Future Renewable Energy Electricity Delivery and Management Systems Engineering Research Center. My master's thesis focused on electric power system modeling, capacity expansion planning, linear programming optimization, and the effect of various state and national energy policies on North Carolina's generation portfolio and electricity costs. After obtaining my degree, I joined the Public Staff in November 2017. In my current role, I have investigated and filed testimony in avoided cost determinations, general rate cases and riders, interconnection queue reform, CPCN applications, and integrated resource planning proceedings. I have also worked on the implementation of HB 589 renewable energy programs and the development of competitive resource solicitations, as well as the initiation and implementation of HB 951's initial Carbon Plan. I received my Professional Engineering license in North Carolina in April 2020.