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Via Electronic Filing

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

Re: Procedural Response to CCEBA Supplemental Comments on Duke
Petition and CCEBA Petition to Initiate Resource Solicitation Cluster
Docket Nos. E-100, Sub 101; E-2, Sub 1159; E-7, Sub 1156

Dear Ms. Dunston:

I am writing on behalf of Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) and together with DEC, “Duke Energy” or the “Companies”) to provide the North Carolina Utilities Commission (“Commission”) an initial procedural response to the Carolinas Clean Energy Business Association’s (“CCEBA”) October 5, 2021 Supplemental Comments on Duke Energy’s Petition for Approval of Limited Modifications to North Carolina Interconnection Procedures (“Supplemental Comments on Duke Petition”) filed in Docket No. E-100, Sub 101, and its contemporaneous Petition to Initiate Resource Solicitation Cluster (“RSC”) for CPRE Tranche 3 (“Petition to Initiate RSC”) filed in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 (“CPRE Dockets”).

Duke Energy’s August 17, 2021 Petition for Approval of Limited Modifications to the NCIP to Expand Transitional Cluster Study Eligibility (“Duke Petition”) seeks two targeted and limited modifications to Transitional Cluster eligibility under the North Carolina Interconnection Procedures. The limited modifications presented in the Duke Petition would allow recent Interconnection Customers in the queue today that have obtained a certificate of public convenience and necessity (“CPCN”) from the Commission to participate in Transitional Cluster and would also create a pathway for the Companies to *potentially* align a new Competitive Procurement of Renewable Energy (“CPRE”) Program Tranche 3 Competitive Resource Solicitation with Transitional Cluster. Duke Energy continues to support these limited modifications for the reasons stated in the Duke Petition and in the Companies’ September 22, 2021 Reply Comments filed in Docket No. E-100, Sub 101. The Public Staff and the North Carolina Sustainable Energy Association have represented that they do not object to the Duke Petition. CCEBA similarly has never

opposed the Duke Petition and its comments have focused solely on CPRE Tranche 3 alignment issues.

Importantly, from Duke Energy's perspective, a Commission Order granting the Petition would allow recent Interconnection Customers that have obtained CPCNs prior to the close of the October 31, 2021 Transitional Cluster eligibility window certainty regarding whether they may enter Transitional Cluster or whether they will be withdrawn and must re-enter future DISIS Cluster 1. Based on further discussions with CCEBA subsequent to the filing of their Supplemental Comments on the Duke Petition, CCEBA agrees that this aspect of the Duke Petition is still important to its members and has not been mooted by a future Commission decision on its Petition to Initiate RSC. CCEBA has authorized Duke Energy to state that CCEBA supports Commission action approving this CPCN-related aspect of the Duke Petition as reasonably expeditiously as possible to allow potentially impacted Interconnection Customers to meet the Transitional Cluster eligibility requirements in advance of the October 31 deadline.

Specific to the feasibility of integrating a new CPRE Tranche 3 with Transitional Cluster, Duke Energy identified in its September 1, 2021 CPRE Program Plan that this would only be possible if no major RFP structural changes are required, and that substantial stakeholder consensus would also be required to expedite the Tranche 3 pre-solicitation process to align with Transitional Cluster. The CPRE Program Independent Administrator ("IA") and the Companies have held two pre-solicitation stakeholder meetings on September 17 and September 24 to discuss these complex issues with market participants. To date, stakeholder consensus has not been achieved on aligning Tranche 3 with Transitional Cluster. The Companies and IA are planning a third CPRE pre-solicitation meeting on October 14 to further discuss Tranche 3 timing as well as CCEBA's RSC proposal and the feasibility of the Companies initiating an RSC prior to DISIS Cluster 1 opening in July of 2022. In light of CCEBA's Petition to Initiate RSC and other limitations and complexities with integrating Tranche 3 with Transitional Cluster, the Companies do not oppose the Commission delaying action on this aspect of the Duke Petition pending further stakeholder engagement regarding the timing and framework for administering CPRE Tranche 3. However, the Companies reiterate the need for approval of the limited modifications outlined in the Duke Petition that are necessary to allow Interconnection Customers in the queue today that have obtained a CPCN from the Commission to participate in Transitional Cluster.

Turning to CCEBA's Petition to Initiate RSC filed in the CPRE Dockets, the Companies appreciate the proactive efforts that CCEBA has undertaken to develop its RSC proposal and agrees there are advantages to such a framework if it can feasibly be integrated between the Transitional Cluster and DISIS Cluster 1. The Companies continue to evaluate the feasibility of a CPRE Tranche 3-specific RSC after Transition Cluster and prior to DISIS Cluster 1 and will further discuss this potential option with the IA along with CCEBA, Public Staff, and other market participants during the October 14 Tranche 3 stakeholder meeting. The Companies also do not object to CCEBA's proposed procedural schedule and commit to file responsive comments on the Petition to Initiate RSC by October 18, 2021.

In summary, the Companies are providing this procedural update to the Commission to (i) advise the Commission that the Companies continue to support Commission action to approve new NCIP 1.10.2.1.d).iv, as proposed in the Duke Petition and unopposed by any party, as reasonably expeditiously as possible in advance of the October 31 deadline; (ii) to advise the Commission that the Companies do not anticipate that aligning CPRE Tranche 3 with Transitional Cluster will be feasible; (iii) to apprise the Commission of Duke Energy's and the IA's plans for further CPRE Tranche 3 stakeholder engagement on timing of Tranche 3 and CCEBA's RSC proposal; and (iv) to confirm for the Commission that Duke Energy does not object to CCEBA's proposed procedural schedule for the filing of comments on its Petition to Initiate RSC.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Jirak". The signature is written in a cursive, somewhat stylized font.

Jack E. Jirak
Deputy General Counsel

cc: Parties of Record