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April 20, 2018

Ms. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

RE: **Petition of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Requesting Approval of Green Source Advantage Program and Rider GSA to Implement G.S. 62-159.2**
NCUC Docket E-2, Sub 1170 and E-7, Sub 1169

Dear Ms. Jarvis:

We hereby submit **Reply Comments of North Carolina Clean Energy Business Alliance** in the above-referenced docket.

If you have any questions or comments regarding this filing, please do not hesitate to call me.

Thank you in advance for your assistance.

Very truly yours,

/s/Karen M. Kemerait

skb

Enclosure

cc: Parties of Record

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, and Duke Energy Carolinas, LLC, Requesting Approval of Green Source Advantage Program and Rider GSA to Implement G.S. 62-159.2	**REPLY COMMENTS AND REQUEST FOR ORAL ARGUMENT OF THE NORTH CAROLINA CLEAN ENERGY BUSINESS ALLIANCE**

Pursuant to the North Carolina Utilities Commission's ("Commission") Order issued on January 26, 2018 in the above-captioned proceeding, the North Carolina Clean Energy Business Alliance ("NCCEBA") submits the following Reply Comments to comments submitted by various parties on the proposed Green Source Advantage ("GSA") Program filed by Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (collectively, "Duke" or the "Companies") on January 23, 2018, as well as a request for oral argument on the issues presented in these dockets.

I. PROCEDURAL HISTORY

On July 27, 2017, Governor Cooper signed into law House Bill 589 (Session Law 2017-192). *See* N.C. Gen. Stat. § 62-159.2. House Bill 589 (Part III), codified at N.C. Gen. Stat. § 62-159.2 (the "GSA Program Statute"), mandates that each electric utility serving more than 150,000 North Carolina retail jurisdictional customers, as of January 1, 2017, file with the Commission an application requesting approval of a new program to procure renewable resources on behalf of North Carolina's major military installations ("Military Installations"), the University of North Carolina systems ("UNC System

Customers"), and large nonresidential customers (collectively, "Eligible GSA Customers") served by such utilities. The GSA Program Statute requires the procurement of up to 600 MW of new renewable energy capacity for Eligible GSA Customers over the next five years or until December 31, 2022, whichever is later.

On January 23, 2018, DEP and DEC jointly petitioned the Commission for approval of their proposed Green Source Advantage Program ("Proposed GSA Program" or "Program") and their proposed Rider GSA.

On January 26, 2018, the Commission issued an Order Establishing Proceeding to Review Proposed Green Source Rider Advantage Program and Rider GSA ("Commission Order").

As NCCEBA was an active participant in the negotiations that led to House Bill 589 and is a representative of companies that intend to sell renewable energy for the benefit of Eligible GSA Customers, NCCEBA filed a Petition to Intervene on February 1, 2018. The Commission granted NCCEBA's request to intervene on February 2, 2018.

On February 23, 2018, NCCEBA filed Initial Comments. In the Initial Comments, NCCEBA demonstrated that Duke's Proposed GSA Program and Rider GSA fail to comply with the GSA Program Statute in several material respects. NCCEBA showed that the Proposed GSA Program utterly fails to meet the needs and expectations of both Renewable Energy Suppliers and Eligible GSA Customers, fails to meet the intent of the GSA Program Statute, and places significant barriers to participation in the Program. In light of the failings of Duke's Proposed GSA Program and Rider GSA, NCCEBA provided an Alternative GSA Program that fully complies with the GSA Program Statute. In particular, the Alternative GSA Program (i) gives Eligible GSA

Customers the opportunity to enter into integrated contracts for the purchase of energy, capacity, and renewable energy attributes, to select the renewable energy facility from which the renewable energy and capacity would be provided, and to negotiate the contract price with the Renewable Energy Supplier, and (ii) meets the GSA Program Statute's objective of ensuring that non-participating customers are neither advantaged not disadvantaged by Duke's procurement of additional renewable energy on behalf of participating GSA Program customers ("Program Customers" or "GSA Customers").

Numerous other parties, including the Public Staff, the North Carolina Sustainable Energy Association, and a variety of potential GSA Customers (the "Customer Commenters")[1] also filed comments on the Proposed GSA Program. All of these comments voiced criticisms of the Program similar to those presented by NCCEBA, and many of the Customer Commenters expressed concern that the Program as currently proposed will not work for potential participants.

On March 9, 2018, the Public Staff and Duke filed a joint motion for an extension of time until April 6, 2018 for the filing of reply comments. The Commission granted the request by Order dated April 5, 2018.

On April 4, 2018, the Public Staff filed a motion for an additional extension of time for the filing of reply comments until April 20, 2018. On April 5, 2018, the Commission granted the request for extension of time.

[1] The Customer Commenters include United States Department of Defense and other Federal Executive Agencies; Wal-Mart Stores East, LP and Sam's East, Inc.; The University of North Carolina at Chapel Hill; Apple, Inc.; Google LLC; New Belgium Brewing; SAS Institute Inc.; Sierra Nevada Brewing Co.; Unilever; VF Corporation; Cargill; Mars Incorporated; Seventh Generation; Trillium Asset Management; Wake Forest University; Davidson College; and Duke University.

II. LARGE ELECTRIC USERS OBJECT TO DUKE'S PROPOSED PROGRAM AS COST-PROHIBITIVE AND UNWORKABLE

Duke's Proposed GSA Program has generated tremendous concern and opposition from a number of large electric customers--the same customers that the GSA Program was supposed to benefit. Those customers desire a cost-effective green source rider program to meet their sustainability goals and provide for predictable electricity costs. They urge the Commission to reject Duke's Proposed GSA Program, and approve instead a program that complies with the plain language and intent of the GSA Program Statute so that they can participate fully in the program. They voiced concern that Duke's Proposed GSA Program does not provide participants with an ability to procure clean energy in a cost-effective manner, that Duke has placed barriers to participation in the GSA Program, and that the barriers would make participation difficult, if not impossible. Simply put, the customers believe that the currently proposed program is unworkable.

The overriding concern of the Customer Commenters is that Duke's Proposed GSA Program will allow no cost savings to customers and is therefore cost-prohibitive. The Customer Commenters echo the same sentiment: very few, if any, large customers would participate in the currently proposed program.

Below are just a few--of the many—statements of concern about the financial barriers to participation in the proposed Program and that been expressed by the Customer Commenters. NCCEBA shares the concerns expressed below.

United States Department of Defense and other Federal Executive Agencies ("DoD/FEA"). The DoD/FEA has two major concerns when it comes to energy procurement on our military installations: cost and energy resiliency. The DoD/FEA

echoes the cost concern of the other Customer Commenters in saying that "DoD/FEA projects are not tenable if savings cannot be achieved." DoD/FEA is unlikely to participate in Duke's Program if it is not able achieve the dual goals of cost savings and increased energy resiliency to the installation. *See Initial Comments of the United States Department of Defense and all other Federal Executive Agencies.*

Wal-Mart Stores East, LP and Sam's East, Inc. Walmart has established aggressive and significant renewable energy goals, and is seeking renewable energy resources that will allow it to receive benefits. Walmart believes that Duke's GSA Program "fails to meet Walmart's expectations as a customer", and Walmart urges the Commission to reject Duke's proposed rider. *See Joint Initial Comments of Wal-Mart Stores East, LP and Sam's East, Inc.*

Apple Inc. and Google, LLC. Renewable electricity is critical to the businesses of Apple and Google. By utilizing renewable energy, they are able to save money, hedge against volatile fossil fuel prices, and lock-in cost-effective, fixed energy prices. However, Google and Apple point out that Duke's Proposed Program fails to implement the program put in place by the General Assembly, and that it falls short of creating a viable program that will be attractive to intensive users of electricity, including the Customer Commenters. They ask the Commission to reject Duke's Program, and state that they "hope that Duke, industry stakeholders and policymakers could revisit the program envisioned by House Bill 589 with the goal of establishing a truly impactful program that would benefit large commercial users needing access to green energy sources while not burdening ratepayers nor disadvantaging Duke." *See Joint Initial Comments of Apple Inc. and Google LLC.*

New Belgium Brewing, SAS Institute Inc., Sierra Nevada Brewing Co., Unilever, and VF Corporation. These employers and large electricity consumers in North Carolina believe that the GSA Program should provide large customers with a cost-effective option for procuring in-state renewable energy. Rather than achieving that objective, Duke Energy's proposed Green Source Advantage program "falls short of meeting the needs of large electric users in North Carolina". They submit that Duke's Proposed GSA Program has shortcomings that will limit corporate participation. *See Joint Initial Comments of New Belgium Brewing, SAS Institute Inc., Sierra Nevada Brewing Co., Unilever, and VF Corporation.*

The University of North Carolina at Chapel Hill. UNC-Chapel Hill's principal objection is that Duke's Proposed GSA Program would not allow the procurement of renewable electricity at fair and competitive rates. UNC-Chapel Hill believes that the currently proposed Program would result in participating customers paying higher, not lower, energy costs. UNC-Chapel Hill believes that "very few, if any, cost-conscious consumers, such as UNC-Chapel Hill would participate in the program". *See Initial Comments of the University of North Carolina at Chapel Hill.*

Wake Forest University, Davidson College, and Duke University. These universities maintain: "[U]tility green source tariff options, such as Duke Energy's proposed Green Source Advantage ("GSA") program, *should* provide large customers with a cost-competitive option for procuring clean in-state renewable energy. However, Duke Energy's proposed Green Source Advantage program fall short of meeting the energy needs of our campuses". *See Joint Initial Comments of Wake Forest University,*

Davidson College, and Duke University.

III. DUKE'S BILL CREDIT DOES NOT ALLOW CUSTOMERS TO REALIZE ANY SAVINGS AND INSTEAD REQUIRES CUSTOMERS TO PAY MORE TO PARTICIPATE IN THE PROGRAM

While there are many problems with the Proposed GSA Program that inform these comments, the most fundamental problem is Duke's proposed bill credit mechanism, which precludes GSA Customers from realizing any savings as a result of their participation in the program and, to the contrary, ensures that such customers will have to pay more for electricity as a result of such participation.[2] The reason for this perverse result, which is inconsistent with the GSA Program Statute, is the following:[3]

The Proposed GSA Program appropriately envisions that a GSA Customer would continue to pay its full retail bill and would also (i) reimburse Duke for amounts paid to the Renewable Energy Supplier selected by the customer pursuant to a power purchase agreement ("PPA"), and (ii) pay a reasonable administrative charge. But since the customer has arranged and is paying for a portion of its electricity needs to be met by new generation from the Renewable Energy Supplier, it is entitled to a bill credit against its retail bill. If, as Duke proposes, the bill credit equals the PPA price, the two cancel each other out and the customer has no potential to realize savings, even if it has arranged for generation supply that costs less than the generation costs Duke would have otherwise incurred in supplying electricity to the customer ("Avoided Costs").[4] In this situation, the

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[2] The Public Staff, NCSEA, SACE, and Customer Commenters, including Google, Apple, Walmart, and UNC, have likewise expressed concern about Duke's proposed bill credit.

[3] This discussion refers to Duke's proposed Self-Supply GSA Option. As noted by NCCEBA, the Public Staff, and others, Duke's proposed Standard Offer GSA Option blatantly violates the GSA Program Statute and is bad public policy, and should be given no further consideration.

[4] In fact, under the Proposed GSA Program, the customer's cost would actually go up because it would have to pay an administrative charge and because Duke proposes that the Renewable Energy Certificates associated with the Renewable Energy Supplier's generation would have to be separately procured by the customer at additional cost.

savings resulting a GSA PPA Price below Avoided Costs would be realized by Duke's other ratepayers (or its shareholders)--not by the GSA Customer whose actions have created the savings--in direct contravention of the GSA Program Statute's mandate that other customers not benefit from the GSA Customer's participation in the program. No wonder there was universal objection from the Customer Commenters to the Proposed GSA Program.

NCCEBA urges the Commission to require Duke to implement a program and bill credit mechanism that allow GSA Customers--not other customers--to realize the savings that result from GSA PPA pricing below avoided costs, as envisioned by the GSA Program Statute. That is the only way to incentivize participation in the program and meet the demand of many business and institutions for renewable energy within the framework of North Carolina's regulated monopoly electric system, which prevents those customers from directly procuring electricity from Renewable Energy Suppliers.

IV. THE PUBLIC STAFF AND OTHER INTERVENORS OBJECT TO A NUMBER OF MATERIAL ASPECTS OF DUKE'S PROPOSED GSA PROGRAM.

Similar to concerns raised by the large electric customers, the Public Staff and intervenors cite a number of key aspects of Duke's GSA Program that violate the GSA Program Statute and are otherwise objectionable or problematic. For example, objections have been made to the following aspects of Duke's Program due to violation of the GSA Program Statute.

A. Duke's Standard Offer option unlawfully links the GSA Program to the CPRE Program

Similar to NCCEBA's objection to the bill credit mechanism, the Public Staff, NCSEA, SACE, and other Customer Commenters have objected to the Standard Offer

option, as it improperly links the implementation of the GSA Program to the CPRE Program in a way that is counter to the plain language of the GSA Program Statute. The Public Staff and other intervenors make it clear that the General Assembly intended for the GSA Program (Part III of House Bill 589) and the CPRE Program (Part II of House Bill 589) to be separate and distinct programs, with the programs not being linked until five years after the initial implementation of the GSA Program, at which time any unsubscribed capacity remaining in the GSA Program would fold into the next solicitation offered under the CPRE Program. The Public Staff notes that the GSA Program Statute and the CPRE Statute have separate goals and purposes for each program, and that they include specific operating parameters and timeframes that reflect the independent nature of the programs. In addition, the goals for each program clearly support a different desired outcome by the General Assembly. The Public Staff further points out that the large customer procurement program enacted in the GSA Program Statute is similar to the Green Source voluntary pilot program approved by the Commission in its December 19, 2013 Order Approving Rider in Docket No. E-7, Sun 1043. NCCEBA concurs with the Public Staff's conclusion that the Standard Offer option is inconsistent with the GSA Program Statute and "does not align with the independent implementation of these two programs". *See* Public Staff Initial Comments, p. 8.

B. Duke's proposed bill credit would penalize participants

Like NCCEBA, the Public Staff, NCSEA, SACE, and Customer Commenters, including UNC-CH and Walmart, disagree with Duke's proposed utilization of the CPRE Tranche weighted average price to form the basis for the Bill Credit under the Self-

Supply option. Walmart's objection to the Bill Credit mirrors the objections of NCCBEA and other intervenors. Walmart takes issue with the bill credit mechanism being based on the CPRE Tranche weighted average price, and points out that the calculation "does not square customer expectations or logic". If Duke is permitted to implement the Bill Credit as proposed, there will be little value to customers to participate in the GSA Program. As noted above, NCCEBA agrees with the Public Staff and other intervenors that the CPRE weighted average price should not be the basis for the Bill Credit.

NCCEBA has had an opportunity to review the Public Staff's Reply Comments that were filed while NCCEBA was completing its Reply Comments. In its Reply Comments, the Public Staff again took exception to Duke's proposed utilization of the CPRE Tranche 1 weighted average price to form the basis for the bill credit under the Self-Supply option, but also provided a specific recommendation for the appropriate basis for the bill credit. The Public Staff recommends that the Commission use the avoided cost rates to establish a bill credit for the GSA Program. The Public Staff further recommends that the GSA Customers should be entitled to a bill credit that is equal in length to the term of the PPA signed by Duke and the Renewable Energy Supplier, the initial term over which the bill credit is fixed should be no more than ten years, and that the bill credit can be "refreshed" to reflect the current avoided costs for the next five or ten years, as appropriate. While NCCEBA has not had an opportunity to discuss the Public Staff's recommendation with the Customer Commenters, NCCEBA supports the Public Staff's recommendation that avoided costs should be used to determine the bill credit, that the bill credit should be for the length of the PPA, and that it is reasonable to "refresh" the bill credit for subsequent five or ten year terms to reflect the current avoided

costs. The use of avoided cost to establish the bill credit will ensure that the non-participating customers are held neutral, neither advantaged nor disadvantaged, from the impact of the renewable electricity procured on behalf of the GSA Customer, as required by N.C. Gen. Stat. § 62-159.2(e).

However, NCCEBA strongly opposes Public Staff's alternative suggestions for establishing the GSA bill credit. Its first alternative suggestion for an energy-only based bill credit is not compliant with House Bill 589's requirement to ensure that all other customers are held neutral, due to the fact that Renewable Energy Suppliers would provide capacity benefits to the system that would not be accounted for in the bill credit. The Public Staff's second alternative suggestion for a GSA-Specific Solicitation is similarly non-compliant with House Bill 589's requirement to allow GSA suppliers and customers to directly negotiate and agree upon price terms; it instead creates an entirely new competitive solicitation program, separate from the CPRE Program and not envisioned by the law, which effectively removes the option of negotiated price terms. Finally, the Public Staff's third alternative suggestion for establishing the bill credit based on Actual Incremental Generation Costs would impose commercially unreasonable and discriminatory terms against GSA Customers that are inconsistent with North Carolina's long-standing system of fixed avoided cost rates, which have been essential to the state's successful development of financeable renewable energy qualifying facilities. It would also be inconsistent with the GSA Statute's requirement to ensure that non-participating customers are held neutral, due to the fact that the Renewable Energy Supplier would be providing energy and capacity to the system at a fixed and predictable long-term price, to the substantial benefit of other ratepayers, which would deny GSA Customers the benefit

of those long-term fixed price terms. For these reasons, NCCEBA urges the Commission to reject these concepts.

C. Duke's proposed standard contracts fail to provide the terms and conditions required by the statute

The Public Staff makes it clear that the GSA Program Statute directs Duke to provide standard contract terms and conditions that provide a range of terms, from two years to twenty years, from which the GSA Customer may select.[5] The Public Staff objects to Duke's Program, in that it provides only twenty-year terms under the Standard Offer option, and only two, five, and twenty-year terms under the Self-Supply option. Like NCCEBA, Google, Apple, SACE, UNC-Chapel Hill, Walmart, and NCSEA echo the concerns of the Public Staff that Duke's proposed contract term lengths do not comply with the requirements of N.C. Gen. Stat. § 62-159.2(b). Even though Duke was explicitly required by N.C. Gen. Stat. § 62-159.2(b) to include in its application "standard contract terms and conditions for participating customers and for renewable energy suppliers", Duke blatantly disregarded this statutory requirement. Duke's omission was noted in the initial comments of NCCEBA, Apple and Google, DoD/FEA, the Public Staff, UNC-Chapel Hill, and Walmart.[6] NCCEBA agrees with, and supports, NCSEA's

[5] N.C. Gen. Stat. § 62-159.2(b) expressly provides: "The standard terms and conditions available to renewable energy suppliers shall provide a range of terms, between two years and 20 years, from which the participating customer may elect."

[6] *Joint Comments of Apple, Inc. and Google, LLC*, p. 6 ("Duke's proposal fails to provide such terms, but rather simply asserts that they will be provided by Duke or that they will be set out elsewhere[.]"); *DoD/FEA Initial Comments on Proposed Rider GSA*, p. 2 ("Moreover, the Federal Acquisition Regulations ('FAR') and Defense Federal Acquisition Regulations ('DFAR') require some contract terms that may conflict with any standard contract developed through the CPRE Program."); *Comments of the North Carolina Clean Energy Business Alliance*, p. 13 ("No such contract terms and conditions were filed with Duke's Program application."); *Initial Comments of the Public Staff*, p. 12 ("Duke did not submit a standard PPA for use under the GSA Program."); *Initial Comments of the University of North Carolina at Chapel Hill*, p. 4 ("The proposed Green Source Advantage Program would also benefit from standardized contract terms regarding default, early termination, financial assurances and other provisions approved by the

belief that it would be inappropriate for the Commission to approve Duke's proposed GSA Program without first evaluating these required contract terms and conditions, and further believes that, even if they are included in Duke's reply comments, intervenors should have an opportunity to provide comments on such contract terms and conditions prior to their approval by the Commission.

D. Duke improperly included curtailment rights in the PPA

NCCEBA concurs with the Public Staff's request that Duke remove the curtailment provisions from the pro forma PPAs as the GSA Program Statute does not require third parties to allow Duke to "dispatch, operate, and control" the renewable energy facilities. In addition, as noted by the Public Staff and previously noted by NCCEBA, Duke did not satisfy its statutory obligation to file with its program standard contract terms and conditions for both the PPA and the utility-GSA Customer relationship. Duke should be required to file proposed terms and conditions for public comment and condition approval. [7]

One issue on which NCCEBA disagrees with the Public Staff is that the Public Staff seems to accept Duke's proposal that there be a REC Agreement between the GSA Customer and the Renewable Energy Supplier that is separate from an energy and capacity PPA entered into by the utility and the Renewable Energy Supplier for the benefit of the GSA Customer. However, the GSA Program Statute envisions a bundled agreement and, as noted by NCCEBA and other commenters, that is what the customer community expects and requires. If customers simply wanted to procure unbundled

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Commission."); *Comments of Wal-Mart Stores East, LP and Sam's East, Inc.*, p. 4 ("The proposed GSA tariffs reference a 'GSA Service Agreement' and a 'standard form term sheet'; however, neither the GSA Service Agreement nor the standard form term sheet were included in the Companies' filing.").

[7] There are other aspects of Duke's CPRE standard PPA that are not suitable for a GSA PPA, notably including the damages and performance security provisions.

RECs, they could have done that without the GSA Program Statute and the creation of a complicated new program.

V. DUKE'S LINKAGE OF THE GSA PROGRAM WITH THE CPRE PROGRAM FURTHER DISADVANTAGES GSA CUSTOMERS

As indicated in the comments of the Customers Commenters, large electric customers have been waiting a long time to be able to participate in a green source program so that they may achieve their sustainability goals. It is critical that the intent of the GSA Program Statute be effectuated to allow those customers the opportunity to participate as soon as possible.

In its Initial Comments, NCCEBA pointed out that Duke had unlawfully integrated the GSA Program into the CPRE Program. As noted on page 4 of the Public Staff's Initial Comments, "the plain language of the statutes clearly and unambiguously delineates the separate goals and purposes for each program, and include specific operating parameters and timeframes that reflect the independent nature of the two programs." In addition to the reasons discussed in NCCEBA's Comments, Duke's attempt to rewrite the legislation to "tie" the GSA Program to the CPRE Program is all the more problematic for GSA Customers due to a recent delay in the CPRE Program. On April 4, 2018, in Docket Nos. E-7, Sub 1156, and E-2, Sub 1150, Duke provided notice to the Commission, the Public Staff, and prospective market participants in the CPRE Program of a delay of about sixty days in the issuance date for the initial CPRE Tranche 1 Request for Proposal ("RFP"). While it is unclear at this time whether Duke will seek to further delay the issuance of the CPRE Tranche 1 RFP and delay issuance of RFPs for subsequent CPRE tranches, NCCBEA has grave concerns about the current

delay of the Tranche 1 RFP and will have even graver concerns if Duke proposes any additional delay to Tranche 1 RFP or the RFPs for later tranches. In the event that Duke is permitted to link the GSA Program with the CPRE Program, the GSA Customers would be adversely affected by the integration of the two programs, as delay in the CPRE Program would result in delay to the GSA Program.

VI. GIVEN THE DELAY IN FINALIZATION OF THE GSA PROGRAM, BIDDERS INTO THE CPRE PROGRAM NEED THE ABILITY TO WITHDRAW FROM THE CPRE TRANCHE 1 RFP WITHOUT PENALTY TO PARTICIPATE IN THE GSA PROGRAM

As noted above, the Commission should reject Duke's attempt to link the GSA Program with the CPRE Program. Once the GSA Program is no longer tied with the CPRE Program, GSA Customers will have the ability to reserve renewable energy capacity upon approval of the Program (and therefore prior to January 2019). (As further demonstration of Duke's integration of the GSA Program with the CPRE Program, please see Figure 1: GSA Program Enrollment and Implementation Timeline attached to Duke's Proposed GSA Program that shows that GSA Customers would not be able to reserve capacity until January 2019.) However, depending on the final GSA Program timeline, it may not be possible for GSA customers and Suppliers to reserve renewable energy capacity prior to the CPRE Tranche 1 RFP bid deadline, which is currently proposed for August 2018. Therefore, in order to ensure that the GSA Program and CPRE Program function properly as independent programs, and to ensure that Renewable Energy Suppliers and customers are not unreasonably and adversely affected, it is necessary to ensure that Renewable Energy Suppliers be allowed to withdraw a CPRE bid without penalty (*i.e.,* without forfeiting the proposal bond) upon demonstration of the participant's intent to enter the GSA Program. Without this ability, Renewable Energy

Suppliers will be forced to make premature decisions about whether to bid projects into the CPRE Tranche 1 RFP or not submit proposals in the hope of being selected as a Supplier for a GSA Customer. To address this, NCCEBA recommends that the Commission clarify that CPRE bids may be withdrawn without unreasonable penalty for projects that are seeking to enter the GSA Program.

CONCLUSION

The structure and implementation of the GSA Program are crucial to the success of the overall goals of the GSA Program Statute for both customers and suppliers. Given Duke's significant deviations from the law and the underlying policy of the GSA Program Statute, NCCEBA respectfully requests that the Commission order Duke to amend its GSA Program and Rider to fully comply with the law and create a program that provides incentives for customers and suppliers to participate. In particular, NCCEBA requests that the Commission order Duke to adopt the Alternative GSA Program that fully complies with the GSA Program Statute.

In addition, in light of the complexity of the issues presented in this proceeding and the importance of ensuring that the GSA Program meets the plain language and objectives of the GSA Program Statute to ensure that large electric customers will be able to participate in the Program, NCCEBA respectfully requests that the Commission order oral argument for the issues. Please note that NCCEBA does not lightly request oral argument in this docket: in the other dockets related to the Commission's implementation of House Bill 589, NCCEBA did not request oral argument.

Respectfully submitted, this the 20th day of April, 2018.

/s/ Karen M. Kemerait
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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing Reply Comments by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission to all parties of record.

Respectfully submitted, this the 20th day of April, 2018.

SMITH MOORE LEATHERWOOD LLP

BY: /s/ Karen M. Kemerait
Karen M. Kemerait
Attorneys for: North Carolina Clean Energy Business Alliance

CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing **Reply Comments of North Carolina Clean Energy Business Alliance** ("NCCEBA")first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission to all parties of record.

Respectfully submitted, this the 20th day of April, 2018.

BY: _____

Karen M. Kemerait
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Attorney for NCCEBA