

July 31, 2023
PUBLIC REDACTED

Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, NC 27603

**SUBJECT: Duke Energy Carolinas / Duke Energy Progress 2022 Solar Procurement Program,
Docket Nos. E-2, Sub 1297 and E-7, Sub 1268**

Dear Ms. Dunston:

Charles River Associates ("CRA") is pleased to submit the attached Post-Solicitation Report for Duke Energy's 2022 Solar Procurement Program Request for Proposals ("RFP") process. In our role as the Independent Evaluator for the solicitation, CRA is required to provide this report documenting our assessment of the RFP and the proposal evaluation process.

Sincerely yours,



Robert Lee
Vice President

Charles River Associates.

Attachments

**Duke Energy Carolinas, LLC
Duke Energy Progress, LLC**

**2022 Solar Procurement Post-Solicitation
Report**

**Report by Charles River Associates as the Independent Evaluator of Duke Energy's
2022 Solar Procurement Program RFP**

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July 31, 2023

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EXECUTIVE SUMMARY

This Post-Solicitation Report summarizes the assessment and findings of Charles River Associates (“CRA”), the Independent Evaluator (“IE”) for Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP,” and together with DEC, the “Companies” or “Duke Energy”) 2022 solar program request for proposals (“2022 Solar Procurement” or “2022 RFP”). The 2022 Solar Procurement was designed to solicit bids for solar photovoltaic generating facility resources. Under the Program, Duke Energy solicited bids for both the acquisition of solar resources through the Utility Ownership Track (“UOT”) and for Power Purchase Agreements (“PPA”) through the PPA Track. The 2022 RFP was open to all market participants developing solar resources in DEC or DEP’s franchised service territories in the Carolinas. Duke Energy advised the IE and market participants that Duke Energy’s unregulated affiliates would not be participating in the RFP, however, consistent with process rules and stakeholder expectations, DEC and DEP did bid self-developed Proposals into the UOT of the RFP.

In early 2022, Duke Energy retained CRA as IE for the 2022 RFP. As part of the IE role, CRA had broad oversight over the RFP development and process execution and monitored all aspects of the solicitation process from the RFP issuance through the selection of bids. Through this report, CRA is providing an independent assessment and certification that the 2022 RFP process was conducted in a fair, transparent, open, and non-discriminatory manner. It was our intent to conduct the RFP consistent with all jurisdictional requirements prescribed by the North Carolina Utilities Commission (“NCUC”) and Public Service Commission of South Carolina (“PSCSC”), as applicable.

CRA has completed the execution of the RFP and is submitting this assessment of the process, the RFP design, and the results of the solicitation. CRA has the following conclusions:

1. The RFP design and documentation were consistent with industry standards and precedent.
2. Throughout the process, CRA hosted a public website as required by Section IV (B) of the RFP. The website facilitated equal access to information for all stakeholders and process participants. The information presented was clear and the requirements noted were typical for similar RFPs we have administered.
3. As IE, CRA acted as the point of contact for all Market Participants and facilitated the disposition of all questions on the process, documents and supporting materials. All relevant questions and responses were posted to the RFP Information Website to ensure access for all Market Participants.
4. The solicitation process provided Market Participants a fair and reasonable mechanism for submitting bids into the process for review and selection.
5. The process was competitive. Twenty (20) Market Participants submitted responses into the RFP across 68 proposals. The RFP yielded bids for 5,255 megawatts (“MW”) of solar resources, including 1,053 MW of proposals in DEC and 4,202 MW of proposals in DEP.¹

¹ Market Participant, proposal, and MW counts include proposals that were later withdrawn, disqualified, or re-sized from the RFP.

6. The evaluation process and the mechanism for scoring and evaluating proposals was reasonable and did not provide any individual bidder an undue advantage for selection.
7. Four (4) proposals were selected as "Early Winners", two (2) of which accepted the award, one (1) which declined, and one (1) that chose to continue to Step 2 instead.
8. Thirty-two (32) proposals² were advanced to Step 2 of the evaluation and sixteen (16) of those proposals were selected as winners in addition to the two (2) Early Winners that accepted their awards.
9. No events or issues arose that could reasonably be construed to have affected the integrity of the RFP process.
10. There were no alleged or identified violations of RFP rules or separation requirements. The RFP was executed by Duke Energy personnel and the IE in a fair, transparent and non-discriminatory manner.
11. The weighted average portfolio price of the selected winners was \$59.99/MWh on a levelized cost of energy ("LCOE") basis inclusive of RZEP allocations (\$55.85/MWh without RZEP allocations). The \$59.99/MWh LCOE price is 1.3% higher than the assumed prices of solar resources (the "Solar Reference Cost" from the 2022 Carbon Plan); thus, the Volume Adjustment Mechanism ("VAM") incorporated in the RFP rules was not triggered.³

The recent and current market environment for solar resources was affected by regulatory, global and local issues and the market environment affected the process. Market Participants needed to navigate a supply chain that was marked by uncertainty over the recent years, a high inflationary environment, volatile interest rates and a significant regulatory change in the Inflation Reduction Act ("IRA"). The IE believes Duke Energy's RFP adequately responded to market volatility and regulatory uncertainty, to the extent possible, and that the process was successful.

REGULATORY BACKGROUND

On March 14, 2022, the Companies filed a joint Petition for Authorization of the 2022 Solar Procurement Program with the NCUC in Docket Nos. E-2, Sub 1297 and E-7, Sub 1268. On May 26, the NCUC issued an order authorizing the Companies' planned competitive procurement of new solar resources under the 2022 RFP with a minimum initial target volume of 700 MW for new solar energy resources.

Qualifying resources could be located in the DEC or DEP balancing authority areas in either North or South Carolina and needed to meet certain other basic qualification requirements. Resources selected through the RFP process will serve customers' future energy needs as part of the Companies' 2022 Carbon Plan filed in North Carolina and support Duke Energy's integrated Carolinas energy transition and anticipated future load growth in both the North Carolina and South Carolina jurisdictions where Duke Energy provides utility service.

² Includes one Early Winner that chose to continue to Step 2 instead.

³ *Order Adopting Initial Carbon Plan and Providing Direction for Future Planning*, Docket No. E-100, Sub 179 (Dec. 30, 2022) ("Carbon Plan Order").

The 2022 RFP sought to procure facilities under two parallel Tracks, the UOT and the PPA Track, each with separate but similar threshold requirements and evaluation considerations. Participating bidders in the RFP could offer standalone solar assets for consideration into one or both RFP Tracks. 55% of the new solar generation capacity procured through the RFP were to be secured under the UOT with 45% of the capacity secured through long term PPAs with third-party suppliers. Based upon the final target volume of 1,200 MW, at least 400 MWs were to be located in the DEC Balancing Authority Area ("BAA") and an additional minimum of 400 MWs was to be sited within the DEP territory. Projects could be located in either North or South Carolina so long as the facility is physically interconnecting to either the DEC or DEP service territories and connected at the transmission level. Proposals were to be selected based on highest-ranked and least overall portfolio cost to customers.

The 2022 RFP is a successor program to Duke Energy's Competitive Procurement of Renewable Energy ("CPRE") process that was conducted under House Bill 589 ("HB 589"). HB 589 became law in 2017 and the CPRE Program was developed after an extended Stakeholder process. The 2022 RFP's design process started with the CPRE blueprint and was modified to accommodate HB 951's requirements and to adopt improvements based on Stakeholder, IE and Company suggestions.

Similar to the CPRE Program, the 2022 RFP utilized a competitive solicitation process to procure new, least-cost solar energy resources in North Carolina and South Carolina. Controllable PPA projects procured under the 2022 RFP, like CPRE, require the Seller to agree to sell to Duke Energy all renewable energy, capacity, and environmental and renewable attributes from solar facilities offered into the RFP and to allow the Companies rights to dispatch, operate, and control the solicited renewable energy facilities in the same manner as the utility's own generating resources. The pro forma PPA for the 2022 RFP is similar to the legacy CPRE PPA used for the CPRE tranche 3.

Transmission constraints in areas favorable for development of utility-scale solar projects have been a persistent and growing issue for the Companies. The "Red Zone" consists of several non-contiguous geographic areas in DEC and DEP territories where transmission constraints exist. The Red Zone is highly suitable for solar development due to its flat terrain, relatively low land costs, and relatively high solar insolation. However, the system in that area cannot add much new generation without alleviating transmission constraints in order to deliver the energy to load zones.

Red Zone Expansion Plan ("RZEP") related projects impacted the economic evaluation of proposed facilities in the 2022 SP procurement. For the 2022 program, the major issue was how network upgrades included in the RZEP would be considered for project-level bid evaluation. In evaluating the relative economics of individual projects, the LCOE included network upgrades for RZEP that were included in North Carolina Transmission Planning Collaborative ("NCTPC") 2022-2032 Local Transmission Plan and are now contingent facilities for 2022 RFP bidders and other projects requesting interconnection in the 2022 DISIS cluster. However, this NCTPC approval did not happen until after Phase 1 of the 2022 DISIS and Step 1 of the 2022 RFP. For purposes of the 2022 RFP bid evaluation process, the NCUC directed RZEP costs to be fully allocated to bidders in the 2022 RFP evaluation in Step 2 as well.

Under the 2022 RFP rules, the RFP Target MW was subject to a potential limited adjustment, either up or down, depending on how actual bid prices compared to the Carbon Plan Solar Reference Cost. If the weighted average solar portfolio cost was greater than or equal to 110% of the Carbon Plan Solar Reference Cost, the target volume could be decreased by as much as twenty percent (20%) subject to a minimum target, effectively eliminating the highest cost proposals from selection in the 2022 RFP and deferring some of the procurement volume to the future. If the weighted average cost was less than or equal to 90% of the Carbon Plan Solar Reference Cost, the target volume could be increased by up to 20% above the RFP Target Volume thereby capturing more competitively priced, low-cost solar resources for customers.

The Carbon Plan Solar Reference Cost was determined by taking the 55% / 45% weighted average of the levelized, utility-owned solar cost on a 30-year \$/MWh basis and third-party PPA on a 25-year \$/MWh basis. Additionally, the Carbon Plan Solar Reference Cost includes estimates for solar transmission upgrade costs that would likely be required to incorporate solar on the DEP and DEC systems. On June 22, 2022, the Companies announced the Solar Reference Cost for the 22 Procurement at \$59.21/MWh including transmission interconnection costs.

PROCEDURAL BACKGROUND

In early 2022, CRA was retained as the IE for the 2022 Solar Procurement RFP. In that role, CRA monitored all aspects of the solicitation process from issuance through bid selection. CRA oversaw the RFP development and process execution, managed the bidding process, ensured transparency and consistency with accepted industry standards and practices for competitive solicitations, and independently evaluated and ranked utility-ownership as well as all PPA bids. It was our intent to conduct the RFP consistent with all requirements prescribed by the NCUC and PSCSC as applicable and build on the Companies' experience with the CPRE procurements.

A dedicated public RFP website ("Information Website") was established by the IE where all RFP-related information and documents were posted as they became available along with process announcements and any process news or updates. The website included a Q&A section which listed all relevant questions received during the RFP along with the responses provided. To ease communication with interested parties, the IE established an email inbox to facilitate and document the communication between the IE, Duke Energy and Market Participants. As part of the RFP process, Duke set up a team ("Duke Evaluation Team") to support the bid review process. A separate email inbox was created for communication between the Duke Evaluation Team and the bidders. This communication channel with the Duke Evaluation team was monitored by the IE and was only available after bids had been submitted to allow Duke Energy to request additional information needed to evaluate UOT bids.

The IE and the Duke Evaluation Team worked together through all phases of the RFP execution and evaluation. As IE, CRA independently reviewed, evaluated and ranked all PPA bids consistent with the documented evaluation methodology. The IE reviewed all assumptions by the Duke Evaluation Team used to evaluate UOT projects, including any self-build proposals. The Duke Evaluation Team initially calculated the LCOE for all projects with support from the IE and the IE reviewed and confirmed all LCOE independently from the Duke Evaluation Team. The IE translated all LCOE into scores and calculated all non-economic scores (for PPAs, the IE assigned the non-economic score and for UOT, the IE reviewed the scores developed by the Utility Ownership Team). The IE performed the final ranking of projects in both the PPA and UOT Tracks. The Duke Evaluation Team was responsible for final selection, and the IE reviewed and approved the final selection process. As part of that review, CRA verified the basis for final selection of bids was consistent with Duke's bid evaluation methodology and considered both economic and non-economic factors. The review of Duke Evaluation Team's selection of bids was done to ensure that all bids were evaluated in a transparent and non-discriminatory manner. Duke Energy was ultimately responsible and accountable for selecting the winning proposals, subject to siting approval by the NCUC or PSCSC.

Since Duke Energy did indicate that one or more utility self-developed proposals may be offered into the RFP, the IE committed to adhering to oversight principles set out in *Allegheny Energy Supply Co, LLC*, 108 FERC 61082 (2004) ("Allegheny"), expanded from *Edgar*. While *Edgar* standards are not strictly required under self-developed bid scenarios, where utility affiliates are not competing in the solicitation, the principles represent best practices for solicitations and facilitate a fair, open and

transparent RFP that provides a level playing field for all process participants. The *Allegheny* Principles are as follows:

- 1) **Transparency** – The solicitation process should be open and fair. No party should have an informational advantage in any part of the solicitation process, and bidding under the process should be open to all interested parties.
- 2) **Definition** – The product(s) sought through the RFP process should be precisely defined in a manner that is clear and non-discriminatory, including the specifications of the desired capacity, fuel type, plant technology, and transmission requirements.
- 3) **Evaluation** – Evaluation criteria should be standard and apply to all Market Participants equally. The RFP should clearly specify the criteria (economic and non-economic) and the relative importance of each criterion under which bids will be evaluated in the decision-making process.
- 4) **Oversight** – The RFP process should be overseen by an independent third party. The independent third party should oversee the design, administration, evaluation of the process, and make a determination that the RFP process is transparent, fair, and not influenced by any affiliate relationships.

STAKEHOLDER SESSIONS

In its role as the IE, CRA supported the Companies through a Stakeholder engagement process associated with the RFP development. The pre-issuance Stakeholder process was conducted through two (2) virtual meetings conducted on April 18th, 2022 and May 13, 2022 with over 50 distinct market participants and other stakeholder organizations participating in the pre-RFP process.

During the sessions, Duke Energy and the IE solicited feedback on the proposed process and highlighted the program's evolution from the CPRE foundation. As part of those sessions, the IE and the Companies provided Stakeholders with drafts of key RFP documents and facilitated discussions around process design and timelines, DISIS interconnection process considerations and bid evaluation. The IE's fundamental role in the Stakeholder process was to ensure that Stakeholder input was evaluated objectively and potentially incorporated into the competitive procurement design.

The primary objective of the April 2022 session was to provide a broad overview of the 2022 RFP including the process timeline, evaluation mechanism and key changes in the process versus the CPRE. Duke Energy also sought stakeholder feedback on discrete aspects of the RFP. A secondary objective was to introduce CRA as the IE and describe the mechanics for bidder communication and Stakeholder feedback. Stakeholders were provided the URL for the process Information Website, www.Duke2022SolarRFPCarolinas.com. Stakeholders were apprised of the proposed cadence of Stakeholder meetings, the proposed timeline and mechanics for comments on the RFP documents and the anticipated RFP launch dates and MW targets.

Five (5) sets of Stakeholder comments were submitted to the IE following the April session. Duke Energy developed written responses to Stakeholder comments in consultation with CRA, and all questions and responses were posted to the Information Website's Stakeholder section. All comments were addressed; no Market Participants expressed any concerns with the substance or timing for the responses.

The May 2022 session provided Stakeholders a greater level of detail on key elements of the 2022 RFP design. The session highlighted the following:

- Network upgrade bid adjustment factor for PPA Track bids (two-part bid mechanism);
- Project size definition and the 20 MW minimum bid requirements;
- Inclusion of Asset Transfer Only bids in the UOT (sale of a project site for Duke Energy completion);
- Reservation of Rights for Duke Energy to request a price refresh or alter guidance for bidding
- Anticipated timeline for the Announcement of winners;
- Commercial operation date ("COD") requirements;
- Network upgrade reallocation risk and evaluation mechanics; and
- Allocation of 2022 SP MW Between DEC and DEP.

A range of stakeholders submitted comments following the session. CRA compiled these comments and Duke Energy's response to comments. Responses ranged from detailed comments on draft documents, bidding requirements and timelines to high-level comments on the solar supply chain, process confidentiality considerations and asymmetry between bidder market risk and Duke Energy's reservation of rights on price refresh. Duke Energy again developed written responses to all Stakeholder comments in consultation with CRA, and all questions and responses were posted to the Information Website's Stakeholder section.

REQUEST FOR PROPOSAL DESIGN

The 2022 RFP design was consistent with other recent RFP processes CRA has managed and evaluated. The process conformed with standard utility procurement practices. All Market Participants were provided equal access to information and key documents were posted to the public Information Website at or near the RFP launch date. Key materials posted for bidder review included:

- The RFP Plan Document
- Appendix A – Pro Forma PPA
- Appendix C – Form of Letter of Credit
- Appendix D – Form of Surety Bond
- Appendix G – Recommendations for Establishing Native Pollinator Habitat on Solar Farms
- Appendix H – Duke's Approved Vendor List
- Appendix I – Instructions for PVsyst Modeling to ensure consistent solar output estimates
- Appendix J – Asset Acquisition Letter of Intent
- Appendix K – Asset Transfer Agreement
- Appendix L – Engineering, Procurement and Construction Agreement
- Appendix M – Build Transfer Agreement
- Interconnection Requirements and Locational Guidance
- Project Evaluation Confidentiality Agreement
- DEC/DEP Standard Interconnection Cost Estimates
- Notice of Intent to Respond to RFP Form
- Standard PPA and UOT bid input forms (excel)
- 8760 Production Profile Template
- Correction to Preliminary Carbon Plan Solar Reference Cost
- Duke Energy's Evaluation Team and Bid Team Separation List
- NCUC November notice regarding target MW for the 2022 Solar Program
- Notice to Market Participants on additional CPRE PPA MW and the avoided cost caps

Market Participants and other stakeholders were allowed to ask questions on the documents and other materials posted. All relevant questions and answers were posted to the Information Website's Q&A section to ensure equal access to information.

The 2022 RFP was officially issued on June 20, 2022 following the extensive stakeholder consultation process described above. Non-binding Notice of Intent to Respond ("NOIR") forms were due on June 22, 2022. Formal Proposals were due on July 22, 2022 at noon Eastern Time. The bid development period of approximately one (1) month afforded Market Participants with sufficient time to review all materials prior to submitting bids into the program. No potential RFP bidder expressed any issues or concerns with respect to the bid development period that were not resolved or otherwise accommodated.

At the time of the RFP launch, the 2022 Solar Procurement's target capacity included an overall goal of approximately 750 MW of solar resources. As noted, 55% of the overall target capacity was to be selected from the UOT bids (~412 MW). The balance (~337 MW) would be selected from the PPA Track bids. It was also recognized that any MW target for total capacity, UOT / PPA Track capacity or BAA minimums would need to be approximate as a precise allocation would be impossible given the MW size of individual proposals bid into the RFP.

On November 1, 2022, the NCUC issued an Order establishing the final MW targets permitting the carry over of additional MW into the 2022 RFP targets to cover a shortfall from the predecessor CPRE program.⁴ A provision to add that CPRE program shortfall of 441 MW to the 2022 RFP target was approved and the overall total target for the 2022 RFP was set to 1,200 MW. All carryover MW were PPA Track MW and the 55%/45% UOT and PPA MW target ratio applied to the 759 non-carryover MW only (1,200 MW – 441 MW = 759 MW). In addition, the Order established a 400 MW minimum for each DEC and DEP BAA with the balance of MW to be selected from the best remaining proposals.⁵

Duke Energy established separation protocols such that the Utility Ownership Team would complete the cost estimates for the Asset Transfer-only proposals in Step 1, after which the sub-team ("Utility Bid Refresh Sub-Team") would receive no information about any Asset Transfer Plus EPC or Build-Own-Transfer Proposal information (until after the RFP winners were announced). The Utility Bid Refresh Sub-Team was solely responsible for the Step 2 bid refresh for any utility self-developed proposals and Asset Transfer-only proposals.

Bid evaluation progressed in two steps. The first Step (initial evaluation) advanced a sufficient number of proposals through to Step 2 (final selection) to ensure that all capacity targets and minimums could be met. Proposals invited to Step 2 were also required to post Proposal Security, which provided some financial assurance that the project owners were ready and willing to move forward in the RFP (or could be subject to lose this security). By eliminating the least attractive proposals from the RFP before any Step 2 evaluations, those proposals were then also free to leave the DISIS queue and hopefully reduce interconnection cost allocation uncertainty. Elimination of non-viable and low-ranking proposals also allowed non-selected proposals the opportunity to avoid certain costs associated with remaining in the 2022 DISIS cluster study. During Step 1, Duke's Evaluation Team

⁴ Nov. 1, 2022 Order in E-2, Sub 1297 and E-7, Sub 1268 authorized CRA to perform independent, third-party oversight of the procurement of additional CPRE MW (up to 441) via the 2022 Solar Procurement. Order at 13.

⁵ Nov. 1, 2022 Order in E-2, Sub 1297 and E-7 Sub 1268, at 14: Target Procurement Volume should be allocated as follows, regardless of CPRE Program or S.L. 2021-165 status: one-third of the Target Procurement Volume to be located in DEC, one-third in DEP, and the remaining one-third to be procured from the least cost remaining projects, whether located in DEP or DEC.

also had the option to select certain proposals as Early Winners, subject to bids meeting the defined Early Winner criteria.

It was anticipated that during Step 2, Market Participants would have greater certainty over interconnection and affected system costs as well as improved information on development timelines and component costs. The RFP allowed for proposal updates as well as a downward price refresh for proposals that remained in contention. The decision to allow for only a downward refresh was made to ensure that initial bid pricing, a critical element of the down selection to advance to Step 2, represented an accurate and viable estimate of final project costs.

BID EVALUATION FRAMEWORK

The bid evaluation framework included both economic and non-economic factors with a 50/50 weighting across those broad evaluation elements. The non-economic factors considered for bid evaluation were similar but not identical across UOT and PPA Track with different considerations associated with each transaction structure.

Table 1 illustrates the factors and weighting for non-economic scoring by track:

Table 1: Evaluation Categories and Weighing

Category	% of Bid Score	Description	Category Detail & Description	Potential Score	Maximum Section Score
Project Economics	50%	Includes fixed and variable bid costs	Scored on the basis of total bid cost per MWh	500	500
Development Risk	30%	Includes development milestones, developer experience, financing plans, mitigation of supply chain risk, interconnection cost reallocation risk	Completion of project milestones	75	300
			MW of solar facilities in service for developer / development team experience	50	
			Appendix E financial information	25	
			Evidence of supply chain risk mitigation strategies	50	
			Anticipated COD and risk of significant interconnection cost reallocation risk	100	
Technology Risk	15%	Evidence of equipment designed to meet specifications	Alignment with design specs (UOT)	150 or	150
			Use of proven technologies/suppliers (PPA)	100	
			Panel efficiency (PPA)	50	
Social Objectives / Environmental Considerations	5%	Diverse business / Environmental compliance and practices	Minority ownership	25	50
			Compliance with permitting and other stewardship practices	25	
TOTAL	100%				1,000

The economic evaluation used an LCOE framework. Bid specific costs were discounted at the appropriate Duke Energy cost of capital based on the project's BAA designation. There are, however, certain limitations of an LCOE framework, principally that a pure LCOE is a measure of project costs without consideration of relative differences in the benefits and risks of projects or contract structures. These limitations were mitigated by the incorporation of non-economic criteria in proposal scoring, the mandated split across UOT and PPA Tracks, that all projects were solar energy only as well as the fact that the RFP allowed only projects falling within a relatively narrow in-service window and required standardized PPA parameters such as contract term.

While the LCOE framework is an industry standard and in common use for proposal evaluation, it should be noted that due to these framework limitations, the LCOE values across PPA and UOT tracks are not directly comparable. There are material differences in the optionality, benefits and risks associated with asset ownership that are not available through contractual control of an asset via PPA. Under the \$/MWh denominated PPA, availability and performance risk is borne by the PPA counterparties and managed by Duke Energy through PPA performance guarantees and penalties. PPA counterparties are incentivized to ensure facility availability and Duke Energy customers are largely insulated from performance risk. With utility ownership projects, performance risk shifts to Duke Energy and its customers and the LCOE is calculated over the entire asset life rather than only over the PPA term. Ownership, however, also confers greater control of the asset that creates optionality around facility investment and maintenance, life extension opportunities and site control. As a result, while the LCOE values for PPA Track and UOT bids appear comparable, a direct comparison of UOT versus PPA LCOE either individually or in aggregate may be misleading and is improper. This inability to directly compare across tracks was not problematic as there were separate volume targets for each track.

PPA LCOE included an evaluation step related to interconnection cost financing. Since Market Participants did not have final DISIS interconnection costs at the time bids were due, Market Participants were asked to submit a 2-part bid price. The Part A portion of the bid was a \$/MWh PPA price absent any interconnection costs. The Part B portion of the bid price was a variable \$/MWh adder per \$1,000,000 of interconnection costs. As part of the evaluation, the LCOE team compared the Part B cost to the cost for Duke Energy to finance interconnection costs itself. Individual bids were evaluated at the lower of the Duke Energy or bidder-financed interconnection costs for the project. For all proposals invited to Step 2 of the evaluation, the bidder-financed option yielded a lower cost for customers.

The development risk scoring category under the 2022 RFP captured risks associated with facility development milestones and permits, the Market Participant's experience developing and operating comparable renewable facilities, their financing plans for the facility, target in-service date, as well as potential for significant increase in interconnection cost reallocation. The latter was assessed based on potential project attrition of other proposals in other DISIS phases due to high costs, in which remaining network upgrade costs may be re-allocated to surviving proposals. Upgrade cost re-allocation risk represents a substantial uncertainty to the viability and ultimate cost of an individual project and the cost cannot be known prior to bid selection. The purpose of the DISIS cost reallocation risk element of evaluation was to flag proposals that may be at high risk for cost re-allocations, affected system costs or interconnection upgrade requirements that compromise the project's COD or economics.

The technology risk scoring category was designed to ensure that proposals submitted conformed to the Duke design specifications and preferred technologies and vendors. The technology risk category scoring awarded points differently across bid Tracks; UOT bids were required to meet certain Duke design specifications while PPA Track bids were afforded more flexibility. The asymmetry in scoring

across tracks was appropriate due to risk and facility optionality asymmetry for Duke and customers for PPA proposals versus proposals submitted for ownership.

The final element of scoring relates to social objectives and environmental considerations. Points were awarded related to majority ownership by minority and woman owned companies and for demonstrated commitment to environmental stewardship practices.

Before the Step 2 process commenced, proposals that bid both tracks were allowed to withdraw projects from either track, while remaining as an active project in the other track, because the RFP did not explicitly state whether this single-track withdrawal was allowable. This flexibility allowed bidders to re-assess their proposals given the then recently passed IRA as well as volatile supply chain and market indicators.

PROPOSAL RECEIPT AND PROPOSAL QUALIFICATION

Market Participants who intended to submit a proposal into the 2022 RFP were strongly encouraged to submit a non-binding NOIR in advance of RFP issuance. Completed NOIR forms were to be emailed to the IE by June 22, 2022. There was no fee required to submit a NOIR and participants were allowed to submit proposals in the RFP even if they hadn't provided a NOIR.

The IE received NOIRs from 23 entities, indicating that they intended to submit proposals for 77 projects totaling over 6,000 MW. NOIR participants indicated that over 75% of proposed projects would be in DEP, showing a strong preference for this BAA over DEC's BAA. The NOIR project distribution across RFP tracks was more evenly spread with 45% of the projects being proposed under both the PPA and UOT tracks, 29% under the UOT track only, and 26% under the PPA Track only. Overall, the NOIR process indicated a strong interest by third parties in this RFP and set expectations for the number of projects to be proposed during the following bid submission process.

Of the 77 projects submitted during the NOIR period, 68 projects totaling over 5,000 MW were ultimately submitted into the RFP by the July 22, 2022 bid submission due date. Table 2 provides a detailed breakdown of the types of proposal submissions.

Table 2: Projects and MW Submitted into the Duke 2022 Solar Program RFP⁶

PROPOSAL TYPE	DEC		DEP		TOTAL ⁷	
	# of Projects	Generating Capacity (MWac)	# of Projects	Generating Capacity (MWac)	# of Projects	Generating Capacity (MWac)
ASSET TRANSFER ONLY	2	40	6	565	8	605
ASSET TRANSFER AND PPA	9	492	9	677	18	1,169
ASSET TRANSFER PLUS EPC ONLY	0	0	0	0	0	0
ASSET TRANSFER PLUS EPC AND PPA	0	0	1	75	1	75
BUILD OWN TRANSFER ONLY	0	0	4	695	4	695
BUILD OWN TRANSFER AND PPA	3	225	11	828	14	1,053
PPA ONLY	3	185	16	1,142	19	1,326
UTILITY SELF-DEVELOPED	2	112	2	220	4	332
TOTAL⁷	19	1,053	49	4,202	68	5,255

The initial step in the bid evaluation was a threshold review of the submissions to ensure that all proposals met the basic requirements for the RFP. One (1) project was determined to be non-conforming and was eliminated from further consideration during the initial review. Three (3) additional projects requested to withdraw from the RFP during the same timeline. During the Step 1 evaluation, one (1) additional project requested to withdraw from the RFP and another one (1) was disqualified for not meeting the readiness requirements to proceed to the 2022 DISIS Phase 1 study. This resulted in 62 projects at the end of the Step 1 evaluation totaling 4,684 MW.

CRA would characterize Duke's 2022 RFP as highly competitive based on our experience in administering capacity RFP processes for utility clients. 4,684 MW of capacity yields a ratio of supply to demand of 3.9 versus the 1,200 MW capacity target. DEC project availability, while more constrained than DEP, was 2.2 times the 400 MW minimum for the BAA.

EVALUATION AND PROJECT SELECTION

As described in Section VI of the RFP, the bid evaluation progressed in two Steps. After curing the submitted proposals, the IE shared information about the Asset Transfer-only bids with the Utility Ownership Team such that they could complete the cost estimates (such as EPC costs) for the bid. Upon completion, the Utility Bid Refresh Sub-Team maintained separation from the rest of the Utility Ownership Team and Duke Evaluation Team. The Utility Ownership Team then performed the non-economic evaluation for all UOT proposals and shared the scores with the IE to review. Similarly, the IE calculated the non-economic scores for all of the PPA proposals. In Step 1 of the evaluation process which concluded in conjunction with the conclusion of Phase 1 of the 2022 DISIS, the IE and

⁶ Table data includes projects submissions. Counts and MW have not been adjusted for disqualifications or project withdrawals.

⁷ Total MW values may not match the sum of MW in each category due to rounding.

the Duke Evaluation Team performed an initial ranking of Proposals consistent with the economic and non-economic evaluation criteria identified above.

Each conforming PPA Track Proposal was evaluated on its twenty-five (25) year LCOE. Because the evaluation was conducted on a \$/MWh basis, no Proposal had an advantage based on facility size. UOT Proposal LCOE was derived using the annual facility cost of service revenue requirement and applying it to the facility's projected annual output over an anticipated 30-year asset life. For all projects regardless of track, the LCOE used the utility allowed weighted average cost of capital as the discount factor to calculate the levelized cost. In addition to LCOE, all projects received a score on non-economic factors. The combined economic and non-economic scoring elements yielded a total score for each proposal.

Proposals were rank ordered within the PPA and UOT tracks and the top scoring projects in each track and BAA advanced to Step 2. The IE verified the basis for selection of the initial shortlist of bids that were invited to Step 2 based upon Duke's bid evaluation methodology and consideration of economic and non-economic factors. Because of mildly constrained project availability in DEC, all DEC projects were advanced to Step 2 of the process to ensure sufficient capacity to meet BAA minimums, flexibility on UOT and PPA track targets and to provide cover for potential deal attrition.

Several proposals invited forward to Step 2 requested to drop a track when they moved forward. There were no explicit RFP rules preventing Market Participants from removing their proposals from one RFP track. As a result, the IE and Duke allowed them to exercise this option and continue in the RFP under only their preferred track. While allowing the bidder to drop one track did not completely remove any projects from the RFP, it did reduce the Step 2 selection flexibility. Attrition of options from both the PPA and UOT tracks resulted in fewer proposals eligible under each track. Nine (9) proposals that were invited to Step 2 declined and opted to withdraw from the process, and four additional proposals were invited to Step 2, three of which accepted, ultimately resulting in 28 proposals⁸ available for final selection for a total of over 1,800 MW. While project attrition resulted in fewer proposals to select from, 28 proposals remained, and the IE still viewed the process as sufficiently competitive.

⁸ The project count excludes two (2) projects that were denied zoning permits during Step 2 and excludes the 2 Early Winners that accepted.

Table 3: Projects and MW at the end of Step 1 Evaluation of the Duke 2022 Solar Program RFP

PROPOSAL TYPE	DEC		DEP		TOTAL ⁷	
	# of Projects	Generating Capacity (MWac)	# of Projects	Generating Capacity (MWac)	# of Projects	Generating Capacity (MWac)
ASSET TRANSFER ONLY	2	40	5	490	7	530
ASSET TRANSFER AND PPA	7	337	9	677	16	1,014
ASSET TRANSFER PLUS EPC ONLY	0	0	0	0	0	0
ASSET TRANSFER PLUS EPC AND PPA	0	0	0	0	0	0
BUILD OWN TRANSFER ONLY	0	0	3	495	3	495
BUILD OWN TRANSFER AND PPA	3	225	11	828	14	1,053
PPA ONLY	3	185	15	1,076	18	1,260
UTILITY SELF-DEVELOPED	2	112	2	220	4	332
TOTAL⁷	17	898	45	3,786	62	4,684

The Evaluation Team retained the option under Section VI.C of the RFP to select some proposals as Early Winners at the conclusion of Step 1. To be considered as an Early Winner, a proposal had to meet certain objective criteria and be among the most competitive proposals. Eligible Early Winners could be selected from either the UOT and/or PPA tracks. Proposals could include those participating in DISIS or proposals with an executed interconnection agreement ("IA"). To be selected as an Early Winner, the proposal had to meet all of the following criteria, providing Duke with a high level of confidence in the project's development timeline and pricing:

1. Proposal shall have no contingent or dependent network upgrades with any other generator that has not executed an IA.
2. Proposal shall not be flagged for an Affected System notification in Phase 1 Power Flow Study.
3. Proposals must place in the most competitive quartile (inclusive of system upgrades) by number of proposals (not by MW).
4. The sum total of the MW of the proposals that are selected as Early Winners after the Phase 1 Power Flow Study shall not be more than 30% of the total target capacity sought to be procured in the 2022 SP RFP (before volumetric adjustments).

Four (4) proposals were offered Early Winner awards and two (2) of the four (4) Early Winners accepted their offers and executed their acceptance agreements. The details of the Early Winners are included in Table 4.

Table 4: Early Winners

Project Name	Bidder Name	BAA	Track Offered	Disposition
Gideon Solar	Birdseye Renewable Energy, LLC	DEP	UOT	Accepted
Beaverdam Renewable Energy Center	Duke Energy Carolinas, LLC	DEC	UOT	Accepted
		DEP	UOT	Elected to advance to Step 2
		DEC	PPA	Bid withdrawn

Proposals advanced to Step 2 of the process were allowed to provide a downward price refresh in April 2023. Out of the 17 proposals that were available in the UOT, 2 proposals revised their UOT bid prices and had a MW-weighted average price reduction of \$841,051; in the PPA Track, out of 22 proposals, 10 revised their PPA bid prices and the MW-weighted average of the refreshed prices was \$4.13/MWh lower. Updated bid prices and non-economic details, if revised during the price refresh, were used for the final LCOE⁹, ranking and bid selection. During Step 2, two (2) proposals were no longer considered conforming and were disqualified from the RFP after they indicated in the bid refresh that their zoning permit requests were rejected by local authorities. The Duke and CRA evaluation teams worked in tandem on the LCOE scoring of all bids and on non-economic scoring for UOT bids. There were no instances where the CRA and Duke evaluation teams reached different conclusions on economic or non-economic scoring for any project proposal. In all cases, the teams were able to resolve any initial differences in the evaluation.

Whether to consider the RZEP costs in project level LCOE was an area of debate prior to finalizing the RFP and was a complicating factor in the overall process because the NCTPC approval of the RZEP projects in the Carolinas came after the initial launch of the 2022 Solar Program RFP. The June 10, 2022 and Nov. 1, 2022 Orders in E-2 Sub 1297 required the bid evaluation process to “evaluate bids in a manner that takes into account all costs for the proposed facilities, including Network Upgrades”. As a result, for the purposes of evaluating project economics, RZEP costs were included in the LCOE evaluation of each project.

To facilitate the 50/50 weighting across economic and non-economic elements of scoring, CRA started by calculating the mean and standard deviation of non-economic scores for each bid track. The LCOE score for each project and track was fitted to a distribution with the same mean and standard deviation as non-economic scoring. This LCOE “score” was added to the non-economic score for each bid to yield a total score. Proposals were rank ordered within each track based on this total score.

Two (2) UOT Early Winners had already been established, so the remaining UOT target after Step 2 was 296.7 MW. Project selection examined the top-ranked 296.7 MW of UOT and 782.6 MW of PPA bids and found no overlap between them. During the selection, there were instances where some DEC proposals were prioritized over higher scoring DEP proposals in order to meet the 400 MW DEC minimum. The minimum MW requirement by BAA, therefore, did lead to selection out of overall rank order and place upward pressure on overall portfolio costs.

⁹ This included updated economic modeling for IRA tax credit provisions for UOT bids, i.e. whether the project qualifies for prevailing wage and apprenticeship, domestic content bonus, and/or energy community bonus.

While the CPRE and 22 SP contracts were materially similar, some PPA winners received CPRE contracts and some received 22 SP contracts. Given that RZEP costs were added for the evaluation, there were only two DEC PPAs that fell below the DEC avoided cost threshold, so they were both offered CPRE PPAs. The 315 MW remaining of the CPRE target were awarded to DEP PPAs starting at the highest ranked Proposals, and these were all below the DEP avoided cost threshold as well.

RESULTS

The portfolio of proposals selected as “winners” to continue to the contracting phase included the two (2) proposals that accepted their Early Winner award and 16 additional Step 2 selected proposals.

The IE offers the following observations about the RFP evaluation process results:

- The evaluation process was executed consistent with the pre-determined RFP rules. There were no actual or alleged violations of RFP standards, rules or documented process protocols.
- The Duke Evaluation team maintained proper separation between the Utility Bid Refresh Sub-Team and the Utility Ownership Team and Duke Evaluation Team. Separation protocols were consistent and compliant with Section IV Subpart D of the 2022 Solar Program RFP document.
- The IE independently scored all PPA proposals and UOT proposals to determine that the selections for the initial and final shortlists were reasonable.
- The IE verified the final selection of proposals based upon Duke’s bid evaluation methodology and consideration of economic and non-economic factors. Consistent with the evaluation methodology, the resources chosen minimize long-term costs and risks for Duke’s retail customers.
- The IE’s final rankings did not differ from the Duke Evaluation Team’s ranking of PPA or UOT track bids.
- The weighted average LCOE of the selected portfolio was \$59.99/MWh, with RZEP costs included. At the Solar Reference Cost for the 2022 Procurement of \$59.21/MWh including transmission interconnection costs, the results did not warrant either an upward or downward adjustment to the target MW under the VAM rules of the RFP. Duke Energy’s decision not to trigger the VAM was appropriate and consistent with process rules.¹⁰
- The RFP had an imperative to “consider the lowest cost and most stable overall portfolio of projects accounting for shared cost allocation and project interdependency risk, and not just the individual rank orders.” (Section VI.C). As a result, one (1) UOT track proposal in the

¹⁰ Nov. 1, 2022 Order in E-2, Sub 1297, at 14: Duke shall include CPRE Program winning bids in calculating the weighted average cost of the portfolio for purposes of applying the Volume Adjustment Mechanism, and the total capacity procured — whether CPRE MW shortfall or Carbon Plan MW capacity — is subject to adjustment pursuant to the terms of the Volume Adjustment Mechanism;

DEC BAA was not selected as a winner even though it ranked ahead of another selected DEC proposal. If this proposal had been selected, all other winners, including the lower ranking project, still would have been selected in order to meet the BAA minimums and the 55% / 45% target split between Tracks. Without selecting this proposal, Duke still met the BAA and UOT minimums and therefore did not select the proposal to honor the lowest cost portfolio objective. The decision not to select this proposal is consistent with the objective to minimize cost for DEC and DEP customers while meeting the minimum MW targets set for this RFP. In addition, process rules are clear that the RFP Target Volume is a target and limited deviations may be acceptable to achieve the least cost portfolio of differently sized resources bid into the RFP. Table 5 and Table 6 below show the portfolio of selected proposals in each track of the RFP.

- To date, neither the North Carolina Public Staff nor the South Carolina Office of Regulatory Staff have requested the IE participate in any additional meetings related to final selection by the Duke Evaluation Team. However, the IE remains available to meet with the regulatory staff in either State, if requested.

During the contracting phase, certain proposals adjusted their capacity, resulting in 1,193.5 MW selected, which was slightly below the RFP target of 1,200 MW. The minimum targets of 400 MW in each BAA were met even after these adjustments – approximately 416 MW were selected in DEC and 778 MW in DEP. Based on offers to winners, 776.1 MW were PPA including 439.9 MW of carry over CPRE MW. 417.4 MW were UOT. After adjusting for CPRE PPA, 55.4% of offers were UOT and 44.6% were PPA, consistent with the track targets.

Table 5: Utility Ownership Track Selected Proposals

PROJECT NAME	BAA	STATE	COUNTY	AFFECTED BY RZEP UPGRADES?	STEP 2 LCOE EXCLUDING RZEP	STEP 2 LCOE INCLUDING RZEP	STEP 2 TOTAL SCORE	STEP 2 SIZE (MWAC)	BIDDER NAME
Gideon Solar	DEP	NC	Nash	No			Early Winner	80.00	Birdseye Renewable Energy
Beaverdam Renewable Energy Center	DEC	SC	Laurens	No			Early Winner	40.80	Duke Energy Carolinas
Robinson Renewable Energy Center	DEP	SC	Darlington	Yes			727.9	76.00	Duke Energy Progress
Newberry Renewable Energy Center	DEC	SC	Newberry	Yes			628.3	70.70	Duke Energy Carolinas
Quail Holdings	DEC	NC	Davie	No			585.3	30.00	Birdseye Renewable Energy
Yorkshire Holdings	DEC	SC	Laurens	Yes			518.7	45.00	Birdseye Renewable Energy

UOT LCOEs utilize the network upgrade cost estimates from DISIS Phase 2, which are subject to change as the interconnection study process advances and construction of upgrades are complete. The Companies acknowledge that the economic evaluations utilized in the 2022 RFP do not represent a cost-of-service recovery methodology.

¹¹ See discussion below, Market Participant declined the award on this project.

Table 6: PPA Track Selected Proposals

PROJECT NAME	BAA	STATE	COUNTY	AFFECTED BY RZEP UPGRADES?	STEP 2 LCOE EXCLUDING RZEP	STEP 2 LCOE INCLUDING RZEP	STEP 2 TOTAL SCORE	STEP 2 SIZE (MWAC)	ASSIGNED AS CPRE WINNER?	BIDDER NAME
Gum Swamp Solar	DEP	NC	Scotland	Yes			636.3	80.00	Yes	Pine Gate Renewables
[REDACTED]										
Hycos Solar	DEP	NC	Person	No			613.2	80.00	Yes	Cypress Creek Renewables
[REDACTED]										
Maple Leaf Solar	DEP	NC	Johnston	No			595.9	73.00		Capital Power
Sleepy Creek Solar	DEP	NC	Bladen	No			588.7	80.00		Pine Gate Renewables
Stevens Mill Solar	DEP	NC	Wayne	No			573.3	80.00		Cypress Creek Renewables
Bear Claw Solar	DEC	SC	Cherokee	No			532.8	28.25		Palladium Energy
Foster Mill Solar	DEC	SC	Spartanburg	No			517.5	54.00	Yes	Sun Tribe Development
Five Circles Solar	DEC	SC	Anderson	Yes			482.3	74.90		Southern Current
Wilson Bridge Solar	DEC	SC	Greenwood	Yes			482.0	72.00	Yes	Sun Tribe Development

After notifying the winners, the IE notified the 'next two' UOT and the 'next two' PPA proposals to be ready should some winners decline their offers. All of these proposals asked to be withdrawn and have their proposal security returned. The IE and Duke agreed to return security because the RFP rules indicated that non-winners could have their proposal security returned without any other restrictions, requirements or timelines specified.

After final project selections had been made, certain proposals that were selected indicated that they didn't intend to proceed through the contracting phase as shown in Table 7 below. One (1) UOT winner in [REDACTED], declined to accept the award and execute the Letter of Intent. Two (2) PPA winners declined their awards as well. For all three (3) proposals that declined to accept their awards, Duke retained their proposal security consistent with RFP process rules.

Table 7: Selected Proposals That Chose Not To Proceed

PROJECT NAME	BAA	RFP TRACK OF WINNING PROPOSAL
[REDACTED]	[REDACTED]	PPA
[REDACTED]	[REDACTED]	PPA
[REDACTED]	[REDACTED]	UOT

While Duke Energy had the option to invite additional proposals as the next best UOT and PPA proposals, the selected winners that declined their awards only notified the IE within a few days of the close of the DISIS Customer Engagement Window. Additionally, almost all of the non-winning proposals had already chosen to withdraw. The IE and Duke Energy, thus, made the decision instead to roll the resulting MW shortfall, up to a limit, into the upcoming 2023 RFP. As of the date of this report, the selected proposals remaining in the contracting phase of the 2022 SP RFP represent 965 MW.

SUMMARY OF CONCLUSIONS

The RFP rules indicate that after the Companies' procurement selection is completed, CRA must provide the Commissions with an overall assessment of the process and indicate whether the goals of the RFP were achieved. The goals of the process included generating sufficient bidder interest to ensure a competitive process, securing sufficient MW within each BAA to meet the minimum 400 MW thresholds, identifying suitable proposals under both the UOT and PPA tracks to yield approximately a 55% / 45% split of MW across RFP tracks. In addition, CRA was to execute the process to eliminate any actual or perceived utility favoritism for its own self-build project submissions in the evaluation and selection process.

CRA's overall assessment is that the goals of the RFP were achieved. Sixty-two (62) proposals were submitted into the process through conforming proposals. These 62 projects totaled 4,684 MW¹². That level of capacity represented 3.9 times the 1,200 MW target for the solicitation. Each of the RFP tracks had sufficient capacity above the respective MW targets for CRA to characterize the process as highly competitive. The one aspect of the process where there were somewhat limited proposal offerings versus the target was for the DEC BAA minimum of 400 MW. There was only a MW multiple of 2.2 from conforming proposals versus the minimum target for the BAA. While competition there

¹² MW values from conforming proposals in the RFP are captured prior to adjustments made during the contracting phase.

may not have been as robust as other aspects of the RFP, CRA believes the proposals selected for advancement are reasonably priced and selection is in the best interest of Duke Energy's customers.

The eligibility and threshold evaluations were performed on a fair and consistent basis with the evaluation process published in the RFP. These threshold screening factors were applied consistently across all proposals and the requirements were consistent with other RFP processes that CRA has managed.

The initial evaluation stage, including the economic and non-economic evaluations, was performed on a fair and consistent basis across all Market Participants and the process was executed in a manner consistent with the evaluation process published in the RFP. The use of LCOE as the basis for evaluating proposal economics is reasonable and typical especially given that the MW targets for UOT and PPA Tracks were set in advance and the bid submissions were required to fit within a narrow technology range.

Use of a matrix of non-economic factors for bid evaluation and scoring is also reasonable and typical. Market Participants were provided sufficient information on the evaluation parameters to allow them to submit bids consistent with the Companies' needs. The range of risk factors and rating guidelines were reasonable and consistent with similar criteria CRA has developed or observed. Company subject matter experts that participated in the review and scoring were consistent in their approach. The combined scoring and ranking using a 50%/50% weighting between economic and non-economic factors was reasonable.

Market Participants selected for advancement to Step 2 of the process were allowed to submit a downward price refresh. Not allowing an upward price refresh was a controversial point prior to RFP finalization, particularly given the volatile market and regulatory environment. The decision to allow only a downward refresh was to ensure that Market Participants submitted reasonable prices with their initial bids (to discourage potential gaming with extremely low initial bids that were later raised in the refresh) and ensure that the selection of proposals for advancement to Step 2 was based on a realistic estimate of project costs. CRA believes that not allowing for an upward adjustment in pricing likely contributed to some amount of project attrition, but it also improved the multi-step bid evaluation by ensuring that bidders provided their best offers during Step 1, which were used to identify projects to continue to Step 2 of the evaluation. In addition, all Market Participants faced the same market challenges and the same uncertainties in pricing bids.

The detailed evaluation stage was performed on a fair and consistent basis with the evaluation process published in the RFP. The methodology employed was consistent with accepted industry practices. There is no evidence that the evaluation and selection process caused any unfair advantage or disadvantage to any interested party or respondent. Resources selected represented the highest ranked portfolio of options available to be least-cost to customers subject to the target MW across tracks and BAAs. The process properly weighed economic and non-economic factors in the selection of proposals.

Certain aspects of the bid evaluation were conducted by representatives of the Companies. In such cases, the IE had access to all data, information and models and verified all assumptions. There is no evidence that any preference was afforded to self-build options or other developers as a result of any aspects of the bid review process, methodology or assumptions.

In summary, the IE has assessed the RFP design and execution, including the RFP documentation, and Stakeholder comments and we offer the following conclusions:

1. The proposed final RFP design and documentation was consistent with industry standards and precedent.
2. The information contained in the final RFP package as presented was clear and the requirements noted are typical for similar RFPs we have overseen.
3. The proposed evaluation process and the mechanism for scoring and evaluating bids was reasonable and did not provide any individual bidder an undue advantage for selection.
4. The Stakeholder process provided parties advance notice about the RFP and the proposed process rules. The process as conducted facilitated Stakeholder feedback and provided sufficient review time to potential participants. The Stakeholder meetings were well attended and participants demonstrated engagement with the materials and issues presented. Duke Energy's evaluation of and response to Stakeholder feedback was fair and developed in a reasonable manner in consultation with the IE.
5. The current market environment for solar and storage resources is still affected by global and local issues. Market Participants needed to navigate a recovering supply chain, high inflation, volatile interest rates and a dynamic regulatory environment. However, competition in the RFP was strong, submitted proposals were high quality and the proposals selected were priced consistent with the Duke Solar Reference Cost.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing PUBLIC REDACTED CRA 2022 DEC
DEP RFP Post-Solicitation Report, as filed in Docket Nos. E-2 , Sub 1297 and E-7, Sub
1268, were served electronically, upon all parties of record.

This, the 31st day of July, 2023.

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