

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1320

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
)	DUKE ENERGY PROGRESS,
Application of Duke Energy Progress, LLC for)	LLC 2022 RENEWABLE
Approval of Renewable Energy and Energy)	ENERGY & ENERGY
Efficiency Portfolio Standard Compliance Report)	EFFICIENCY PORTFOLIO
and Rider Pursuant to N.C. Gen. Stat. § 62-133.8)	STANDARD COMPLIANCE
and Commission Rule R8-67(c))	REPORT

**DUKE ENERGY PROGRESS, LLC
RENEWABLE ENERGY AND ENERGY EFFICIENCY
PORTFOLIO STANDARD (“REPS”)
COMPLIANCE REPORT**

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(A) **INTRODUCTION**

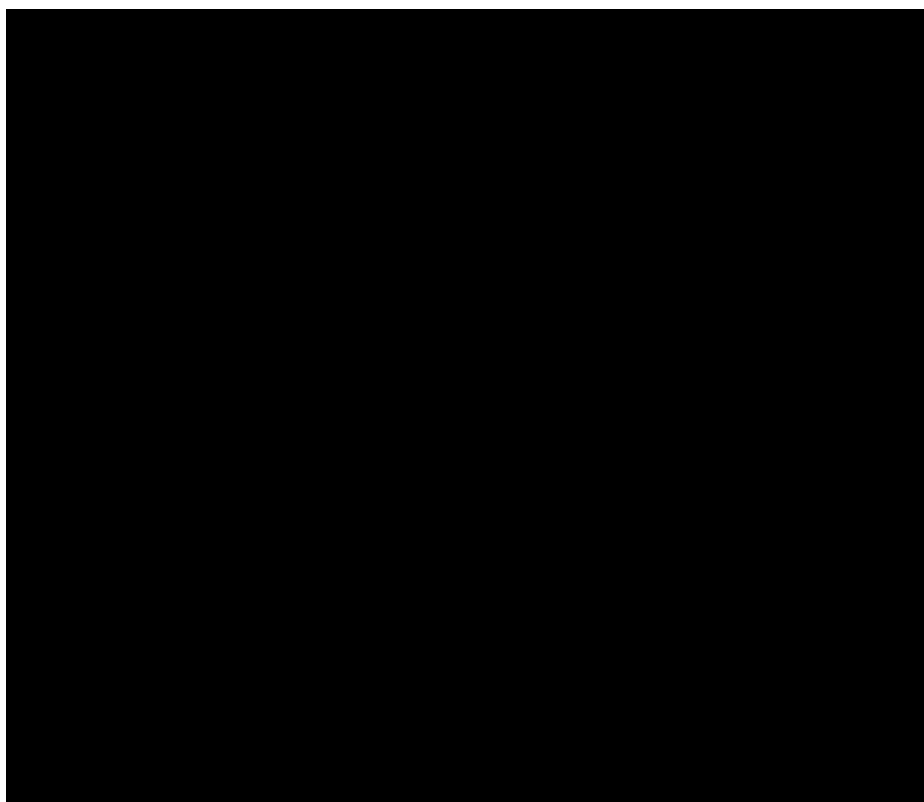
Duke Energy Progress, LLC (“Duke Energy Progress” or the “Company”) submits its Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) Compliance Report (“Compliance Report”) in accordance with N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c). This Compliance Report provides the required information for the calendar year 2022.¹

(B) **REPS COMPLIANCE REPORT**

I. **RENEWABLE ENERGY CERTIFICATES:**

The table below reflects the renewable energy certificates (“RECs”) used to comply with N.C. Gen. Stat. § 62-133.8(d) for the year 2022.

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¹ Pursuant to NCUC Rule R8-67(c)(1), this Compliance Report reflects Duke Energy Progress’ efforts to meet the REPS requirements for the previous calendar year.

II. ACTUAL 2022 TOTAL NORTH CAROLINA RETAIL SALES AND YEAR-END NUMBER OF ACCOUNTS, BY CUSTOMER CLASS:

	2022
NC Retail MWh Sales (MWh)	38,713,586

Customer class	2022 year-end number of accounts
Residential	1,362,401
General	218,341
Industrial	1,918

III. AVOIDED COST RATES

Appendix 1 shows the current avoided cost rates and the avoided cost rates applicable to energy received pursuant to REPS compliance power purchase agreements.

IV. TOTAL AND INCREMENTAL COSTS INCURRED IN 2022

REPS compliance costs incurred for calendar year 2022 comprise the cost of renewable energy purchases, the cost of purchases of various types of RECs, and other reasonable and prudent costs incurred to meet the requirements of the REPS statute. In addition, annual Solar Rebate Program costs incurred pursuant to N.C. Gen. Stat. § 62-155 are recovered in the REPS rider as directed in N.C. Gen. Stat. § 62-133.8(h)(1)d.

Actual Costs Incurred	Energy and REC Costs	Other	Total Costs
REPS compliance - avoided cost	\$ 144,541,964	\$ 0	\$ 144,541,964
REPS compliance – incremental cost	\$ 38,035,786	\$ 1,943,010	(a) \$ 39,978,796
REPS compliance - total cost	\$ 182,577,750	\$ 1,943,010	\$ 184,520,760
Solar Rebate Program cost	\$ 0	\$ 2,314,096	(b) \$ 2,314,096
Incremental REPS compliance costs and Solar Rebate Program costs for REPS rider recovery		(a) + (b) above	\$ 42,292,892

V. INCREMENTAL COSTS COMPARISON TO THE ANNUAL COST CAP

Account Type	Total 2021 year-end number of retail REPS accounts	Annual per-account cost cap	Total annual cost cap
Residential	1,328,488	\$ 27	\$ 35,869,176
General	213,452	\$ 150	\$ 32,017,800
Industrial	1,736	\$ 1,000	\$ 1,736,000
Total annual REPS compliance cost cap – 2022			\$ 69,622,976
REPS compliance – incremental costs incurred – 2022			(a) \$ 39,978,796

VI. STATUS OF COMPLIANCE WITH REPS REQUIREMENTS

Pursuant to N.C. Gen. Stat. § 62-133.8(b) for Duke Energy Progress retail customers, the REPS requirement for calendar year 2022 is set at 12.5% of 2021 North Carolina (“NC”) retail sales. To comply with the REPS obligation for Duke Energy Progress retail customers, the Company submitted 4,572,269 RECs, representing 12.5% of 2021 retail megawatt-hour sales of 36,578,148. Details of the composition of RECs retired to meet the total REPS compliance requirement are contained in Section I of this report.

Pursuant to N.C. Gen. Stat. § 62-133.8(d), for calendar year 2022, at least 0.20% of the total prior year NC retail sales shall be supplied by a combination of new solar electric facilities and new metered solar thermal energy facilities. As a result, 73,157 solar RECs were submitted for retirement to meet the solar set-aside requirement. An additional 1,620,116 solar RECs were submitted for retirement toward compliance with the general requirement (the total REPS requirement net of the solar, poultry waste and swine waste set-aside obligations).

In its March 4, 2022 *Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief* (“2021 Delay Order”) issued in Docket No. E-100, Sub 113, the Commission set the 2022 and 2023 poultry waste set-aside requirements at 700,000 MWhs and 900,000 MWhs, respectively. On December 20, 2022, the Commission issued two additional orders in Docket No. E-100, Sub 113. The first was the *Order Ruling on Motion for Clarification and Request for Declaratory Ruling Regarding Cost Cap, Modifying Swine and Poultry Waste Set-Aside Requirements, and Providing Other Relief* (“2022 Delay Order”) in which the Commission reiterated that the poultry waste set-aside requirement for

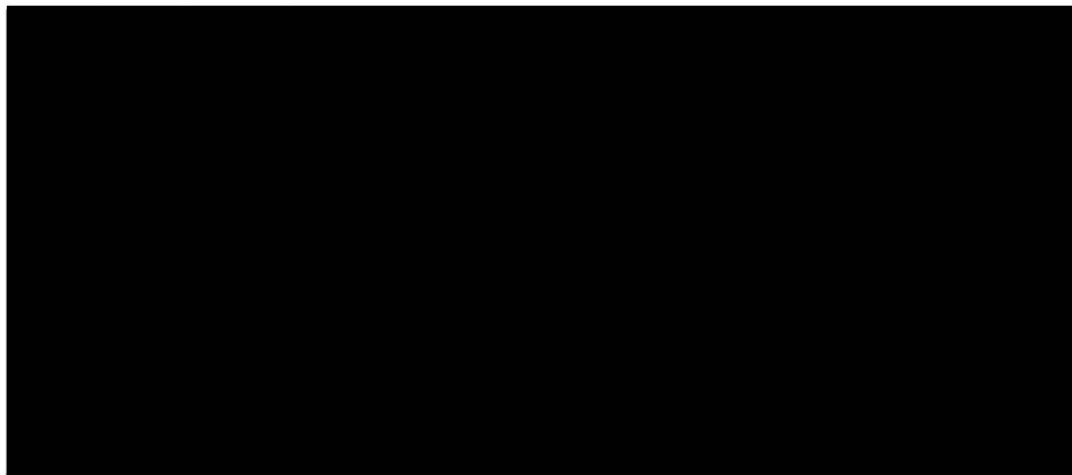
calendar years 2022 and 2023 would remain unchanged from its 2021 Delay Order. The second was its *Order Establishing 2022, 2023, and 2024 Poultry Waste Set-Aside Requirement Allocation* which reset each electric power supplier's load ratio share of the annual aggregate poultry waste set-aside requirement. Accordingly, the Company submitted for retirement 193,343 poultry waste RECs and met its 2022 poultry waste set-aside requirement.

In its 2022 Delay Order, the Commission modified the swine waste set-aside requirements for 2022 and each year thereafter for electric public utilities and set the 2022 swine waste set-aside at 0.05% of total NC retail sales. To comply with the swine waste set-aside requirement applicable to DEP's NC retail sales, the Company submitted for retirement 18,290 swine RECs.

VII. IDENTIFICATION OF RECs CARRIED FORWARD

The table below reflects RECs generated through year-end 2022 and banked for use in future compliance years. The chart excludes those RECs that have already been retired to meet compliance as well as Hydropower – Non-SEPA RECs that the Company can not use for its own compliance.

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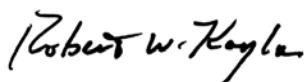
VIII. DATES AND AMOUNTS OF ALL PAYMENTS MADE FOR RENEWABLE ENERGY CERTIFICATES

Confidential Appendix 2 details the dates and amounts of all payments made for renewable energy certificates during calendar year 2022.

(a) **METHODOLOGY FOR DETERMINING NUMBER OF CUSTOMERS
AND CUSTOMER CAP**

Consistent with the Commission's order issued November 12, 2009 in Docket No. E-2, Sub 948, for purposes of REPS billing, the Company defines as a single customer all accounts (metered and unmetered) serving the same customer of the same revenue classification located on the same or contiguous properties. If a customer has accounts which serve in an auxiliary role to a main account on the same premises, no REPS charge applies to the auxiliary accounts, regardless of their revenue classification.

Respectfully submitted this the 13th day of June, 2023.



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