



TO: CPRE File  
 FROM: Independent Administrator  
 DATE: May 15, 2020  
 RE: CPRE Tranche 2 Initial Status Report

## I. EXECUTIVE SUMMARY

On July 22, 2019, the Independent Administrator (“IA”), Accion Group, made public the website that would be the centerpiece for the entire Duke Energy Competitive Procurement of Renewable Energy (“CPRE”) Request for Proposal (“RFP”) Tranche 2 process. The website contains three “silos,” Duke Energy Carolinas (“DEC”), Duke Energy Progress (“DEP”), and Asset Acquisition (“AA”), each containing its respective documents, including the RFP. Once the website was made public, Market Participants (“MPs”) had the ability to register on any site. From October 15, 2019, to March 9, 2020, registered MPs gained access to view and fill out the RFP Proposal form. Proposals were received through March 9, 2020. The information set forth herein pertains to data collected on the IA website from DEC and DEP spanning from the time registration opened until the RFP window closed.

## II. REGISTRATION AND SUBMISSION DATA

From July 22, 2019 until March 9, 2020, the website, including all silos, was open for public registration and use. Within the DEC silo, 183 individuals registered from 94 different companies and 10 registered independent of a company. Within the DEP silo, 97 individuals registered from 55 different companies and five registered independent of a company. From October 15, 2019, until March 9, 2020, registered MPs had the opportunity to fill out as many Proposal forms as they desired. On the DEC silo, 15 MPs submitted 37 Proposals, and on the DEP silo, five MPs submitted six Proposals. This data can be seen in Figure 1 and 2.

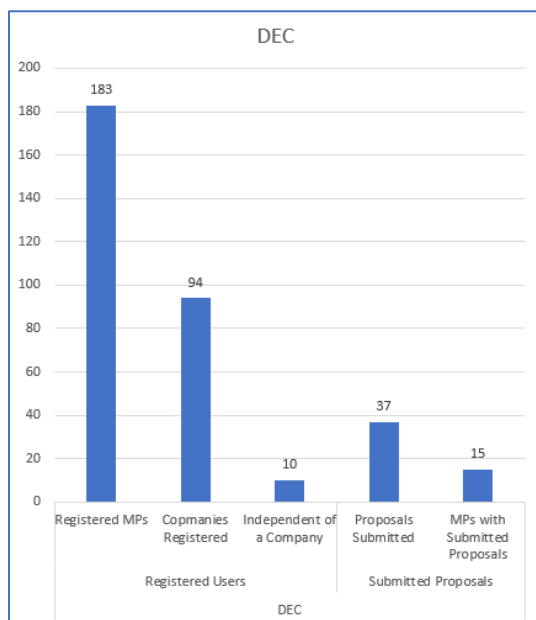


Figure 1

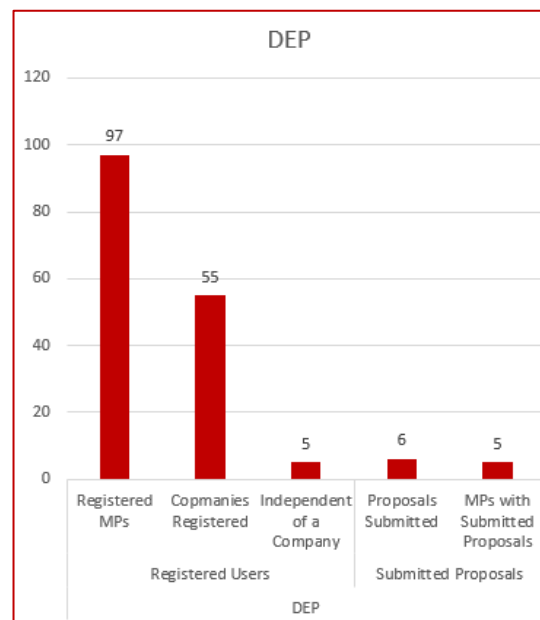


Figure 2

### III. PROPOSAL SUBMISSION STATISTICS

The IA’s website allows an MP to easily duplicate, or “clone” a Proposal. This ability allows an MP to easily make changes to a Proposal and submit it separately. In DEC, eight of the 15 bidding MPs submitted more than one Proposal. In DEP, one of five MPs submitted more than one Proposal. All proposals in DEC and DEP seek interconnection at transmission level service.

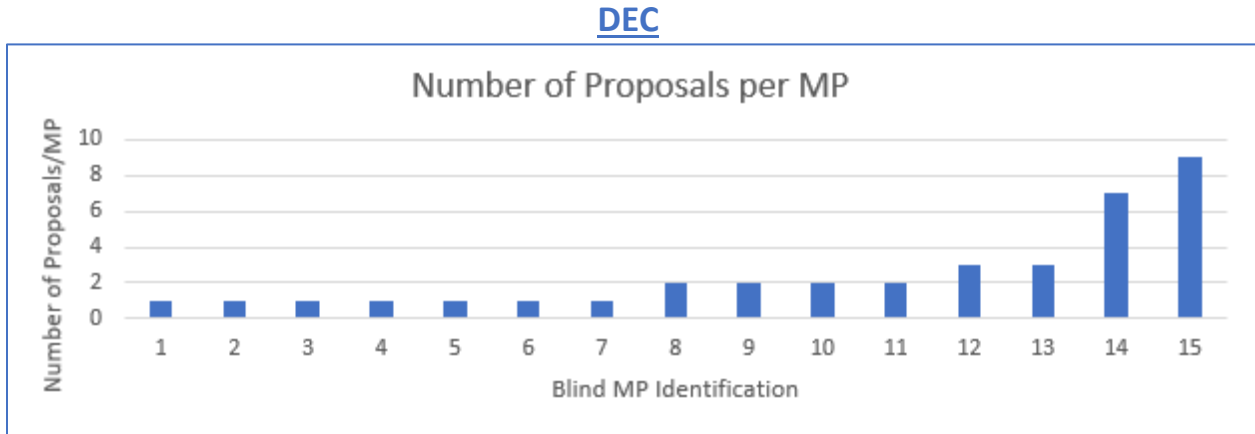


Figure 3

- Average number of Proposals submitted by an MP: 2
- Mode (most frequent) number of Proposals submitted by an MP: 1
- Maximum number of Proposals submitted by an MP: 9

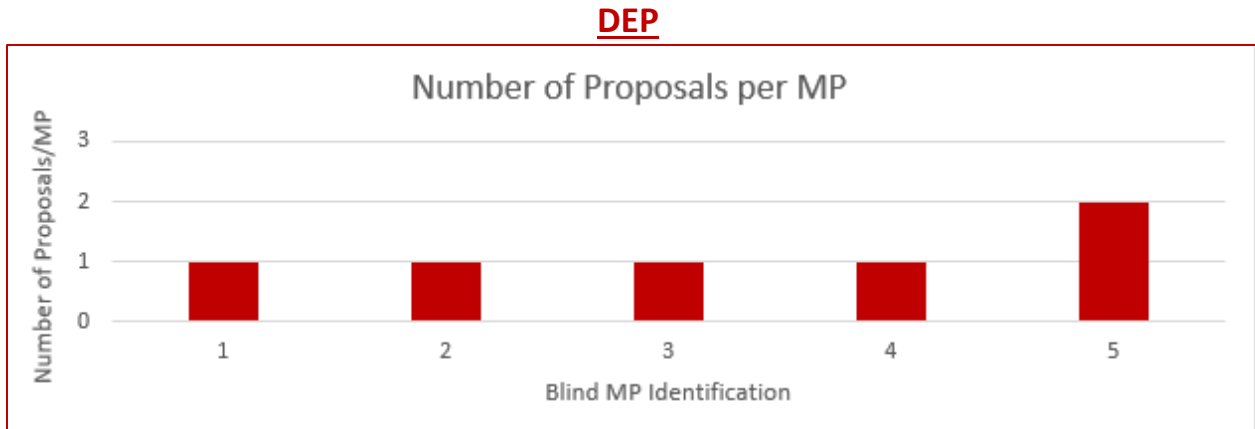


Figure 4

- Average number of Proposals submitted by an MP: 1
- Mode (most frequent) number of Proposals submitted by an MP: 1
- Maximum number of Proposals submitted by an MP: 2

### IV. CAPACITY STATISTICS DEC



Regarding DEC, 37 Proposals were submitted ranging from 15 to the maximum 80 MW AC generating capacity (all references to capacity in this report reflect the project’s export capacity as submitted in the Interconnection Request on file with Duke). A total of 1,853.70 MW AC of capacity was proposed, which is over three times the requested amount for CPRE Tranche 2 (600 MW AC). All Proposals were for solar photovoltaic generation. Three Proposals were submitted with energy storage systems integrated with PV systems.

### DEC

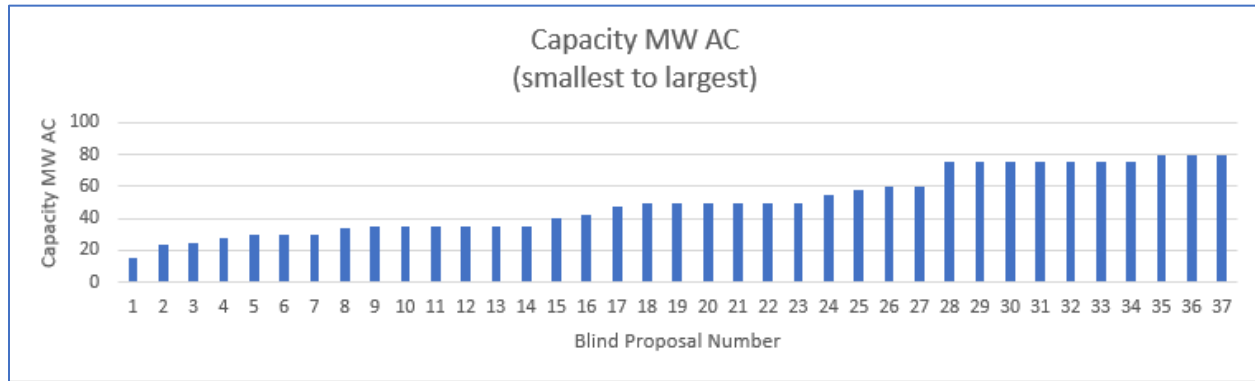


Figure 5

- **RFP Target:** 600 MW AC
- **Proposals received:** 37
- **Total MW AC:** 1,853.70
- **Received MW Times RFP Target:** x3
- **Average MW per Proposal:** 50.1
- **Median MW of Proposals:** 50
- **Mode (most frequent) MW of Proposals:** 50
- **Maximum MW AC Proposal:** 80
- **Minimum MW AC Proposal:** 15
- **Total Proposals under 20 MW:** 1
- **Total Proposals 20-29.99 MW:** 3
- **Total Proposals 30-39.99 MW:** 10
- **Total Proposals 40-49.99 MW:** 3
- **Total Proposals 50-59.99 MW:** 8
- **Total Proposals 60-69.99 MW:** 2
- **Total Proposals 70-80 MW:** 10

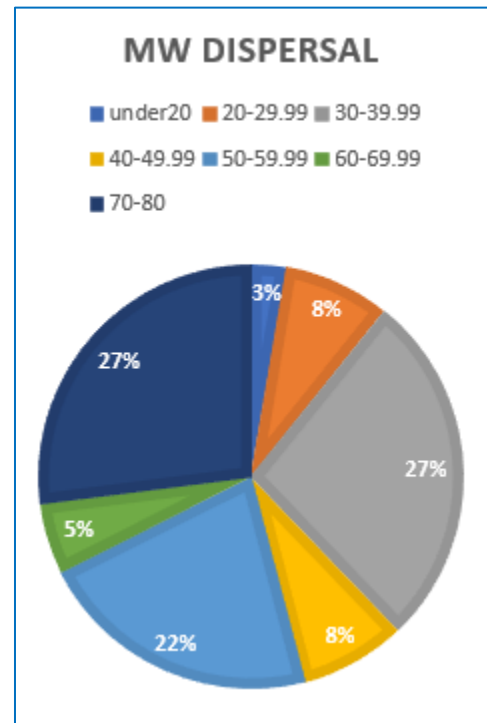


Figure 6

Regarding DEP, six Proposals were submitted ranging from 56 to the maximum 80 MW AC of generating capacity. A total of 440.9 MW was proposed, representing over five times the requested MW for Tranche 2 (80 MW AC). All Proposals were for solar photovoltaic generation. One Proposal was submitted with an energy storage system integrated with the PV system.

### DEP

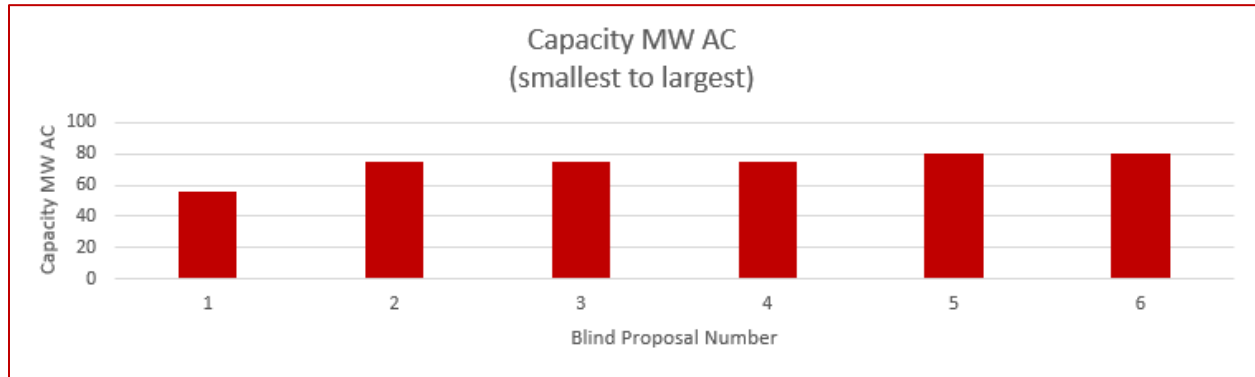
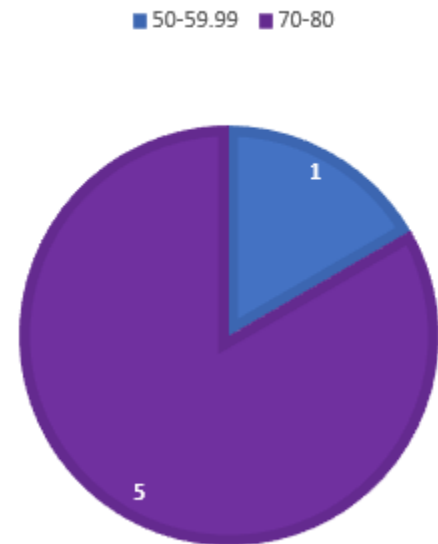


Figure 7

- **RFP Target:** 80 MW AC
- **Proposals received DEP:** 6
- **Total MW AC proposed:** 440.90
- **Received MW Times RFP Target:** x5.51
- **Average MW per Proposal:** 73.48 MW
- **Median MW of Proposals:** 75 MW
- **Minimum Proposal size:** 56 MW AC
- **Maximum Proposal size:** 80 MW AC
- Total Proposals **under 20 MW:** 0
- Total Proposals **20-29.99 MW:** 0
- Total Proposals **30-39.99 MW:** 0
- Total Proposals **40-49.99 MW:** 0
- Total Proposals **50-59.99 MW:** 1
- Total Proposals **60-69.99 MW:** 0
- Total Proposals **70-80 MW:** 5

### MW DISPERSAL



#### **VI. BREAKDOWN BY STATE**

Pursuant to the CPRE requirements, all proposed facilities for DEC and DEP were required to be located in the respective DEC or DEP service territories in North Carolina or South Carolina. Regarding North

Carolina, there were a total of 20 Proposals combining for 1051 MWs in DEC, and a total of five Proposals combining for 366 MWs in DEP. In South Carolina, there were a total of 17 Proposals combining for 802.7 MWs in DEC, and one Proposal with 74.9 MWs in DEP. This information is depicted in Figures 8 and 9.

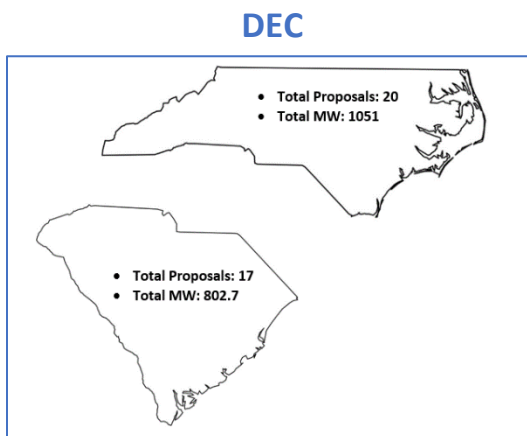


Figure 8

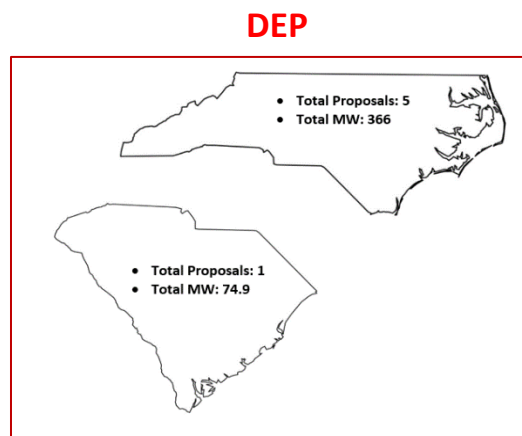


Figure 9

## VII. NON-CONFORMING PROPOSALS

After submission, three Proposals were determined to be non-conforming and were not evaluated in Step 1.

## VIII. PRELIMINARY PRICING

At this time, costs for Transmission or Distribution network upgrades have not been incorporated into the bid evaluation. Accordingly, the value of proposals, as a measure below avoided cost, remains fluid and is expected to change before the final projects are selected. At this time it is unknown whether any of the Proposals in the initial competitive tier will fail to provide the required Proposal Security as occurred in Tranche 1 and, thus, the median price of the final short list may differ from this initial calculation which includes all proposals.

Therefore, the initial summary of proposal price decrements, and the range of decrements below avoided cost, should be understood to be preliminary and subject to the variables identified immediately above. In summary, the initial median price decrement for Proposals evaluated in Step 1 for DEC was 3.94 \$/MWh and in DEP was 2.58 \$/MWh.

## IX. EVALUATION STATUS

### A. Cure process

On the day following the bid submission date, March 10, 2020, the IA provided each Proposal a confirmation memo which summarized key aspects of their Proposal. The MP of each Proposal had two business days to confirm the information in the memo, which included major Proposal characteristics, capacity pricing, and energy pricing data, was accurate.

The cure process began once the submission data was confirmed. Between April 6, 2020 and April 14, 2020, the IA supplied the MP of each Proposal with a Cure Memo which listed all identified deficiencies in need of cures. A timeline was then mutually agreed upon for the completion of the cures.

## **B. Proposal Security**

In keeping with a commitment of the IA, on April 14, 2020, MPs were invited to provide draft Proposal Security for review by the IA and Duke. This was more than 14 days prior to the IA identifying the Initial Competitive Tier. MPs who did not post the draft security documents were reminded of this opportunity on April 26, 2020. The MPs with Proposals included in the Initial Competitive Tier were notified on April 28, 2020 and asked to post security within 10 business days.

## **C. Step 2**

The IA released the Initial Competitive Tier Proposals to the Duke T&D Evaluation Team starting on May 12, 2020. Prior to that date, the IA worked closely with the Duke T&D Evaluation Team to verify queue numbers and addressed errors by MPs necessary to correctly have Proposals align with the respective Interconnection Request for each Project. It is expected that the IA pre-screening of Proposals will assist in expediting the Step 2 evaluation process.

## **D. Initial Competitive Tier**

The Initial Competitive Tier in DEC consisted of 16 Proposals for a total of 880.7 MW. The Initial Competitive Tier in DEP consisted of 2 Proposals for a total of 155 MW. As the iterative process continues the number of Proposals invited to be in the Competitive Tier may change.