



TO: CPRE File
 FROM: Independent Administrator
 DATE: December 21, 2018
 RE: CPRE IA Second Status Report

I. EXECUTIVE SUMMARY

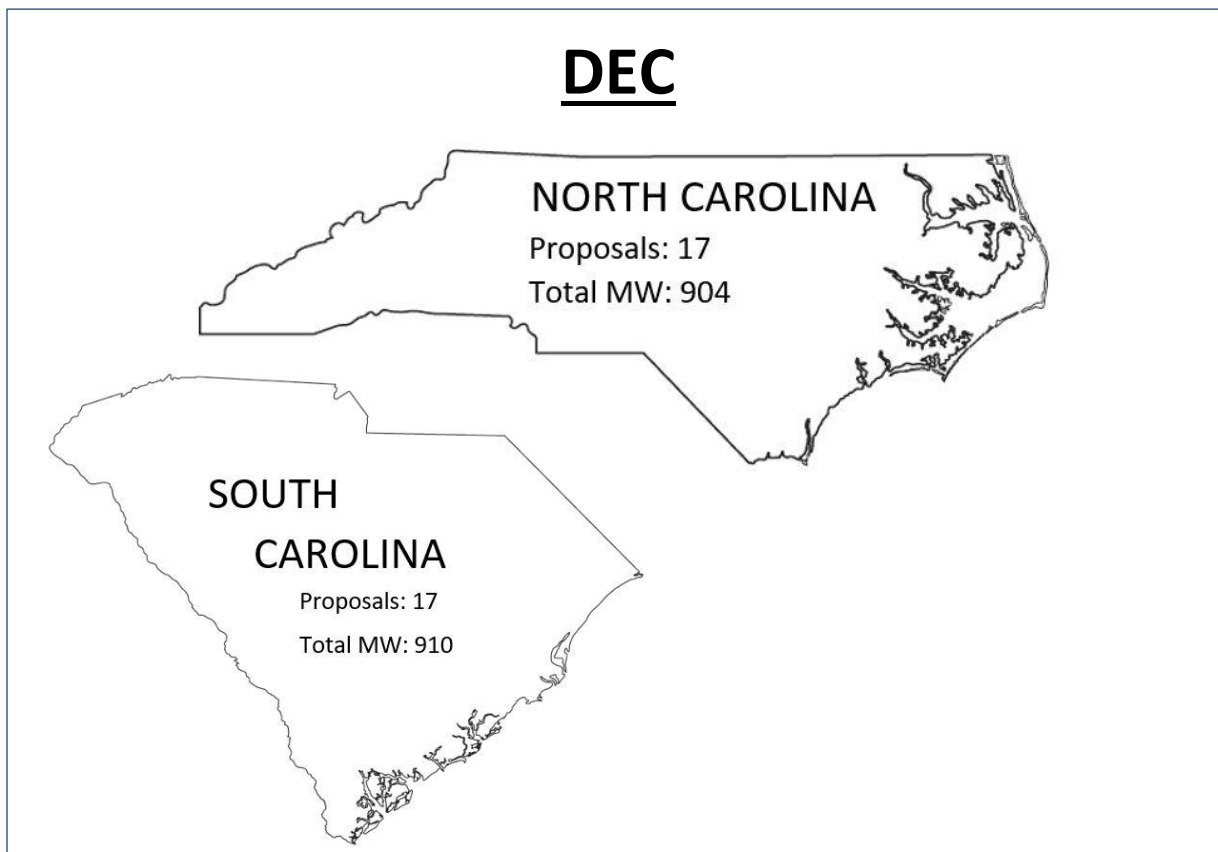
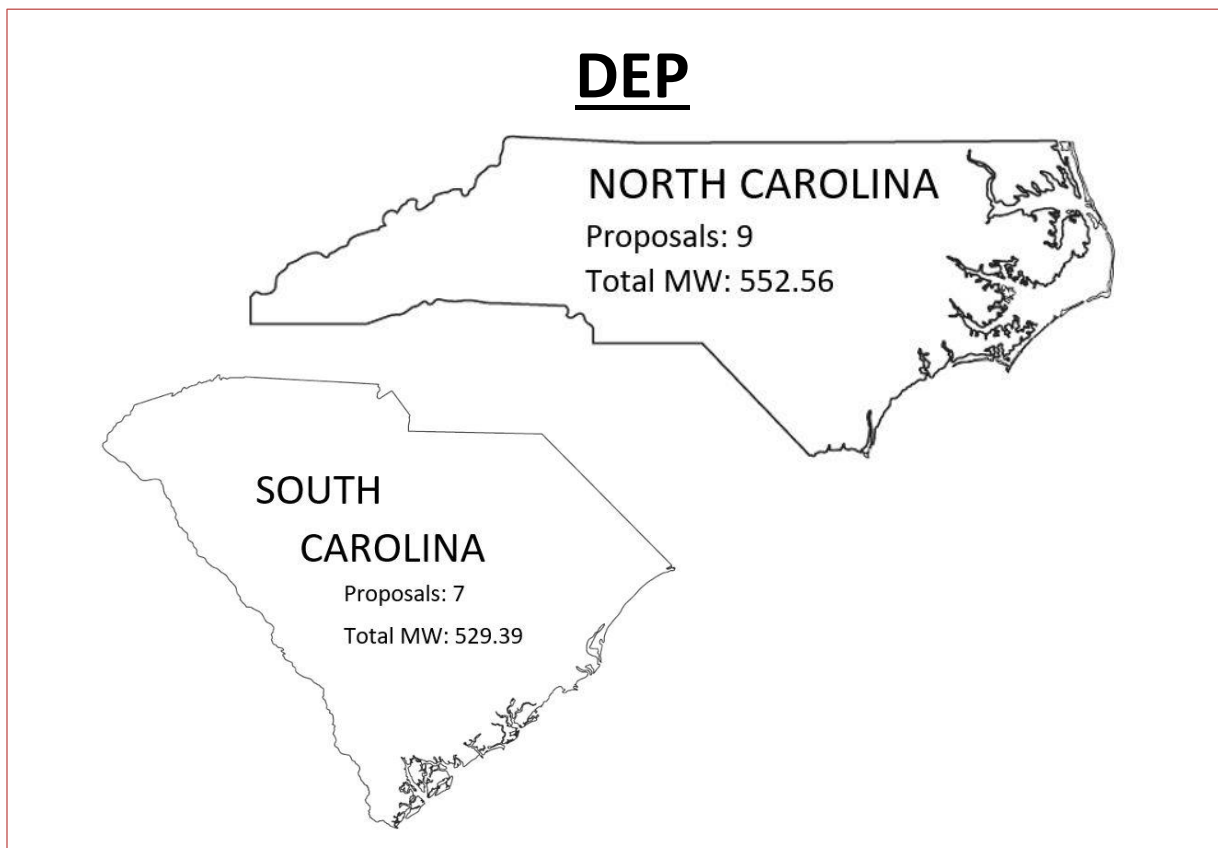
At the conclusion of the Step 1 ranking, the IA identified proposals totaling approximately three (3) times the MW program goals for DEP and DEC, as the Competitive Tier. On December 6, 2018, the IA notified the MP of each Proposal of the “new status” or tier ranking of its Proposal. Proposals that were ranked as providing less value to Duke customers lower than the Competitive Tier were excluded from further consideration. The Competitive Tier was divided into two groups, with the projects representing approximately two (2) times the program goal advised to post the required bid security in order to be included in the Step 2 evaluation. The remaining Competitive Tier Proposals (approximately one (1) times the program goal) were placed on a competitive tier “reserve list” and advised they would need to post bid security only if the Proposal was found to be considered in order to meet program goals. On December 20, 2018, MPs with Proposals that had been released were invited to notify the IA if the MP wanted the Proposal available to the IA for additional consideration, if needed to meet the program goals.

II. Statistics

At the conclusion of Step 1, the status of the CPRE Proposals is presented in Table 1.

TABLE 1

DEC			DEP		
	Total Proposals	Primary Comp. Tier & Comp. Tier Reserve		Total Proposals	Primary Comp. Tier & Comp. Tier Reserve
Number of Proposals:	58	34	Number of Proposals:	20	16
MWs total:	2732.72	1,814	MWs total:	1231.15	1,081.95
Number of Storage Proposals:	3	3	Number of Storage Proposals:	1	0
Solar Tracking:	42	26	Solar Tracking:	17	15
Solar Fixed:	16	6	Solar Fixed:	3	1
North Carolina:	33	17	North Carolina:	9	9
South Carolina:	25	17	South Carolina:	11	7

III. DELINEATION BY STATE**DEC****DEP**

IV. PRELIMINARY PRICING

The CPRE program requires pricing below the levelized 20-year avoided cost identified in the RFP. All PPA Proposals before system upgrade costs met this requirement. As discussed in the December 6, 2018, CPRE Tranche 1 Initial Status Report, the initial median price decrement for all Proposals submitted in DEC was 6.73 \$/MWh and in DEP was also 6.73 \$/MWh. Of the combined primary and reserve competitive tiers, the median price decrement in DEC was 10.2 \$/MWh and in DEP was 7.63 \$/MWh.

V. CONCLUSION

The IA is working closely with the Duke Transmission Evaluation Team in determining the system upgrade costs, if any, and proceeding with the iterative evaluation process. At present, it is expected the Step 2 review will be completed in February 2019.