

LAW OFFICE OF  
**ROBERT W. KAYLOR, P.A.**  
353 EAST SIX FORKS ROAD, SUITE 260  
RALEIGH, NORTH CAROLINA 27609  
(919) 828-5250  
FACSIMILE (919) 828-5240

February 28, 2023

**VIA ELECTRONIC FILING AND HAND DELIVERY**

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**Re: Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2022  
Compliance Report  
Docket No. E-7, Sub 1283**

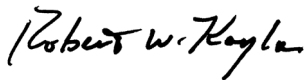
Dear Ms. Dunston:

Enclosed for filing with the North Carolina Utilities Commission ("Commission") is the Application of Duke Energy Carolinas, LLC ("DEC" or the "Company") pursuant to N.C. Gen. Stat. §62-133.8 and Commission Rule R8-67 relating to incremental costs for compliance with the renewable energy and energy efficiency portfolio standard ("REPS") for electric utilities, together with the testimony and exhibits of Kimberly A. Presson and Veronica I. Williams containing the information required by Commission Rule R8-67. As clarified with your office via email on February 21, 2023, eight (8) paper copies of this filing will be delivered to the Clerk's Office by close of business on March 1, 2023.

Certain information contained in the exhibits of Ms. Williams and Ms. Presson is a trade secret, and confidential, proprietary, and commercially sensitive information. For that reason, it is being filed under seal pursuant to N.C. Gen. Stat. §132-1.2. Parties to the docket may contact the Company to obtain copies pursuant to an appropriate confidentiality agreement.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert W. Kaylor

Enclosures

OFFICIAL COPY

Feb 28 2023

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 1283

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

|  |   |                                 |
|--|---|---------------------------------|
| In the Matter of:                            | ) |                                 |
|  | ) |                                 |
| Application of Duke Energy Carolinas, LLC    | ) |                                 |
| for Approval of Renewable Energy and         | ) | <b>APPLICATION FOR APPROVAL</b> |
| Energy Efficiency Portfolio Standard         | ) | <b>OF REPS COST RECOVERY</b>    |
| (REPS) Compliance Report and Cost            | ) | <b>RIDER AND 2022 REPS</b>      |
| Recovery Rider Pursuant to N.C. Gen. Stat. § | ) | <b>COMPLIANCE REPORT</b>        |
| 62-133.8 and Commission Rule R8-67           | ) |                                 |

Duke Energy Carolinas, LLC (“DEC” or the “Company”), pursuant to N.C. Gen. Stat. § 62-133.8 and Rule R8-67 of the Rules and Regulations of the North Carolina Utilities Commission (“Commission”), hereby makes this Application (1) for approval of its 2022 Renewable Energy Portfolio Standard (“REPS”) Compliance Report, and (2) to implement a monthly charge to recover the incremental costs associated with compliance with the REPS. In support of this Application, the Company respectfully shows the following:

1. The Company is a public utility operating in the states of North Carolina and South Carolina where it is engaged in the generation, transmission, distribution, and sale of electricity for compensation. Its general offices are located at 526 South Church Street, Charlotte, North Carolina 28202, and its mailing address is Post Office Box 1321, Charlotte, North Carolina 28201.

2. The attorneys for the Company, to whom all communications and pleadings should be addressed, are:

Kendrick C. Fentress  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551  
Raleigh, North Carolina 27602  
919.546.6733  
[Kendrick.Fentress@duke-energy.com](mailto:Kendrick.Fentress@duke-energy.com)

Robert W. Kaylor  
Law Office of Robert W. Kaylor, P.A.  
353 E. Six Forks Road, Suite 260  
Raleigh, North Carolina 27609-7882  
919.828.5250  
[bkaylor@rwkaylorlaw.com](mailto:bkaylor@rwkaylorlaw.com)

3. N.C. Gen. Stat. § 62-133.8 requires North Carolina's electric power suppliers to supply twelve and one-half (12.5) percent of their North Carolina retail kilowatt hours ("kWh") sales from "renewable energy resources," as that term is defined by N.C. Gen. Stat. § 62-133.8(a)(8), for calendar year 2022. In addition, N.C. Gen. Stat. § 62-133.8(d) requires that the electric power suppliers supply 0.20 percent of their North Carolina retail kWh sales from solar photovoltaic or thermal solar resources in 2022. Further, N.C. Gen. Stat. § 62-133.8(e) and (f) require that the electric power suppliers also obtain their allocated share of the state-wide requirement of 0.05 percent of the total North Carolina retail kWh sold from swine waste resources and 700,000 megawatt hours ("MWh") of the total electric power sold to North Carolina retail customers from poultry waste resources, respectively, in 2022.<sup>1</sup>

---

<sup>1</sup> Both the Poultry Waste and Swine Waste Set-Aside Requirements established by N.C. Gen. Stat. § 62-133.8 have been modified by Commission order pursuant to N.C. Gen. Stat. § 62-133.8(i)(2), as discussed herein.

4. N.C. Gen. Stat. § 62-133.8(h) provides that the electric public utilities shall be allowed to recover the incremental costs<sup>2</sup> associated with complying with N.C. Gen. Stat. § 62-133.8 through a rider not to exceed the following annual per-account charges:

| Customer Class | 2008-2011 | 2012-2014   | 2015 - forward |
|----------------|-----------|-------------|----------------|
| Residential    | \$ 10.00  | \$ 12.00    | \$ 27.00       |
| Commercial     | \$ 50.00  | \$ 150.00   | \$ 150.00      |
| Industrial     | \$ 500.00 | \$ 1,000.00 | \$ 1,000.00    |

The statute provides that the Commission shall ensure that the incremental costs to be recovered from individual customers on a per-account basis are in the same proportion as the per-account annual charges for each customer class set out in the chart above.

5. Rule R8-67(c) requires the Commission to conduct an annual proceeding for each electric public utility to review the utility's costs to comply with N.C. Gen. Stat. § 62-133.8 and establish the electric public utility's annual rider to recover such costs in a timely manner. The Commission shall also establish an experience modification factor ("EMF") to collect the difference between the electric public utility's actual reasonable and prudent REPS costs incurred during the test period and the actual revenues realized during the test period. Rule R8-67(c) further provides that the Commission shall consider each electric public utility's REPS compliance report at the hearing provided for in Rule R8-67(e) and shall determine whether the electric public utility has complied with N.C. Gen. Stat. § 62-133.8(b), (d), (e) and (f).

---

<sup>2</sup> "Incremental costs" include (1) all reasonable and prudent costs incurred by an electric utility to meet the solar and renewable generation requirements of the statute that are in excess of the utility's avoided costs, (2) costs associated with research that encourages the development of renewable energy, energy efficiency, or improved air quality provided those research costs do not exceed one million dollars (\$1,000,000) per year, and (3) costs, including program costs, incurred to provide incentives to customers pursuant to N.C. Gen. Stat. § 62-155(f) (solar rebate program costs and incentives).

6. According to Rules R8-67(c) and (e), the electric public utility is to file its application for recovery of its REPS costs, as well as its REPS compliance report, at the same time it files the information required by Rule R8-55, and the Commission is to conduct an annual rider hearing as soon as practicable after the hearing required by Rule R8-55.

7. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(e), DEC requests the Commission to establish a rider to recover its reasonable and prudent forecasted REPS compliance costs to be incurred during the rate period. As provided in Rule R8-67(e), the Company requests to credit to DEC's retail customers, through the EMF, an over-collection of REPS costs incurred totaling \$(1,538,448) for the period beginning January 1, 2022 through December 31, 2022 ("EMF Period"). The Company also requests collection from DEC's retail customers REPS costs of \$33,662,082 projected to be incurred during the rate period from September 1, 2023 through August 31, 2024 ("Billing Period"). The REPS rider and EMF will be in effect for the twelve-month period September 1, 2023 through August 31, 2024.

8. Pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Rule R8-67, DEC requests Commission approval of the annual billing statements, including both the REPS monthly charge and the EMF monthly charge, for each customer class as follows:

| Customer Class  | REPS     | REPS EMF  | Total REPS (excl. regulatory fee) | Total REPS (incl. regulatory fee) |
|-----------------|----------|-----------|-----------------------------------|-----------------------------------|
| Residential     | \$ 0.85  | \$ (0.04) | \$ 0.81                           | \$ 0.81                           |
| General Service | \$ 4.27  | \$ (0.27) | \$ 4.00                           | \$ 4.01                           |
| Industrial      | \$ 20.58 | \$ 2.09   | \$ 22.67                          | \$ 22.70                          |

The calculation of these rates is set forth in Exhibit No. 4 of the direct testimony of Veronica I. Williams filed with this Application.

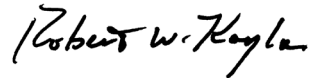
9. Further, pursuant to the provisions of N.C. Gen. Stat. § 62-133.8 and Commission Rule R8-67(c), the Company requests Commission approval of its 2022 REPS Compliance Report, Presson Confidential Exhibit No. 1. Presson Confidential Exhibit No. 2 provides actual and forecasted REPS compliance costs, by resource, that the Company has incurred during the Test Period and projects to incur during the Billing Period in support of compliance with REPS. Presson Confidential Exhibit No. 3 is a worksheet detailing the other incremental costs included in the DEC REPS filing, listing the labor costs by activity, as directed by the North Carolina Utilities Commission (“Commission”) in its August 17, 2018 Order in Docket No. E-7, Sub 1162. Presson Confidential Exhibit No. 4 provides transaction details for all renewable energy certificates sold during the EMF Period. Presson Exhibit Nos. 5 -17 are the results of studies the costs of which the Company is recovering via the REPS Rider.

10. The information and data required to be filed under Commission Rule R8-67 is contained in the direct testimony and exhibits of Witnesses Presson and Williams, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, the Company respectfully prays:

That consistent with this Application, the Commission approves the Company’s 2022 REPS Compliance Report and allows the Company to implement the monthly rider charges as set forth above.

Respectfully submitted, this the 28<sup>th</sup> day of February, 2023.



---

Robert W. Kaylor  
Law Office of Robert W. Kaylor, P.A.  
353 E. Six Forks Road, Suite 260  
Raleigh, North Carolina 27609-7882  
919.828.5250  
[bkaylor@rwkaylorlaw.com](mailto:bkaylor@rwkaylorlaw.com)

Kendrick C. Fentress  
Associate General Counsel  
Duke Energy Corporation  
P.O. Box 1551  
Raleigh, NC 27602  
919.546.6733  
[Kendrick.Fentress@duke-energy.com](mailto:Kendrick.Fentress@duke-energy.com)

*ATTORNEYS FOR DUKE ENERGY CAROLINAS, LLC*

## VERIFICATION

STATE OF NORTH CAROLINA       )  
  )  
COUNTY OF LINCOLN            )       DOCKET NO. E-7, SUB 1283

Veronica I. Williams, being first duly sworn, deposes and says:

That she is Rates and Regulatory Strategy Manager for Duke Energy Carolinas, LLC; that she has read the foregoing Application and knows the contents thereof; that the same is true except as to the matters stated therein on information and belief; and as to those matters, she believes it to be true.

  
\_\_\_\_\_  
Veronica I. Williams

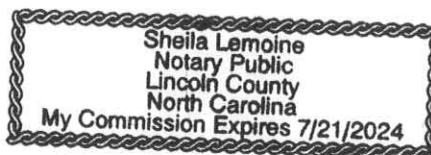
Sworn to and subscribed before me  
this the 23 day of February, 2023.

(Official Seal)

  
\_\_\_\_\_  
*Official Signature of Notary*

Sheila Lemoine, Notary Public  
*Notary's printed or typed name*

My commission expires: July 21, 2024

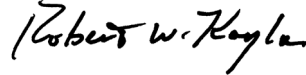




CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's REPS Cost Recovery Rider Application, in Docket No. E-7, Sub 1283, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 28<sup>th</sup> day of February, 2023.



---

Robert W. Kaylor  
Law Office of Robert W. Kaylor, P.A.  
353 Six Forks Road, Suite 260  
Raleigh, North Carolina 27609  
Tel: 919-828-5250  
[bkaylor@rwkaylorlaw.com](mailto:bkaylor@rwkaylorlaw.com)  
North Carolina State Bar No. 6237

ATTORNEY FOR DUKE ENERGY  
CAROLINAS, LLC