



Jack E. Jirak
Deputy General Counsel
Mailing Address:
NCRH 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.3257
f: 919.546.2694

jack.jirak@duke-energy.com

June 13, 2023

VIA ELECTRONIC FILING

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

**RE: Duke Energy Progress, LLC's CPRE Cost Recovery Rider and 2022
CPRE Compliance Report – PUBLIC/REDACTED
Docket No. E-2, Sub 1323**

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Duke Energy Progress, LLC ("DEP"), is its Application for Approval of CPRE Cost Recovery Rider and 2022 CPRE Compliance Report together with the testimony and exhibits of Ms. Christy J. Walker and Ms. Angela M. Tabor.

The information designated herein as confidential qualifies as "trade secrets" under N.C. Gen. Stat. § 66-152(3). If this information were to be publicly disclosed, it would allow competitors, vendors, and other market participants to gain an undue advantage, which may ultimately result in harm and higher costs to customers. Pursuant to N.C. Gen. Stat. § 132-1.2, DEP requests that the information marked as "Confidential" be protected from public disclosure. DEP is filing all information designated as confidential under seal and will make the information available to other parties to this docket pursuant to an appropriate nondisclosure agreement.

Thank you for your attention to this matter. If you have any questions, please let me know.

Jack E. Jirak

OFFICIAL COPY

JUN 13 2023

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1323

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC Pursuant to G.S. 62-110.8 and Commission Rule R8-71 Relating to CPRE Compliance Report and CPRE Cost Recovery Rider))))	APPLICATION FOR APPROVAL OF CPRE COST RECOVERY RIDER AND 2022 CPRE COMPLIANCE REPORT
---	------------------	---

Duke Energy Progress, LLC (“DEP,” the “Company,” or “Applicant”), pursuant to North Carolina General Statute (“N.C. Gen. Stat.”) § 62-110.8(g) and North Carolina Utilities Commission (“NCUC” or the “Commission”) Rule R8-71(j), hereby submits this Application requesting approval of (1) a Rider CPRE to recover the costs incurred to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program and comply with N.C. Gen. Stat. § 62-110.8 and (2) approval of its CPRE Compliance Report for calendar year 2022. In support thereof, the Applicant respectfully shows the Commission the following:

1. The Applicant’s general offices are located at 526 South Church Street, Charlotte, North Carolina, and its mailing address is:

Duke Energy Progress, LLC
 410 S. Wilmington Street
 NCRH 20/ P. O. Box 1551
 Raleigh, North Carolina 27602

2. The name and address of Applicant's attorneys are:

Ladawn Toon
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
(919) 546-7971
ladawn.toon@duke-energy.com

E. Brett Breitschwerdt
Kristin M. Athens
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6563 (EBB)
(919) 835-5909 (KMA)
bbreitschwerdt@mcguirewoods.com
kathens@mcguirewoods.com

Copies of all pleadings, testimony, orders, and correspondence in this proceeding should be served upon the attorneys listed above.

3. N.C. Gen. Stat. § 62-110.8 requires North Carolina's electric public utilities to file for Commission approval of a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs.

4. N.C. Gen. Stat. § 62-110.8(b) provides that electric public utilities may jointly or individually implement the aggregate competitive procurement requirements and may satisfy certain requirements set forth in N.C. Gen. Stat. § 62-110.8 for the procurement of renewable energy capacity to be supplied by renewable energy facilities through any of the following: (i) renewable energy facilities to be acquired from third parties and subsequently owned and operated by the soliciting public utility or utilities; (ii) renewable

energy facilities to be constructed, owned, and operated by the soliciting public utility or utilities subject to certain limitations set forth in N.C. Gen. Stat. § 62-110.8; or (iii) the purchase of renewable energy, capacity, and environmental and renewable attributes from renewable energy facilities owned and operated by third parties that commit to allow the procuring public utility rights to dispatch, operate, and control the solicited renewable energy facilities in the same manner as the utility's own generating resources.

5. N.C. Gen. Stat. § 62-110.8(g) provides that an electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities and to recover the authorized revenue of any utility-owned assets through an annual rider approved by the Commission and reviewed annually.

6. N.C. Gen. Stat. § 62-110.8(h) provides that the Commission shall adopt rules to implement the requirements of the competitive procurement of renewable energy program. The Commission adopted and subsequently authorized amendments to Rule R8-71 to implement N.C. Gen. Stat. § 62-110.8, by orders issued November 6, 2017 and April 9, 2018, in Docket No. E-100, Sub 150.¹

7. Rule R8-71(j)(1) provides that the Commission shall schedule an annual public hearing pursuant to N.C. Gen. Stat. § 62-110.8(g) to review the costs incurred or anticipated to be incurred by the electric public utility to comply with N.C. Gen. Stat. § 62-110.8.

8. Rule R8-71(j)(2) provides that the Commission shall permit each electric public utility to charge an increment or decrement as a rider to its rates to recover in a

¹ See *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017); *Order Amending Commission Rule R8-71*, Docket No. E-100, Sub 150 (April 9, 2018).

timely manner the reasonable and prudent costs incurred and anticipated to be incurred to implement its CPRE Program and to comply with N.C. Gen. Stat. § 62-110.8. The costs and authorized revenue will be further modified through the use of a CPRE Program experience modification factor (CPRE EMF) rider. The CPRE EMF rider will reflect the difference between reasonable and prudently-incurred CPRE Program actual costs and authorized revenue, and the revenues that were actually realized during the test period under the CPRE Program rider then in effect.

9. Rule R8-71(h) provides that each electric public utility shall file its annual CPRE Program compliance report on the same date that it files its application to recover costs pursuant to Rule R8-71(j). The Commission shall consider each electric public utility's CPRE Program compliance report at the hearing provided for in Rule R8-71(j) and shall determine whether the electric public utility is reasonably and prudently implementing the CPRE Program requirements of N.C. Gen. Stat. § 62-110.8. *See* NCUC Rule R8-71(i)(l).

10. DEP and Duke Energy Carolinas, LLC ("DEC") are reasonably and prudently implementing the CPRE Program requirements. DEC and DEP procured 1,185 MW through the Tranche 1 and Tranche 2 solicitations completed in 2018 and 2020, and DEC procured an additional 155 MW of new CPRE Program capacity through the currently on-going Tranche 3 solicitation. As further explained in the CPRE Program Plan, DEC and DEP are seeking to procure 441 MW of unawarded CPRE Program MW through the 2022 Solar Procurement, to fulfill the remaining capacity requirements of N.C. Gen. Stat. § 62-

110.8.² Notably, the Commission determined that regardless of whether the Companies procure the total 441 MW of unawarded CPRE Program MW through the 2022 Solar Procurement, the CPRE Program will be closed out upon the conclusion of the 2022 Solar Procurement.³ Further details regarding DEC's Tranche 3 and the 2022 Solar Procurement Program are described in the direct testimony of DEP witness Angela M. Tabor.

11. Pursuant N.C. Gen. Stat. § 62-110.8(g) and Commission Rule R8-71(j), DEP hereby requests Commission approval of the Rider CPRE to recover the Company's reasonable and prudently incurred costs to comply with the CPRE Program. More specifically, the Company requests to give back to DEP's North Carolina retail customers, through the CPRE EMF rider, (\$491,450) related to the actual CPRE costs incurred and other credits for the test period and to collect \$5,281,139 for CPRE costs projected to be incurred during the period from December 1, 2023 through November 30, 2024 ("Billing Period"). The Rider CPRE will be in effect for the twelve-month period December 1, 2023 through November 30, 2024.

12. In this Application, DEP proposes a CPRE Rider amount (excluding regulatory fee) of:

Residential – 0.014¢/kWh

Small General Service – 0.014¢/kWh

Medium General Service – 0.013¢/kWh

Large General Service – 0.012¢/kWh

² On November 1, 2022, the Commission granted the Companies authority to procure the remaining CPRE Program MW through the 2022 Solar Procurement Program. *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, Docket No. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268.

³ *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, at 7, Docket No. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268 (Nov. 1 2022).

Lighting – 0.011¢/kWh

And DEP proposes an EMF decrement (excluding regulatory fee) of:

Residential – (0.001)¢/kWh

Small General Service – (0.002)¢/kWh

Medium General Service – (0.002)¢/kWh

Large General Service – (0.001)¢/kWh

Lighting – (0.001)¢/kWh

This results in composite CPRE factors (excluding regulatory fee) of:

Residential – 0.013¢/kWh

Small General Service – 0.012¢/kWh

Medium General Service – 0.011¢/kWh

Large General Service – 0.011¢/kWh

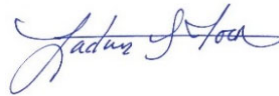
Lighting – 0.010¢/kWh

13. The Company also requests approval of its Compliance Report for calendar year 2022, which is being submitted as an attachment to the testimony of DEP witness Tabor. The Compliance Report details the Company's compliance with the CPRE Program requirements of N.C. Gen. Stat. § 62-110.8 and, along with Company's updated CPRE Program Plan, demonstrates that the Company is reasonably and prudently implementing the CPRE Program requirements.

14. The information and data required to be filed by NCUC Rule R8-71 in connection with this application is contained in the testimony and exhibits of DEP witnesses Tabor and Christy J. Walker, which are being filed simultaneously with this Application and incorporated herein by reference.

WHEREFORE, Duke Energy Progress, LLC requests that the Commission issue an order approving Rider CPRE, approving the Company's Compliance Report, and finding the Company to be reasonably and prudently implementing the CPRE Program Requirements of N.C. Gen. Stat. § 62-110.8.

Respectfully submitted this 13th day of June, 2023.

By: _____

Ladawn S. Toon
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
(919) 546-7971
ladawn.toon@duke-energy.com

E. Brett Breitschwerdt
Kristin M. Athens
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
(919) 755-6563 (EBB)
(919) 835-5909 (KMA)
bbreitschwerdt@mcguirewoods.com
kathens@mcguirewoods.com

Attorneys for Duke Energy Progress, LLC

VERIFICATION

STATE OF NORTH CAROLINA)

COUNTY OF CABARRUS)

DOCKET NO. E-2, SUB 1323

Christy J. Walker, being first duly sworn, deposes and says:

That she is Rate~~s~~ and Regulatory Strategy Manager for Duke Energy Progress, 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.

Christy J. Walker
Christy J. Walker

Signed and sworn to before me this day by Christy J. Walker
Name of principal

Date: 06/09/2023

Kaiwal Patel
Official Signature of Notary

KAIWAL K PATEL, Notary Public
Notary's printed or typed name

My commission expires: 07/10/2027

(Official Seal)



**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1323

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application of Duke Energy Progress, LLC)	DIRECT TESTIMONY OF
Pursuant to G.S. 62-110.8 and Commission)	CHRISTY J. WALKER
Rule R8-71 for Approval of CPRE Compliance)	
Report and CPRE Cost Recovery Rider)	

OFFICIAL COPY

JUN 13 2023

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Christy J. Walker, and my business address is 525 South Tryon
3 Street, Charlotte, North Carolina.

4 **Q. WHAT IS YOUR POSITION WITH DUKE ENERGY PROGRESS,**
5 **LLC?**

6 A. I am a Rates and Regulatory Strategy Manager for Duke Energy Progress,
7 LLC (“DEP” or the “Company”).

8 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
9 **BACKGROUND, BUSINESS BACKGROUND AND**
10 **PROFESSIONAL AFFILIATIONS.**

11 A. I received a Bachelor of Science Degree in Accounting from West Virginia
12 University. I am a certified public accountant licensed in the state of North
13 Carolina. I began my career with Duke Energy in 2001. Since that time, I
14 have held various manager and analyst positions within the accounting
15 department before transitioning to the Rates Department. My current role
16 is Rates and Regulatory Strategy Manager.

17 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AT DEP?**

18 A. I am responsible for providing guidance on compliance with, and cost
19 recovery related to, the program for competitive procurement of renewable
20 energy (“CPRE Program”) established by N.C. Gen. Stat. § 62-110.8 and
21 applicable to both DEP and Duke Energy Carolinas, LLC (“DEC”).

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
2 **CAROLINA UTILITIES COMMISSION?**

3 A. Yes. I filed testimony in the Companies' CPRE Rider proceedings in
4 Docket Nos. E-7, Sub 1281, E-7, Sub 1262, E-2, Sub 1296 and E-2, Sub
5 1275.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to describe the calculation of and present
8 the support for DEP's CPRE Program rider ("Rider CPRE") filed for
9 recovery of CPRE Program-related costs under N.C. Gen. Stat.
10 § 62-110.8(g). I present the information and data required by North
11 Carolina Utilities Commission ("Commission") Rule R8-71 as set forth in
12 Walker Exhibit Nos. 1 through 6.

13 N.C. Gen. Stat. § 62-110.8(g) authorizes recovery of CPRE Program
14 costs, including authorized revenue for Company-owned facilities, and
15 limits the annual increase in the aggregate amount of these costs that are
16 recoverable by an electric public utility from its North Carolina retail ("NC
17 Retail") customers to an amount not to exceed one percent (1%) of the
18 electric public utility's total NC Retail jurisdictional gross revenues for the
19 preceding calendar year. Rule R8-71(j)(2) states "[t]he Commission shall
20 permit each electric public utility to charge an increment or decrement as a
21 rider to its rates to recover in a timely manner the reasonable and prudent
22 costs incurred and anticipated to be incurred to implement its CPRE
23 Program and to comply with G.S. 62-110.8." Rule R8-71(j)(5) describes

1 the CPRE Program experience modification factor (“EMF”) component of
2 the CPRE Program rider as the difference between CPRE Program costs
3 actually incurred and CPRE Program revenues actually realized during the
4 EMF test period, representing a true-up increment or decrement related to
5 CPRE Program revenues collected during the EMF test period. In this
6 CPRE Program rider filing, the rider proposed by the Company includes
7 both an EMF rider component to adjust for the difference in DEP’s costs
8 incurred compared to revenues realized during the EMF test period, as well
9 as a prospective billing period rider component to collect costs forecasted
10 to be incurred during the prospective twelve-month period over which the
11 proposed CPRE Program rider will be in effect.

12 **Q. PLEASE IDENTIFY THE EMF TEST PERIOD AND THE**
13 **PROSPECTIVE BILLING PERIOD APPLICABLE TO THE CPRE**
14 **PROGRAM RIDER PROPOSED BY THE COMPANY.**

15 A. The test period used in supplying the information and data included in my
16 testimony and exhibits is the twelve months beginning on April 1, 2022 and
17 ending on March 31, 2023 (“Test Period” or “EMF Period”), and the billing
18 period for the CPRE Program rider requested in the Company’s application
19 is the twelve months beginning on December 1, 2023 and ending on
20 November 30, 2024 (“Billing Period”).

21 **Q. PLEASE DESCRIBE THE EXHIBITS TO YOUR TESTIMONY.**

22 A. Walker Confidential Exhibit No. 1 identifies purchased power costs on a
23 system basis, in both the EMF Period and in the Billing Period for facilities

1 that were selected in Tranches 1 and 2 of the CPRE Program. The capacity
2 and energy components of purchased power have been calculated based on
3 the forecasted megawatt hour (“MWh”) production of each facility.

4 Walker Confidential Exhibit No. 2 identifies DEP’s total CPRE Program
5 implementation costs, on a system basis, for both the EMF Period and the
6 Billing Period.

7 Walker Exhibit No. 3 shows the calculation of the Rider CPRE
8 amounts for the Billing Period proposed by customer class: residential,
9 small general service, medium general service, large general service, and
10 lighting. The Rider CPRE rate per customer class for purchased power is
11 determined by dividing the sum of the Billing Period costs allocated to the
12 class by the forecast Billing Period kWh sales for the customer class,
13 resulting in a cents per kilowatt hour rate. The Rider CPRE rate per
14 customer class for implementation costs is determined by dividing the sum
15 of the Billing Period costs allocated to the class, by the forecast Billing
16 Period kWh sales for the customer class.

17 Walker Exhibit No. 4 shows the calculation of the Rider CPRE
18 amounts for the EMF Period proposed by customer class: residential, small
19 general service, medium general service, large general service, and lighting.
20 The EMF Period rider amount represents the difference between CPRE
21 Program costs incurred and CPRE Program rider revenues collected for the
22 EMF Period. The Company over-collected about \$0.5 million during the
23 EMF Period. The Rider CPRE rate per customer class, in cents per kWh, is

1 determined by dividing the sum of the EMF Period amount for each
2 customer class by the forecast Billing Period kWh sales for the customer
3 class.

4 Walker Exhibit No. 5 summarizes the components of the proposed
5 “Rider CPRE (NC)” calculated in Walker Exhibit Nos. 3 and 4. It shows
6 the total proposed CPRE Program rider as the sum of the estimated CPRE
7 Program rider and the CPRE Program EMF rider applicable to the Billing
8 Period.

9 Walker Exhibit No. 6 is the tariff sheet for the Rider CPRE. The
10 applicable regulatory fee factor is applied to each rate per customer class
11 described above to determine the final rates proposed by customer class, as
12 displayed on Walker Exhibit No. 6.

13 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR AT YOUR**
14 **DIRECTION AND UNDER YOUR SUPERVISION?**

15 A. Yes.

16 **Q. WHAT COSTS ARE INCLUDED IN DEP’S PROPOSED CPRE**
17 **PROGRAM RIDER?**

18 A. The proposed Rider CPRE is designed to recover DEP’s costs to implement
19 the CPRE Program pursuant to N.C. Gen. Stat. § 62-110.8, in compliance
20 with the requirements of Commission Rule R8-71. As described above,
21 Rider CPRE includes the CPRE Program EMF component to recover the
22 difference between the implementation costs and purchased power costs
23 incurred, and revenues realized during the EMF Period. The costs incurred

1 during the EMF Period are presented in this filing to demonstrate their
2 reasonableness and prudence as provided in Commission Rule R8-71(j).
3 The proposed Rider CPRE also includes a prospective component to
4 recover the costs expected to be incurred for the Billing Period.

5 The costs the Company proposes to recover are described in the
6 direct testimony of Company witness Angela M. Tabor, and detailed in
7 Walker Confidential Exhibits Nos. 1 and 2. The costs that are included for
8 recovery in this proposed CPRE Program rider are the energy and capacity
9 components of purchased power as well as incremental internal Company
10 labor, contract labor including legal fees, and other related costs of
11 implementing the CPRE Program.

12 Fees paid to the Independent Administrator (“IA”) and costs
13 incurred by the Company’s designated evaluation team for bid evaluation
14 work are not included for recovery in the proposed CPRE Program rider.
15 As discussed in witness Tabor’s testimony, prospective costs for
16 administering Tranche 3 are funded through Proposal Fees collected by the
17 Company from the participants in the Company’s CPRE solicitation
18 process.

1 **Q. PLEASE DESCRIBE THE METHOD USED BY DEP TO**
2 **ALLOCATE CPRE PROGRAM COSTS AMONG CUSTOMER**
3 **CLASSES FOR THE PURPOSE OF CALCULATING THE CPRE**
4 **PROGRAM RIDER FOR EACH CUSTOMER CLASS.**

5 A. Walker Exhibit Nos. 3 and 4 show the calculation of the Rider CPRE for
6 each customer class for the Billing Period and EMF Period, respectively.
7 CPRE Program costs, including purchased power costs and implementation
8 costs, are incurred by the Company in its efforts to procure capacity and
9 energy from renewable energy facilities, pursuant to N.C. Gen. Stat.
10 § 62-110.8.

11 The capacity component of purchased power cost is allocated to NC
12 Retail and among customer classes based on the final 2022 cost of service
13 production plant allocators. The energy component of purchased power cost
14 is allocated to each customer class based on MWh sales by class.

15 To allocate the reasonable and prudent implementation costs
16 incurred and anticipated to be incurred to implement its CPRE Program, the
17 Company is using a composite capacity and energy allocation factor derived
18 from the allocations of purchased power amounts described above.

19 **Q. DOES THIS RIDER CPRE FILING INCLUDE ENERGY AND**
20 **CAPACITY COSTS ASSOCIATED WITH COMPANY-OWNED**
21 **FACILITIES?**

22 A. No, this Rider CPRE filing does not include energy or capacity costs
23 associated with Duke Energy-owned CPRE facilities.

1 **Q. IS THE ANNUAL INCREASE IN COSTS THE COMPANY**
2 **PROPOSES TO RECOVER WITH ITS PROPOSED CPRE**
3 **PROGRAM RIDER AND EMF RIDER WITHIN THE LIMIT**
4 **ESTABLISHED IN N.C. GEN. STAT. § 62-110.8?**

5 A. Yes. N.C. Gen. Stat. § 62-110.8(g) limits the annual increase in costs
6 recoverable by an electric public utility to one percent (1%) of the electric
7 public utility's total North Carolina retail jurisdictional gross revenues for
8 the preceding calendar year. Further, Rule R8-71 provides that “[t]he annual
9 increase in the aggregate costs recovered under G.S. 62-110.8(g) in any
10 recovery period from its North Carolina retail customers shall not exceed
11 one percent (1%) of the electric public utility’s North Carolina retail
12 jurisdictional gross revenues for the preceding calendar year as determined
13 as of December 31 of the previous calendar year. Any amount in excess of
14 that limit shall be carried over and recovered in the next recovery period
15 when the annual increase in the aggregate amount of costs to be recovered
16 is less than one percent (1%)”. The increase in aggregate costs DEP seeks
17 to recover pursuant to its proposed CPRE Program rider and CPRE Program
18 EMF rider is less than the statutory maximum.

19 **Q. HOW DOES DEP PROPOSE TO COLLECT THE CPRE PROGRAM**
20 **RIDERS FROM EACH CUSTOMER CLASS?**

21 A. DEP’s proposed Rider CPRE is attached as Walker Exhibit No. 6. As shown
22 on the rider, DEP proposes that a cents per kWh rate be applied to all NC
23 Retail kWh sales for the twelve-month Billing Period.

1 **Q. WHAT IS THE CPRE PROGRAM RIDER PROPOSED BY THE**
 2 **COMPANY FOR EACH CUSTOMER CLASS?**

3 A. The Company proposes the following CPRE Program rider to be effective
 4 December 1, 2023, and to remain in effect for the twelve-month Billing
 5 Period ending November 30, 2024.

6 *Excluding regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider decrease
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.002)	0.014	0.012	0.013	(0.001)
Medium General Service	(0.002)	0.013	0.011	0.011	0.000
Large General Service	(0.001)	0.012	0.011	0.012	(0.001)
Lighting	(0.001)	0.011	0.010	0.010	0.000

7 *Including regulatory fee:*

Cents per kWh					
Customer class	CPRE Program EMF rider	CPRE Program rider	Total CPRE Program rider	Current total CPRE Program rider	CPRE Program rider decrease
Residential	(0.001)	0.014	0.013	0.013	0.000
Small General Service	(0.002)	0.014	0.012	0.013	(0.001)
Medium General Service	(0.002)	0.013	0.011	0.011	0.000
Large General Service	(0.001)	0.012	0.011	0.012	(0.001)
Lighting	(0.001)	0.011	0.010	0.010	0.000

8 *Totals may not foot due to rounding*

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

					EMF Period			Reference	Billing Period			Reference		
					April 1, 2022 - March 31, 2023				December 1, 2023 - November 30, 2024					
									Capacity Factor	Energy Factor				
									21%	79%	Input			
					Purchased Power				Purchased Power					
Line No.	Market Participant	Facility Name	Location	Tranche No.	Nameplate Capacity (MW)	Capacity	Energy	Total	Workpaper 1	Capacity	Energy	Total	Workpaper 2	
1				1										
2				1										
3	Sub-Total Tranche 1 Facilities				85.72	\$ 1,637,188	\$ 5,090,642	\$ 6,727,830		\$ 1,713,296	\$ 6,445,258	\$ 8,158,555		
4									Workpaper 1				Workpaper 2	
5										Capacity Factor	Energy Factor			
6										6%	94%			
7									Workpaper 1				Workpaper 2	
8										Purchased Power				
9														
10									Workpaper 1				Workpaper 2	
11				2		Capacity	Energy	Total		Capacity	Energy	Total		
12	Sub-Total Tranche 2 Facilities				75	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		
13									Workpaper 1				Workpaper 2	
14	Total of Tranche 1 and Tranche 2					\$ 1,637,188	\$ 5,090,642	\$ 6,727,830		\$ 1,713,296	\$ 6,445,258	\$ 8,158,555		

Note: Rounding differences may occur

		EMF Period		Billing Period	
		April 1, 2022 - March 31, 2023		December 1, 2023 - November 30, 2024	
Line No.	Implementation Cost / Activity	Reference			
1	[REDACTED]	Company Records	[REDACTED]	\$	-
2				\$	-
3				\$	-
4				\$	-
5				\$	-
6				\$	-
7	Total Internal Labor and Labor-Related Taxes and Benefits		\$ 300,088	\$ 315,093	*
8	[REDACTED]	Company Records	[REDACTED]		
9					
10					
11					
12					
13					
14					
15					
16					
17	Total Outside Services		\$ 96,699	\$ 50,000	*
18					
19	Total Employee-Related Expenses		\$ 509	\$ 500	*
20					
21	Total Implementation Costs	L7 + L17 + L19	\$ 397,296	\$ 365,593	*

Note: Rounding differences may occur

* Represents an estimate of implementation charges expected to be incurred in the prospective Billing Period.

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
Allocation of CPRE Purchased Power by Customer Class (Prospective Billing Period)								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 1,713,296
2	NC Retail Jurisdictional % Based on 2022 Production Plant Allocator	Input						61.15%
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,047,725
4								
5	NC Retail 2022 Production Plant Allocation Factors	Input	54.15%	5.98%	25.19%	14.69%	0.00%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2022 Production Plant Allocator	L3 * L5	\$ 567,365	\$ 62,602	\$ 263,874	\$ 153,884	\$ -	\$ 1,047,725
8								
9	CPRE Purchased Power - Energy	Exhibit 1, L14						\$ 6,445,258
10	NC Retail Jurisdictional % Based on Projected Billing Period Sales at Generation	Workpaper 3						62.17%
11	NC Retail Portion - CPRE Purchased Power - Energy	L9 * L10 [Total Only]						\$ 4,006,911
12								
13	Allocation Factor- MWh Sales at Meter	Workpaper 3	44.16%	4.63%	26.69%	23.55%	0.98%	100.00%
14								
15	NC CPRE Purchased Power - Energy Allocated on MWh Sales	L11* L13	\$ 1,769,307	\$ 185,530	\$ 1,069,299	\$ 943,496	\$ 39,279	\$ 4,006,911
16								
17	Total of NC CPRE Purchased Power - Capacity and Energy	L7 + L15	\$ 2,336,672	\$ 248,132	\$ 1,333,173	\$ 1,097,380	\$ 39,279	\$ 5,054,636
18								
19	% of NC CPRE Purchased Power - Capacity and Energy		46.23%	4.91%	26.38%	21.71%	0.78%	100.00%
		Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
Allocation of CPRE Implementation Costs by Customer Class (Prospective Billing Period)								
20	CPRE Implementation Costs - Total	Exhibit 2, L21						\$ 365,593
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						61.96%
22	CPRE Implementation Costs - NC Retail Portion	L20 * L21						\$ 226,503
23								
24	Total of NC CPRE Purchased Power - Capacity and Energy	L19	46.23%	4.91%	26.38%	21.71%	0.78%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 104,709	\$ 11,119	\$ 59,741	\$ 49,175	\$ 1,760	\$ 226,503
27								
28	Total of NC CPRE Purchased Capacity and Energy + Implementation Cost	L17+ L26	\$ 2,441,381	\$ 259,251	\$ 1,392,913	\$ 1,146,555	\$ 41,039	\$ 5,281,139
29								
30	NC Projected Billing Period MWh Sales	Workpaper 3	17,326,377	1,816,847	10,471,370	9,239,420	384,646	39,238,661
31								
32	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	L28 ÷ L30 ÷ 10	0.014	0.014	0.013	0.012	0.011	0.013

Note: Rounding differences may occur

Line No.	Description	Reference	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Total
Allocation of CPRE Purchased Power by Customer Class (EMF Period)								
1	CPRE Purchased Power - Capacity	Exhibit 1, L14						\$ 1,637,188
2	NC Retail Jurisdictional % Based on 2022 Production Plant Allocator	Exhibit 3, L 2						61.15%
3	NC Retail Portion - CPRE Purchased Power - Capacity	L1 * L2						\$ 1,001,183
4								
5	NC Retail 2022 Production Plant Allocation Factors	Exhibit 3, L 5	54.15%	5.98%	25.19%	14.69%	0.00%	100.00%
6								
7	NC CPRE Purchased Power - Capacity Allocated Based on 2022 Production Plant	L3 * L5	\$ 542,161	\$ 59,822	\$ 252,152	\$ 147,048	\$ -	\$ 1,001,183
8								
9	CPRE Purchased Power - Energy	Exhibit 1, L3						\$ 5,090,642
10	NC Retail Jurisdictional % Based on EMF Period Sales	Workpaper 4						61.70%
11	NC Retail Portion - CPRE Purchased Power - Energy							\$ 3,140,746
12								
13	NC Retail Portion - CPRE Purchased Power - Energy	L15 * L11 [Total Only]	\$ 1,340,454	\$ 159,531	\$ 900,043	\$ 712,165	\$ 28,553	\$ 3,140,746
14								
15	NC EMF Period MWh Sales	Workpaper 4	16,034,936	1,908,360	10,766,603	8,519,137	341,557	37,570,593
16								
17	Total of NC CPRE Purchased Power - Capacity and Energy	L7 + L13	\$ 1,882,615	\$ 219,353	\$ 1,152,195	\$ 859,213	\$ 28,553	\$ 4,141,928
18								
19	% of NC CPRE Purchased Power - Capacity and Energy		45.45%	5.30%	27.82%	20.74%	0.69%	100.00%
Allocation of CPRE Implementation Costs by Customer Class (EMF Period)								
20	CPRE Implementation Costs - Total	Exhibit 2, L21						\$ 397,296
21	NC Retail Jurisdictional % Based on Composite of Energy and Capacity	(L3 + L11) ÷ (L1 + L9) [Total Only]						61.56%
22	CPRE Implementation Costs - NC Retail Portion	L1 * L2						\$ 244,592
23								
24	% of NC CPRE Purchased Power - Capacity and Energy	L 19	45.45%	5.30%	27.82%	20.74%	0.69%	100.00%
25								
26	CPRE Implementation Costs by Customer Class	L22 * L24	\$ 111,173	\$ 12,953	\$ 68,040	\$ 50,739	\$ 1,686	\$ 244,592
27								
28	Total of NC CPRE Purchased Power - Capacity and Energy and Implementation costs	L17 + L26	\$ 1,993,789	\$ 232,306	\$ 1,220,235	\$ 909,951	\$ 30,239	\$ 4,386,520
29								
30	CPRE Revenues Realized During the Test Period (April through March)	Input	\$ 2,134,825	\$ 267,113	\$ 1,398,734	\$ 1,042,250	\$ 35,047	\$ 4,877,971
31								
32	CPRE (Over)/Under Collection	L28 - L30	\$ (141,036)	\$ (34,807)	\$ (178,499)	\$ (132,299)	\$ (4,809)	\$ (491,450)
33								
34	NC Projected Billing Period MWh Sales	Exhibit 3, L30	17,326,377	1,816,847	10,471,370	9,239,420	384,646	39,238,661
35								
36	NC CPRE EMF Rider Amount ¢/kWh	L32 ÷ L34 ÷ 10	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)
37								
38	Annual Interest Rate		10%	10%	10%	10%	10%	10%
39								
40	Monthly Interest Rate	L38 ÷ 12	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
41								
42	Number of Months (October 1, 2022 - May 31, 2024)		20	20	20	20	20	20
43								
44	Interest	L32 * L40 * L42	\$ (23,506)	\$ (5,801)	\$ (29,750)	\$ (22,050)	\$ (801)	\$ (81,908)
45								
46	EMF Interest on Over Collection	L44 ÷ L34 ÷ 10	0.000	0.000	0.000	0.000	0.000	0.000

Line No.	Description	Reference	Residential ¢/kWh	Small General Service ¢/kWh	Medium General Service ¢/kWh	Large General Service ¢/kWh	Lighting ¢/kWh	Composite ¢/kWh
1	Prospective Billing Period Rider Charge							
2	NC CPRE Purchased Power Capacity and Energy + Implementation Cost CPRE Charge ¢/kWh	Exhibit 3, L32	0.014	0.014	0.013	0.012	0.011	0.013
3								
4	Experience Modification Factor Period Rider Charge							
5	EMF Increment/(Decrement) ¢/kWh	Exhibit 4, L36	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)
6	EMF Interest (Decrement) ¢/kWh	Exhibit 4, L46	0.000	0.000	0.000	0.000	0.000	0.000
7								
8	Total Proposed CPRE Rider Charge ¢/kWh	L2 + L5 + L6	0.013	0.012	0.011	0.011	0.010	0.012

Note: This exhibit excludes the impact of the regulatory fee

Duke Energy Progress, LLC
(North Carolina)

RR-33

RIDER CPRE -4
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY RIDER

APPLICABILITY (North Carolina Only)

Service supplied under the Company's rate schedules is subject to approved adjustments to recover costs associated with implementation of the Company's Competitive Procurement of Renewable Energy (CPRE) Program. Adjustments are made pursuant to North Carolina General Statute 62-110.8(g) and North Carolina Utilities Commission Rule R8-71 as ordered by the North Carolina Utilities Commission.

CPRE PROSPECTIVE COMPONENT AND EXPERIENCE MODIFICATION FACTOR

All service supplied under the Company's rate schedules is subject to an increment per kilowatt hour as set forth below. This adjustment is not included in the Rate Schedules of the Company and therefore, must be applied to the bill as calculated under the applicable rate.

RESIDENTIAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.013 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.013 ¢/kWh

SMALL GENERAL SERVICE

Prospective Component of CPRE	0.014 ¢/kWh
Experience Modification Factor	<u>(0.002) ¢/kWh</u>
Net CPRE Rider Factor	0.012 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.012 ¢/kWh

MEDIUM GENERAL SERVICE

Prospective Component of CPRE	0.013 ¢/kWh
Experience Modification Factor	<u>(0.002) ¢/kWh</u>
Net CPRE Rider Factor	0.011 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.011 ¢/kWh

LARGE GENERAL SERVICE

Prospective Component of CPRE	0.012 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.011 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.011 ¢/kWh

LIGHTING

Prospective Component of CPRE	0.011 ¢/kWh
Experience Modification Factor	<u>(0.001) ¢/kWh</u>
Net CPRE Rider Factor	0.010 ¢/kWh
Regulatory Fee Multiplier	x <u>1.0014</u>
CPRE Factor	0.010 ¢/kWh

Effective for service rendered on and after December 1, 2023
NCUC Docket No. E-2, Sub 1323

Line No.	CPRE Generation (MWh)	Tranche No.	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
1		1													
2		1													
3	Total DEP		22,104	19,448	20,523	17,680	17,328	15,598	10,903	9,726	6,744	8,118	8,687	13,822	170,681
4															
5															
6	CPRE Generation (\$)	Tranche No.	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
7															
8		1													
9		1													
10	Total DEP		\$926,044	\$820,621	\$716,817	\$617,630	\$619,290	\$548,433	\$448,506	\$445,437	\$273,569	\$355,216	\$374,903	\$581,364	\$6,727,830
11															
12															
13	CPRE Capacity (\$)	Tranche No.	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
14															
15		1													
16		1													
17	Total DEP		\$266,419	\$240,802	\$105,427	\$91,384	\$98,794	\$83,546	\$125,531	\$150,670	\$75,201	\$112,707	\$116,462	\$170,245	\$1,637,188
18															
19															
20	CPRE Energy (\$)	Tranche No.	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
21															
22		1													
23		1													
24	Total DEP		\$659,625	\$579,819	\$611,390	\$526,246	\$520,496	\$464,887	\$322,975	\$294,767	\$198,368	\$242,509	\$258,441	\$411,119	\$5,090,642

Line No.	CPRE Generation (MWh)	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Total
1	Tranche No. 1													
2														
3														
4	Tranche No. 2													
5														
6														
7	Total DEP	9,919	11,218	12,759	16,892	20,348	22,089	22,210	21,584	19,492	17,230	15,291	12,363	201,396
8														
9														
10	CPRE Generation (\$)	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Total
11														
12	Tranche No. 1													
13														
14														
15														
16	Tranche No. 2													
17														
18														
19	Total DEP	\$ 473,890	\$ 531,808	\$ 573,588	\$ 701,253	\$ 852,395	\$ 944,167	\$ 783,098	\$ 788,071	\$ 708,330	\$ 615,729	\$ 648,346	\$ 537,879	\$ 8,158,555

Spring 2023 Forecast
Billed Sales Forecast
Sales Forecast - MWhs (000)

		Projected	Remove impact of SC	Adjusted Projected	2022 Cost of Service	Adjusted Projected
		Sales MWhs at Meter	DERP Net Metered MWhs	Sales MWhs at Meter	Line Loss Factors	Sales MWhs at Generation
NC Retail	Residential	17,326,377		17,326,377	2.505%	17,771,554
	Small General Service	1,816,847		1,816,847	2.503%	1,863,491
	Medium General Service	10,471,370		10,471,370	2.437%	10,732,932
	Large General Service	9,239,420		9,239,420	2.083%	9,435,971
	Lighting	384,646		384,646	2.489%	394,465
NC Retail		39,238,661		39,238,661		40,198,412
SC Retail		6,284,478	33,600	6,318,078	2.299%	6,466,748
Total Wholesale		17,708,557		17,708,557	1.594%	17,995,404
Total Adjusted NC System Sales		63,231,695	33,600	63,265,295		64,660,564
NC as a percentage of total		62.06%		62.02%		62.17%
SC as a percentage of total		9.94%		9.99%		10.00%
Wholesale as a percentage of total		28.01%		27.99%		27.83%
			Residential	44.16%		
			Small General Service	4.63%		
			Medium General Service	26.69%		
			Large General Service	23.55%		
			Lighting	0.98%		

Line No.	Description	Reference	Total Company (MWh)	North Carolina Retail (MWh)	North Carolina Residential (MWh)	North Carolina Small General Service (MWh)	North Carolina Medium General Service (MWh)	North Carolina Large General Service (MWh)	North Carolina Lighting (MWh)
1	Test Period MWh Sales (excluding inter system sales)	Company Records	60,895,868	37,570,593	16,034,936	1,908,360	10,766,603	8,519,137	341,557
2									
3	NC Percentage of Total Company Unadjusted Sales	61.70%							
4	SC Percentage of Total Company Unadjusted Sales	9.86%							
5	Wholesale Percentage of Total Company Unadjusted Sales	28.45%							
		100.00%							

Note: Rounding differences may occur

Per Rule R8-71 (j)(9) "the annual increase in the aggregate amount of costs recovered under G.S. 62-110.8(g) in any recovery period from its North Carolina retail customers shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year determined as of December 31 of the previous calendar year. Any amount in excess of that limit shall be carried over and recovered in the next recovery period when the annual increase in the aggregate amount of costs to be recovered is less than one percent (1%)."

Line No.	Description	EMF Period (Exhibit 4, L32)		Billing Period (Exhibit 3, L28)		Total	NC Retail Gross Revenues
1	Amount Approved in 2022 Docket E-2, Sub 1296	\$	(501,264)	\$	5,217,145	\$ 4,715,881	
2	Amount Proposed in current Docket	\$	(491,450)	\$	5,281,139	\$ 4,789,689	
3	Annual Increase					\$ 73,808	
4							
5	1% of 2022 NC Retail Gross Revenues					\$ 39,219,411	\$ 3,921,941,134
6							
7	Excess of Current Docket over 1% NC Retail Gross Revenues					N/A	

Note: Rounding differences may occur

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1323

In the Matter of

Application of Duke Energy Progress, LLC
Pursuant to G.S. 62-110.8 and Commission
Rule R8-71 for Approval of CPRE
Compliance Report and CPRE Cost
Recovery Rider

**DIRECT TESTIMONY OF
ANGELA M. TABOR**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Angela M. Tabor, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am a Renewable Compliance Manager for Duke Energy Carolinas, LLC
6 (DEC or the Company) within the Business Development & Compliance
7 Department.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND**
9 **PROFESSIONAL BACKGROUND.**

10 A. I received a Bachelor of Science in Mechanical Engineering from North
11 Carolina State University. I am a licensed Professional Engineer in North
12 Carolina. I worked as a mechanical engineer from 2001 to 2002 and 2004-
13 2010 at Black & Veatch. I worked as a hardware engineer at Lockheed
14 Martin Aeronautics from 2002-2004. In 2010, I joined Progress Energy as
15 a Senior Auditor working on the Operational Audit team. In 2012, after the
16 merger of Duke Energy and Progress Energy, I worked in the NERC
17 Corporate Compliance group managing audits with external regulators. In
18 2018, I became a Wholesale Renewable Manager in the Distributed Energy
19 Technology Department working with interconnection customers of the
20 Companies. In October of 2021, I moved to my current position as
21 Renewable Compliance Manager in the Business Development &
22 Compliance Department.

1 **Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES AT DUKE**
2 **ENERGY?**

3 A. In my current position, I am responsible for the development and
4 implementation of the competitive procurement of renewable energy
5 program (“CPRE Program”) established by Session Law 2017-192’s
6 (“House Bill 589” or the “Act”) enactment of North Carolina General
7 Statute (“N.C. Gen. Stat.”) § 62-110.8 and applicable to both Duke Energy
8 Carolinas, LLC (“DEC” or “the Company”), and Duke Energy Progress,
9 LLC (“DEP” and together with DEC, “the Companies”). My
10 responsibilities include compliance with CPRE Program requirements as
11 well as interface with the North Carolina Utilities Commission
12 (“Commission”) approved CPRE Program independent administrator,
13 Accion Group, LLC (“Accion Group”, “Independent Administrator”, or
14 “IA”), on behalf of DEC and DEP.

15 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
16 **CAROLINA UTILITIES COMMISSION?**

17 A. Yes. I filed testimony in the Companies’ CPRE Rider proceedings in
18 Docket Nos. E-7, Sub 1262, E-2, Sub 1296 and E-7 Sub 1281.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **PROCEEDING?**

21 A. The purpose of my testimony is to describe DEP’s activities in connection
22 with implementation of the CPRE Program and to describe DEP’s costs
23 incurred to implement the CPRE Program and to comply with N.C. Gen.

1 Stat. § 62-110.8 during the twelve months beginning on April 1, 2022 and
2 ending on March 31, 2023 (“EMF Period” or “Test Period”). My testimony
3 also supports DEP’s purchased power and generated power costs projected
4 to be incurred during the CPRE Program rider billing period, which is the
5 twelve-month period beginning on December 1, 2023 and ending on
6 November 30, 2024 (“Billing Period”).

7 **Q. ARE YOU SUBMITTING ANY EXHIBITS WITH YOUR**
8 **TESTIMONY?**

9 A. Yes. My testimony includes one exhibit. Tabor Exhibit No. 1 is the
10 Company’s 2022 CPRE Compliance Report, which is being submitted in
11 this docket in compliance with Commission Rule R8-71(h). The
12 Compliance Report describes the Company’s and DEC’s ongoing joint
13 efforts to procure renewable energy resources under the CPRE Program and
14 ongoing actions to comply with the requirements of N.C. Gen. Stat. § 62-
15 110.8 during the reporting period, including a summary of key activities
16 during the reporting period, costs incurred to administer the CPRE Program,
17 cost incurred, and fees collected by the Independent Administrator, and the
18 current status of CPRE Program requirements.

19 **Q. WAS THIS EXHIBIT PREPARED BY YOU OR AT YOUR**
20 **DIRECTION AND UNDER YOUR SUPERVISION?**

21 A. Yes. Tabor Exhibit No. 1 was prepared by me or under my supervision.
22 Tabor Exhibit No. 1, along with one of the appendices to Tabor Exhibit No.
23 1, contains confidential and proprietary information and is being filed with

1 the Commission under seal. A redacted version suitable for public filing is
2 attached to my testimony.

3 **Compliance with CPRE Program Requirements**

4 **Q. PLEASE PROVIDE BACKGROUND REGARDING THE**
5 **ESTABLISHMENT OF THE CPRE PROGRAM.**

6 A. On July 27, 2017, House Bill 589 was signed into law, thereby enacting
7 several amendments to the Public Utilities Act. Part II of the Act enacted
8 N.C. Gen. Stat. § 62-110.8, which mandates that Duke obtain Commission
9 approval to implement a CPRE Program to competitively procure 2,660
10 megawatts (“MW”) of additional renewable energy resource capacity
11 (subject to adjustment) over a 45-month period commencing from the date
12 of Commission approval of the CPRE Program, to be accomplished through
13 a series of distinct Requests for Proposals (“RFPs”) referred to as
14 “Tranches.” N.C. Gen. Stat. § 62-110.8(g) establishes an annual CPRE
15 rider cost recovery mechanism to recover the costs incurred by DEC and
16 DEP to implement the CPRE Program.

17 **Q. HAS THE COMPANY RECENTLY FILED AN UPDATED 2022**
18 **CPRE PROGRAM PLAN?**

19 A. Yes. The Company filed an updated CPRE Program Plan on September 1,
20 2022 in Docket E-100, Sub 186, as required by Commission Rule R8-71(g).
21 As explained in the CPRE Program Plan, the Companies procured 1,185
22 MW through the Tranche 1 and Tranche 2 solicitations completed in 2018
23 and 2020, and DEC procured an additional 155 MW of new CPRE Program

1 capacity through the Tranche 3 solicitation. As further explained in the
2 CPRE Program Plan, the Companies are seeking to procure 441 MW of
3 unawarded CPRE Program MW through the 2022 Solar Procurement, to
4 fulfill the remaining capacity requirements of N.C. Gen. Stat. § 62-110.8.¹
5 Notably, the Commission has determined that regardless of whether the
6 Companies procure the total 441 MW of unawarded CPRE Program MW
7 through the 2022 Solar Procurement, the CPRE Program will be closed out
8 upon the conclusion of the 2022 Solar Procurement.²

9 **Q. PLEASE ELABORATE ON THE CURRENT STATUS OF CPRE**
10 **TRANCHE 3.**

11 A. Two projects totaling 155 MW ultimately completed the Tranche 3 bid
12 evaluation process, both of which were determined to be bid winners
13 announced in July 2022. The contracting phase for these projects concluded
14 in August 2022, and both CPRE winners signed CPRE Tranche 3 PPAs.
15 Those projects are now continuing with project development and
16 interconnection study through the Tranche 3 Resource Solicitation Cluster,
17 with both projects having completed Phase I and Phase II Study. A
18 summary and timeline of CPRE Tranche 3 Milestone activities completed
19 in 2022 and Q1 of 2023 are shown below:

¹ On November 1, 2022, the Commission granted the Companies authority to procure the remaining CPRE Program MW through the 2022 Solar Procurement Program. *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, Docket No. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268.

² *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement*, at 7, Docket No. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268 (Nov. 1 2022).

1

CPRE Tranche 3 Milestones in 2022	
CPRE Tranche 3 Bid Window open	01/05/2022
CPRE Tranche 3 Bid Window closed	02/03/2022
Step 1 Ranking	03/31/2022
CPRE Tranche 3 Projects Winners Selected	07/29/2022
CPRE Tranche 3 PPAs signed	08/30/2022
Phase 2 RSC Study begins	08/31/2022
Phase 2 RSC Study complete	01/27/2023
Facilities Study begins	02/15/2023

2 **Q. YOU MENTION AN ADDITIONAL CPRE PROCUREMENT**
3 **BEING COMPLETED THROUGH THE 2022 SOLAR**
4 **PROCUREMENT. PLEASE ELABORATE ON THIS ADDITIONAL**
5 **CPRE PROCUREMENT, AND THE STATUS OF SUCH**
6 **PROCUREMENT.**

7 A. As outlined in the CPRE Program Plan Update and mentioned above, the
8 Companies are undertaking an additional competitive procurement of
9 renewable energy capacity to procure the remaining 441 MW of unawarded
10 CPRE Program capacity pursuant to N.C. Gen. Stat. § 62-110.8 through the
11 2022 Solar Procurement, which additional procurement the Commission
12 approved on November 1, 2022.³ Procuring the remaining CPRE Program
13 MW through the 2022 Solar Procurement allows the Companies to focus
14 resources on a single procurement of solar and most efficiently transition
15 to procurements pursuant to HB 951.

³ *Id.*

1 On June 20, 2022, the Companies issued the 2022 Solar
2 Procurement. A timeline regarding 2022 Solar Procurement completed in
3 2022 and 2023 is shown below:

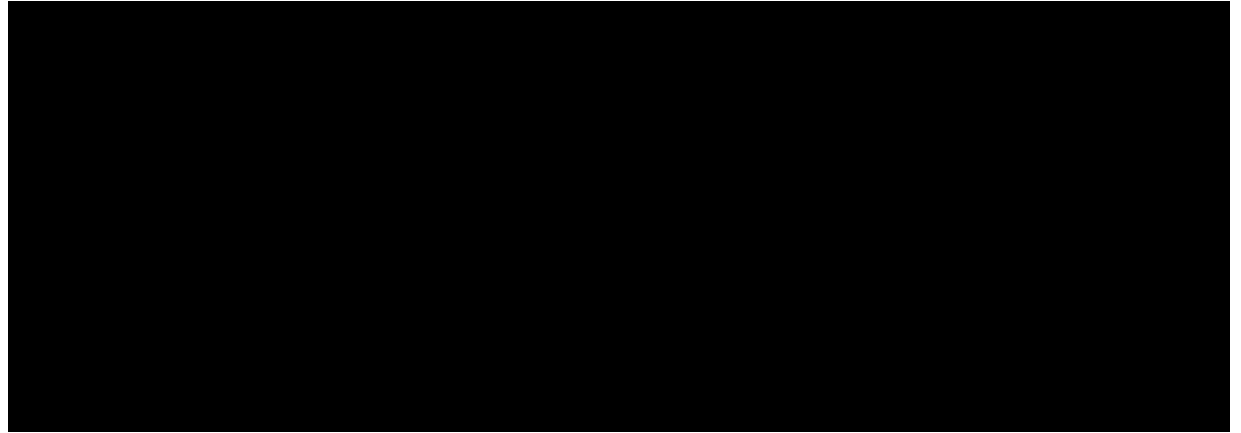
2022 Solar Procurement Milestones in 2022 & 2023	
2022 SP Bid Window open	06/20/2022
2022 SP Bid Window closed for Third Party Market Participants	07/22/2022
Step 1 Ranking complete, invitation to Step 2	11/28/2022
Proposal Security due date for Step 2 proposals	12/22/2022
DISIS Phase 2 Study start	12/27/2022
DISIS Phase 2 Study results	5/22/2023

5 The Phase 2 study is complete, and winners were notified on May 19, 2023.
6 Duke Energy and the market participants have 30 days to sign the PPAs.
7 440MW of CPRE PPAs were offered to market participants on May 19,
8 2023; 126MW in DEC and 313.9MW in DEP.

9 **Q. CAN YOU PROVIDE THE CURRENT EXPECTED COMMERCIAL**
10 **OPERATION DATES (“COD”) FOR ALL TRANCHE 1, TRANCHE**
11 **2, AND TRANCHE 3 WINNING PROPOSALS?**

12 A. Yes. As of the filing date in this docket, all Tranche 1 projects are in service
13 and the Tranche 2 winning project has the following estimated COD:

1

BEGIN CONFIDENTIAL

2

3

END CONFIDENTIAL

4 Generation from winning projects currently in operation or forecasted to
5 commence operation by November 30, 2024, are included in the forecast
6 billing period.

7 **Q. PLEASE EXPLAIN WHETHER ANY PROJECTS HAVE**
8 **CHANGED THEIR ESTIMATED COD SINCE THE FILING OF**
9 **DEP’S 2021 CPRE COMPLIANCE REPORT.**

10 A. The CPRE Tranche 2 winning project has extended its originally estimated
11 COD from January 2024 to March 2026. It is the Company’s understanding
12 that the project is experiencing delays due to challenging market conditions,
13 similar to those experienced by the DEC CPRE Tranche 2 projects. Duke
14 Energy is currently working with the developer to amend the
15 Interconnection Agreement and PPA to achieve commercial operation as a
16 Tranche 2 CPRE project.

1 **Q. HAS DEP PREPARED THE ANNUAL CPRE COMPLIANCE**
2 **REPORT AS REQUIRED BY SECTION (H) OF THE CPRE RULE?**

3 A. Yes. The DEP annual CPRE Compliance Report for 2022 is attached as
4 Exhibit 1 to my testimony. DEP requests that the Commission find that the
5 Company's ongoing actions to implement the CPRE Program requirements,
6 as described in the Compliance Report, are reasonable and prudent, in
7 accordance with NCUC Rule R8-71(i)(l).

8 **Costs of CPRE Program Compliance**

9 **Q. PLEASE DESCRIBE THE PERIOD OF COST RECOVERY**
10 **UNDER REVIEW IN THIS PROCEEDING.**

11 A. The CPRE Program rider authorized under subsection (j) of the CPRE Rule
12 allows the Company to establish "an increment or decrement as a rider to
13 its rates to recover in a timely manner the reasonable and prudent costs
14 incurred and anticipated to be incurred to implement its CPRE Program and
15 to comply with N.C. Gen. Stat. § 62- 110.8."

16 Subsection (j)(3) of the CPRE Rule further provides that, "[u]nless
17 otherwise ordered by the Commission," the CPRE Program Rider test
18 period shall be the same as the annual fuel factor test period, which, for DEP
19 is April 1, 2022 through March 31, 2023. The forecasted Billing Period is
20 also the same as DEC's annual fuel factor, extending December 1, 2023 to
21 November 30, 2024.

1 **Q. IS DEP SEEKING RECOVERY OF INDEPENDENT**
2 **ADMINISTRATOR FEES IN THIS PROCEEDING?**

3 A. No. Although DEP has previously recovered Tranche 1 and Tranche 2 IA
4 fees through the CPRE Rider, any prospective cost for administering CPRE
5 Tranche 3 will be funded through the CPRE Tranche 3 Proposal Fees, non-
6 refundable deposit fees, and the Winner's Fees.

7 **Q. IS THE COMPANY PROJECTING TO INCUR CPRE PROGRAM**
8 **PURCHASED POWER EXPENSES OR POTENTIAL**
9 **AUTHORIZED REVENUE OF UTILITY-OWNED CPRE ASSETS**
10 **THAT WOULD BE RECOVERABLE DURING THE BILLING**
11 **PERIOD AT ISSUE IN THIS PROCEEDING?**

12 A. Yes. Two DEP Tranche 1 projects are included in the billing period
13 forecast. Estimated purchased power expense estimates are described in the
14 direct testimony of Company Witness Walker and detailed in Walker
15 Exhibit No. 1. There are no utility-owned CPRE assets in DEP.

16 **Q. PLEASE DESCRIBE THE CATEGORIES OF COSTS INCURRED**
17 **OR POTENTIALLY EXPECTED TO BE INCURRED TO**
18 **IMPLEMENT THE REQUIREMENTS OF THE CPRE PROGRAM.**

19 A. The following is a summary of the types of costs that were and will likely
20 continue to be incurred to implement the CPRE Program and comply with
21 the procurement requirements of N.C. Gen. Stat. § 62-110.8:

- 22 • Purchased power and potential authorized revenues of utility-owned
23 generation related to CPRE Program renewable resources; and

- 1 • Internal Company labor, contract labor including legal fees, and other
2 related costs of implementing the CPRE Program.

3 **Q. PLEASE DESCRIBE THE COMPANY'S COSTS ASSOCIATED**
4 **WITH THE CPRE PROGRAM INCURRED DURING THE EMF**
5 **PERIOD.**

6 A. DEP's costs associated with implementing its CPRE Program include
7 internal labor associated with development of the CPRE Program Plan and
8 the Tranche 3 RFP documents, as well as interaction with the Independent
9 Administrator and the execution of the Tranche 3 RFP process. In addition
10 to internal labor, costs were incurred for external legal support for CPRE
11 program implementation.

12 **Q. PLEASE PROVIDE DETAIL FOR THE INTERNAL LABOR COSTS**
13 **INCURRED TO IMPLEMENT THE CPRE PROGRAM THAT**
14 **WERE INCURRED DURING THE EMF PERIOD.**

15 A. DEP includes only the incremental cost of CPRE Program compliance for
16 recovery through its CPRE rider. Company employees that work to
17 implement the requirements of N.C. Gen. Stat. § 62-110.8 charge only that
18 portion of their labor hours to CPRE accounting codes.

19 **Q. HOW ARE EXTERNAL CPRE-RELATED IMPLEMENTATION**
20 **COSTS BEING ALLOCATED BETWEEN DEC AND DEP?**

21 A. These costs have been allocated equally between DEC and DEP. While the
22 overall CPRE Program is expected to procure significantly more total
23 megawatts for DEC versus DEP, these costs related to implementing the

1 CPRE Program are associated with administrative activities that benefit
2 DEC and DEP equally. Thus, the Company's proposed CPRE rider in this
3 docket appropriately reflects recovery of one half of the shared outside
4 administrative costs incurred.

5 **Q. ARE YOU SATISFIED THAT THE ACTUAL COSTS DEP HAS**
6 **INCURRED DURING THE EMF PERIOD ARE REASONABLE**
7 **AND HAVE BEEN PRUDENTLY INCURRED?**

8 A. Yes.

9 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT**
10 **TESTIMONY?**

11 A. Yes.

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1323

In the Matter of)	
)	DUKE ENERGY PROGRESS, LLC
Application of Duke Energy Progress, LLC)	2022 COMPETITIVE PROCUREMENT
Pursuant to G.S. 62-110.8 and Commission Rule)	OF RENEWABLE ENERGY
R8-71 for Approval of CPRE Compliance)	PROGRAM COMPLIANCE REPORT
Report and CPRE Cost Recovery Rider)	
)	

**DUKE ENERGY PROGRESS, LLC
COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY (“CPRE”)
COMPLIANCE REPORT**

On November 6, 2017, the North Carolina Utilities Commission (“NCUC” or “Commission”) issued an order in Docket E-100, Sub 150 adopting regulations to implement the Competitive Procurement of Renewable Energy (“CPRE”) Program.¹ Section (h) of NCUC Rule R8-71 (the “CPRE Rule”) requires Duke Energy Progress, LLC (“DEP” or the “Company”) to annually file a CPRE Program Compliance Report for the prior calendar year, which for purposes of this Compliance Report is calendar year 2022 (referred to as the “reporting year”). DEP hereby submits this 2022 CPRE Compliance Report for the reporting year.

I. CPRE Solicitation Overview (R8-71(h)(2)(i))

As noted in the Company’s initial CPRE Program Plan filed on November 27, 2017, DEP and Duke Energy Carolinas (“DEC” and together with DEP, “Duke Energy” or the “Companies”) have elected to jointly issue request for proposal (“RFP”) solicitations to comply with the aggregate procurement requirements of the CPRE Program. The Accion Group, LLC has served as the Independent Administrator (“IA”) of the CPRE Program.

On July 2, 2019, the Commission issued its *Order Modifying and Accepting CPRE Program Plan* in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, establishing the process and timeline for Duke to initiate CPRE Tranche 2. DEP issued the CPRE Tranche 2 RFP on October 15, 2019, seeking to procure 80 MW of renewable capacity. As described in the IA’s Tranche 2 Final Report, attached as Appendix A, on July 17, 2020, one proposal was selected as a winner for DEP totaling 75 MW. Its Purchase Power Agreement (“PPA”) was executed on October 15, 2020.

No DEP proposals in Tranche 2 were eliminated pursuant to subsection R8-71(f)(3)(ii).

In 2021, Duke Energy continued the CPRE Program. On June 2, 2021, the Commission issued its *Order Requesting Update* on the Companies’ CPRE Program compliance in advance of the conclusion of the CPRE Program’s 45-month compliance period, requesting an update from interested parties regarding (1) the most current status of the Transition MW², (2) the need for and appropriate timing of a CPRE Tranche

¹ *Order Adopting and Amending Rules*, Docket No. E-100, Sub 150 (Nov. 6, 2017). The Commission subsequently also issued an *Order Amending Commission Rule R8-71* in the same docket on April 9, 2018.

² “Transition MW” is the term the Companies use to refer to projects that qualify under N.C. Gen. Stat. § 62-110.8(b)(1) as having executed power purchase agreements (“PPA”) and interconnection agreements for renewable energy capacity within the DEC and DEP Balancing Authorities that are not subject to economic dispatch or curtailment and were not procured under the Green Source Advantage program pursuant to N.C. Gen. Stat. § 62-159.2. Pursuant to N.C. Gen. Stat. § 62-110.8, should the level of Transition MW exceed 3,500 MW, then the aggregate targeted competitive procurement aggregate amount (2,660 MW) is to be reduced. If the aggregate capacity of such Transition MW is less than 3,500 MW at the end of the initial 45-

3, and (3) the parties' positions on statutory interpretation regarding what must be completed within the 45-month term and what actions the Commission may properly take beyond the 45-month timeframe to ensure that the final procurement target is met.

Following submission of the Companies' 2021 CPRE Program Plans, DEC and DEP began to work collaboratively with the IA as well as engage with Carolinas Clean Energy Business Association ("CCEBA"), the Public Staff, and other stakeholders to determine feasible paths that would allow the Companies to meet their procurement obligations under the CPRE Program while also ensuring that the Companies can successfully achieve queue reform and transition to annual Cluster Studies in 2022. Through this engagement with stakeholders, the Companies determined that Tranche 3 should be a DEC-only procurement for third-party PPA resources and should not include asset acquisition bids. The Companies and stakeholders also agreed that Duke should utilize a Resource Solicitation Cluster ("RSC") held in spring 2022, and queued after the Transitional Cluster Study, to evaluate grid upgrades of Tranche 3 proposals.

On November 21, 2021, the 45-month CPRE Program Procurement Period ended.

On November 24, 2021, the Companies submitted a joint letter with CCEBA to the Commission in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 regarding the Companies' plan to administer a DEC Tranche 3 RFP utilizing a Resource Solicitation Cluster ("RSC") to complete Step 2 of the CPRE RFP evaluation process.

On December 3, 2021, the Companies filed a Petition for Determination of Final CPRE Program Procurement Amount in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156, requesting the Commission determine the aggregate number of MW to be competitively procured through the CPRE Program based on the exceedance of Transition MW over the 45-month CPRE Procurement Period, and approve the resulting Tranche 3 target MW amount of 596 MW.

On December 20, 2021, the Commission issued its *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA*.³ The Commission's Order authorized DEC to implement Tranche 3 of the CPRE Program through an RSC, and determined that the current CPRE Program procurement target is 1,782 MW as reduced in accordance with N.C.G.S. § 62-110.8(b)(1).⁴

On January 5, 2022, DEC issued the CPRE Tranche 3 request for proposals (RFP) seeking to procure 596 MW. The bid window for CPRE Tranche 3 closed on February 3, 2022. Eight projects totaling 520 MW bid into CPRE Tranche 3. Following closure of the bid window, 365 MW withdrew from Tranche 3, citing market uncertainty and the rising costs of solar development as the cause of their withdrawal. Ultimately, only two projects totaling 155 MW completed the Tranche 3 bid evaluation process and have signed CPRE

month competitive procurement period, the Commission shall also require the Companies to conduct an additional competitive procurement in the amount of such deficit pursuant to the statute.

³ Docket Nos. E-2, Sub 1159 and E-7 Sub 1156 (Dec. 20, 2021).

⁴ *Id.* at 8.

Program PPAs with DEC. Below follows a timeline regarding CPRE Tranche 3 Milestones completed in 2022 and 2023:

CPRE Tranche 3 Milestones in 2022-2023	
CPRE Bid Window open	01/05/2022
CPRE Bid Window closed	02/03/2022
Step 1 Ranking	03/31/2022
CPRE Tranche 3 Project Winners Selected	07/29/2022
CPRE Tranche 3 PPAs signed	08/30/2022
Phase 2 RSC Study start	08/31/2022
Phase 2 RSC Study results	01/27/2023
Facility Study start	02/15/2023

The Facility Study for the two selected projects is underway and results are expected to be complete by July 2023. Tranche 3 is limited to projects in DEC's territory.

On September 1, 2022, the Companies filed a petition in both the 2022 Solar Procurement Dockets (E-2, Sub 1297 and E-7, Sub 1268) and the CPRE Program Dockets (E-2, Sub 1159 and E-7, Sub 1156) stating that the CPRE Program is 441 MW short of meeting the target established by N.C. Gen. Stat. § 62-110.8 and requesting the Commission's approval to procure the CPRE Program MW shortage through the 2022 Solar Procurement, to extend the CPRE Program PPA term to 25 years, and for waiver of certain provisions of Commission Rule R8-71.

On November 1, 2022, the Commission issued its *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume for the 2022 Solar Procurement* in Docket Nos. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268, granting the Companies authority to complete a CPRE Program additional procurement through the 2022 Solar Procurement with a target of 441 MW. However, the Commission concluded that regardless of whether the 441 MW of CPRE Program capacity is procured in total through the 2022 Solar Procurement, the CPRE Program will close out upon the conclusion of the 2022 Solar Procurement. On June 20, 2022 the Companies issued the 2022 Solar Procurement. Below is a timeline regarding 2022 Solar Procurement completed in 2022:

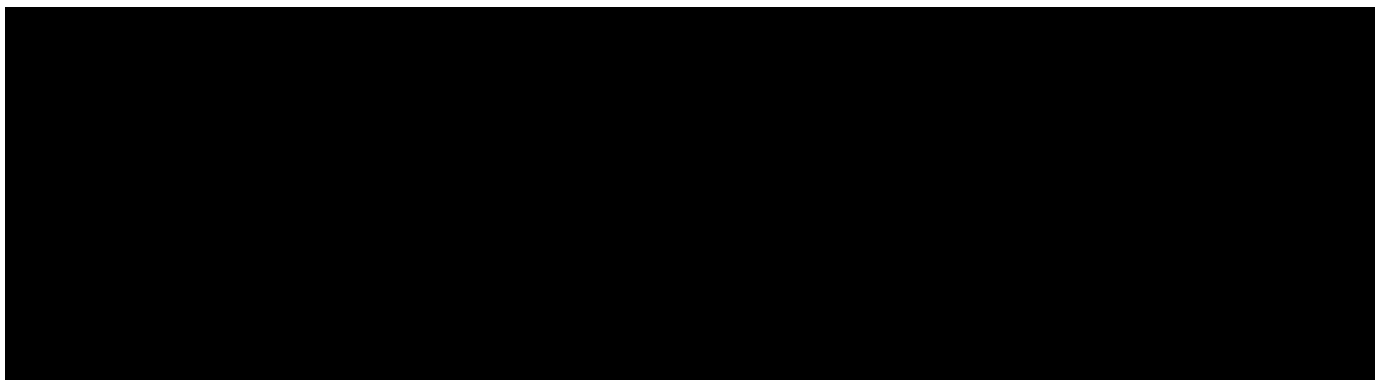
2022 Solar Procurement Milestones in 2022	
2022 SP Bid Window open	06/20/2022
2022 SP Bid Window closed for Third Party Market Participants	07/22/2022
Step 1 Ranking complete, invitation to Step 2	11/28/2022
Proposal Security due date for Step 2 proposals	12/22/2022
DISIS Phase 2 Study start	12/27/2022

The 2022 Solar Procurement Phase 2 Study was recently completed in May.

II. Summary of PPAs and Utility-Owned Assets Procured During the Reporting Year (R8-71(h)(2)(ii))

No PPAs were executed or utility-owned assets procured during the reporting year for DEP. Below follows a table identifying all projects procured in CPRE Tranches 1 and 2. The table lists whether such projects are utility-owned assets or third-party owned PPA assets, and provides estimated commercial operation dates as of the date of this filing for each project.

BEGIN CONFIDENTIAL



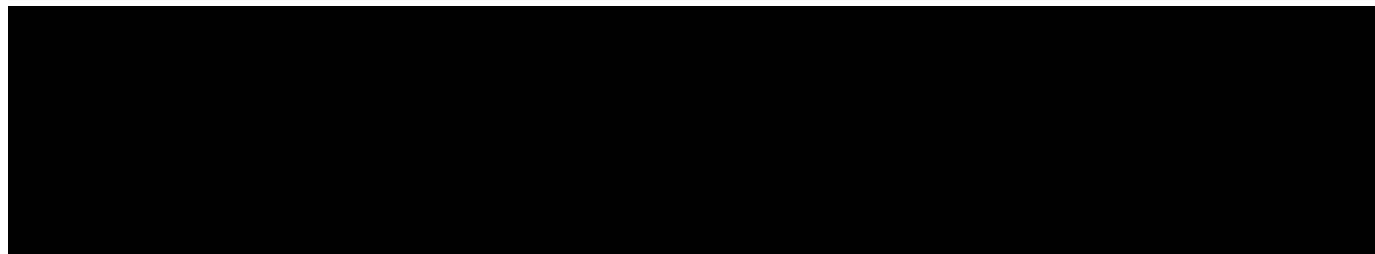
END CONFIDENTIAL

III. Capacity and Energy Obtained through the CPRE Program During the Reporting Year (R8-71(h)(2)(iii))

The nameplate capacity of the winning proposals in DEP for Tranche 1 and Tranche 2 are identified above. No megawatt-hours of renewable energy or renewable energy certificates were obtained through the CPRE Program during the reporting year for the Tranche 2 project, because it was not online and operating during the reporting year.

Both Tranche 1 projects were online and operating during the reporting year. Details concerning both projects are included in the following table:

BEGIN CONFIDENTIAL



END CONFIDENTIAL

IV. Duke Energy Owned Facilities Submitted as Proposals in CPRE Solicitation (R8-71(h)(2)(iv))

No proposals sponsored by the Companies or Duke Energy Corp. were submitted as part of the Tranche 3 CPRE RFP; Tranche 3 was limited to DEC only.

V. Avoided Cost Rates (R8-71(h)(2)(v))

Tranche 3 was limited to DEC. Accordingly, no Avoided Cost Thresholds are shown in this section.

VI. Total Costs and Authorized Revenues (R8-71(h)(2)(vi))

During the reporting period, DEP incurred a total of \$397,296, which includes costs for legal support, outside publishing, and internal company labor. The winning CPRE Tranche 2 project did not achieve commercial operation during the reporting year, so DEP did not incur purchased power costs from that project. One CPRE winning proposal from Tranche 1 achieved commercial operation in December 2020, and the second CPRE winning proposal from Tranche 1 achieved commercial operation in July 2021. Purchased power costs associated with these assets total \$6,727,830.

VII. Status of Compliance with CPRE Program Requirements (R8-71(h)(2)(vii))

During the CPRE Program Procurement Period, DEC (1,024 MW) and DEP (161 MW) collectively procured 1,185 MW through Tranches 1 and 2 of the CPRE Program. Further, during the CPRE Program Procurement Period, the Companies procured a total of 4,378 Transition MW, an excess of 878 MW. Therefore, pursuant to N.C. Gen. Stat. § 62-110.8(b)(1), the Commission determined that it was appropriate to reduce the CPRE Program procurement target to 1,782 MW.⁵ As a result, the Commission concluded that the Companies were 596 MW short of the adjusted CPRE Program procurement target at the end of the CPRE Program Procurement Period and ordered DEC to initiate a CPRE Tranche 3 to procure 596 MW.⁶

On January 5, 2022, DEC issued the CPRE Tranche 3 RFP seeking to procure 596 MW. The bid window for CPRE Tranche 3 closed on February 3, 2022. Only eight projects totaling 520 MW bid into CPRE Tranche 3. Following closure of the bid window, 365 MW withdrew from Tranche 3, citing market uncertainty and the rising costs of solar development as the cause of their withdrawal. Ultimately, only two projects totaling 155 MW completed the Tranche 3 bid evaluation process and have signed CPRE Program PPAs with DEC. On September 1, 2022, the Companies filed a Petition stating that the CPRE Program is 441 MW short of meeting the target established by N.C. Gen. Stat. § 62-110.8 and requesting the Commission's approval to procure the 441 MW shortage through the 2022 Solar Procurement, among other things. On November 1, 2022, the Commission issued an Order authorizing DEC and DEP to procure the remaining 441 MW shortfall under the CPRE Program framework in a "final" CPRE Program additional

⁵ *Order Determining Adjusted CPRE Program Procurement Target*, at 2, Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 (Dec. 20, 2021).

⁶ *Id.*

procurement, issued in conjunction with the 2022 Solar Procurement.⁷ However, and as explained elsewhere in this report, the Commission concluded that regardless of whether the CPRE MW shortfall is procured in total through the 2022 Solar Procurement, the CPRE Program will be closed out upon the conclusion of the 2022 Solar Procurement.⁸

VIII. Independent Administrator and Evaluation Costs (R8-71(h)(2)(viii))

The Independent Administrator was selected in January 2018. A copy of the contract between the Companies and the IA in effect for the 2022 reporting period can be found in DEP's 2019 and 2020 CPRE compliance reports filed previously with the Commission. The Companies note that this contract expired at the end of the 45-month CPRE procurement period, and, as such, the Companies and IA amended the contract to extend the term through January 2023 in order for the IA to remain engaged through completion of CPRE Tranche 3.

During the reporting year, the total costs incurred by the IA to implement the CPRE Program for DEC and DEP were approximately \$170,508.75.

In Tranche 3 of the RFP, DEC elected to structure the Proposal Fees and Winners' Fees as follows:

- 1) Proposal Fees were required of each proposal submitted on the Independent Administrator's website, including Asset Acquisition proposals. This fee was set at \$500/MW, based on the facility's nameplate capacity, up to a maximum of ten thousand dollars (\$10,000).
- 2) In addition, Winners' Fee will be collected on a pro-rata basis from each winning proposal. This fee will be calculated on the amount of the IA costs as well as any Duke Energy costs related to proposal evaluation (i.e., costs incurred in the Step 2 evaluation process as described in the RFP) that was not recovered from the Proposal Fees. The Winners' Fee will be determined upon conclusion of the RFP and upon completion of contracting. Any such Winners' Fees will be allocated among all winning proposals selected by both DEC and DEP on a pro-rata basis on a per MW basis. The total of the Winners' Fees shall not exceed one million five hundred thousand dollars (\$1,500,000).

DEP notes that in the Commission's *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA*, the Commission granted the Companies waiver of Commission Rules R8-71(d)(1), R8-71(d)(3)-(8), R8-71(d)(3)-(10), R8-71(e), and R8-71(f), in order for an Independent Evaluator, Charles River Associates, Inc., to oversee the CPRE additional procurement being implemented through the 2022 Solar Procurement.⁹

⁷ *Order Permitting Additional CPRE Program Procurement and Establishing Target Procurement Volume For The 2022 Solar Procurement*, at 13, Docket Nos. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268 (Nov. 1, 2022).

⁸ *Id.* at 7.

⁹ *Order Determining Adjusted CPRE Program Procurement Target, Requiring Tranche 3 CPRE Program Procurement Solicitation, Approving Resource Solicitation Cluster, and Requiring Responses to Commission Questions Regarding Pro Forma PPA*, at 7-8, Docket Nos. E-2, Subs 1159 and 1297 and E-7, Subs 1156 and 1268 (Nov. 1, 2022)

IX. Independent Administrator Certification (R8-71(h)(2)(ix))

The Independent Administrator certification required by NCUC Rule R8-71(h)(ix) is provided as Appendix A.

X. Grid Upgrade Costs¹⁰

There are no grid upgrade costs to report for the 2022 reporting year as no new PPAs or utility-owned assets were procured during the reporting year.

¹⁰ *Order Modifying and Approving Joint CPRE Program*, Docket Nos. E-7, Sub 1156, and E-2, Sub 1159 (Feb. 21, 2018) (directing that “[i]n addition to requiring Duke to address grid upgrade costs, as necessary, in its explanation of the elimination of proposals, Duke shall report on grid upgrade costs on a per-proposal basis in its future CPRE compliance reports”)



TO: Angela Tabor
FROM: Harold T. Judd, Independent Administrator
DATE: December 19, 2022
RE: CPRE 2022 Process Certification

In January 2018 Accion Group, LLC, incorporated in the State of New Hampshire, was approved by the North Carolina Utility Commission ("NCUC") to serve as Independent Administrator ("IA") for the Competitive Procurement of Renewable Energy Program ("CPRE"). CPRE was divided into annual "Tranches" as independent solicitations with Tranche 1 being released in 2018 and completed in July 2019. Tranche 2 was released in August 2019 and completed October 15, 2020.

The IA participated in the preparation of Tranche 1, Tranche 2, and the Tranche 3 CPRE documents and provided the Website through which all information about the CPRE Program was available to interested parties.

Tranche 3 was released on September 9, 2021. Tranche 3 was designed to avoid delay between the identification of proposals which were eligible to receive an offer of a Purchase Power Agreement ("PPA") and the final determination of system impact costs, by allowing Market Participants to execute a PPA and have it cancelled after the system impact costs were determined, many months later. We await that final reconciliation.

For Tranche 3, the IA conducted four (4) Stakeholder sessions required by the NCUC between September 17 and November 4, 2021. All communications with Market Participants ("MP") were conducted through the IA Website and all Proposals were received on the IA Website.

The IA was responsible for the evaluation of all Proposals (referred to in the CPRE Program as "Step 1") and for reporting a preliminary ranking of Proposals to the Duke Transmission Evaluation Team for determination of what, if any, system improvements would be required to accommodate the associated projects (referred to as the "Step 2" process). The Proposal date for Tranche 3 was February 3, 2022.

The Website remained the host of all CPRE activities through the Step 2 evaluation process and until December 31, 2022.

All Proposals were evaluated using the same criteria and evaluation modeling, consistent with the CPRE Program Methodology. All Proposals and all participants were treated equitably and the IA is unaware of any bias towards or against any participant.

Harold T. Judd

President, Accion Group, LLC
The State of New Hampshire
County of Merrimack

This instrument was acknowledged before me on the 19 day of December, 2022 by Harold T. Judd.

Sheri L. Vincent-Crisp, Notary Public, State of New Hampshire
My Commission expires April 7, 2026

CERTIFICATE OF SERVICE

I certify that a copy of the public/redacted version of Duke Energy Progress, LLC's Application for Approval of CPRE Cost Recovery Rider and 2022 CPRE Compliance Report as filed in Docket No. E-2, Sub 1323 has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, to all parties of record.

This the 13th day of June, 2023.

/s/ Kristin M. Athens

Kristin M. Athens
McGuireWoods LLP
501 Fayetteville Street, Ste. 500
Raleigh, North Carolina 27601
(919) 835.5909
kathens@mcguirewoods.com

*Attorney for Duke Energy Progress,
LLC*