CCEBA
REPRESENTING CLEAN ENERGY BUSINESSES

June 23, 2023

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

Re: Docket Nos. E-2, Sub 1314 and E-7, Sub 1289
Petition of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Requesting Approval of Green Source Advantage Choice Program and Rider GSAC
Docket Nos. E-2, Sub 1315 and E-7, Sub 1288
Petition of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Requesting Approval of Clean Energy Impact Program

Dear Ms. Dunston:

The Carolinas Clean Energy Business Association ("CCEBA") provides this letter in lieu of reply comments in the above dockets. CCEBA has previously joined with the Southern Alliance for Clean Energy ("SACE") and the North Carolina Sustainable Energy Association ("NCSEA") in filing Joint Initial Comments on April 25 in these dockets. CCEBA has reviewed the Reply Comments filed by SACE and NCSEA and agrees with them. We write separately to propose an alternative solution to the problem identified in our Joint Initial Comments and by numerous other Intervenors (as discussed by SACE and NCSEA in their Reply Comments).

A common critique of the customer programs proposals by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, (together "Duke Energy") is that the proposals do not provide for additionality or regulatory surplus. In other words, they do not result in the deployment of new, additional renewable energy resources beyond those proposed in Duke Energy's own procurements.

As detailed to stakeholders this week, Duke Energy's proposed 2023 procurement is limited to 1,200 MW, with a potential for a 20% upward adjustment through a Volume Adjustment Mechanism. Past testimony in the Carbon Plan docket and Duke Energy's own forecasts show that an annual solar procurement of at least 1,800 MW is necessary to meet the carbon reduction goals of House Bill 951 by 2030 in the least cost manner.

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Duke Energy has argued for a significantly lower annual procurement volume on the grounds that its interconnection capacity is limited and that procuring more than Duke believes it can interconnect may result in ratepayers paying more for solar than would be required if the procurement were deferred. However, if the cost of additional solar is borne entirely by individual customers voluntarily participating in the GSA program, the concern advanced by Duke disappears. The difference between the needed 1,800 MW and the planned limited procurement of up to 1,440 MW thus offers an opportunity to address both the insufficient procurement and the regulatory surplus issue simultaneously.

CCEBA therefore suggests that the proposed Green Source Advantage Facility PPA option could be increased by at least 250 MW to a total of 500 MW (or more) with the understanding that any variable rate bill credit projects under this program do *not* get subtracted from the HB951procurement volume. Under such a structure, customers could propose their own variable rate project for interconnection. If approved and ultimately interconnected, such a program would impose no burden on other ratepayers, would impose no additional costs on Duke Energy, and would accelerate the deployment of additional clean energy that otherwise would not have been brought online through Duke Energy's own HB951 Procurement process.

While there are likely significant details remaining for such a proposal to be workable, CCEBA suggests this idea for further discussion. CIGFUR II and III have requested procedural relief, including a stay for further discussions of GSAC issues. CCEBA does not oppose that request, and believes this proposal merits inclusion in those intervenor discussions.

Respectfully submitted,

___/s/ John D. Burns___

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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing document by hand delivery, first class mail, deposited in the U.S. Mail, postage pre-paid, or by email transmission with the party's consent.

This, the 23rd day of June 2023.

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