

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH
DOCKET NO. E-2 Sub 1170
DOCKET NO. E-7 Sub 1169**

In the Matter of Petition of Duke)	RESPONSE OF THE ATTORNEY
Energy Progress, LLC, and Duke)	GENERAL'S OFFICE TO THE
Energy Carolinas, LLC, Requesting)	AGREEMENT AND STIPULATION
Approval of Green Source Advantage)	OF PARTIAL SETTLEMENT BY
Program and Rider GSA to Implement)	AND BETWEEN NCCEBA, UNC-
G.S. 62-159.2)	CHAPEL HILL, AND SACE

The North Carolina Attorney General's Office (the AGO) respectfully submits its position on the Agreement and Stipulation of Partial Settlement by and between the North Carolina Clean Energy Business Alliance, the North Carolina University at Chapel Hill (UNC-Chapel Hill), and the Southern Alliance for Clean Energy (SACE) (the Stipulation).

The Stipulation proposes a modification to the Green Source Advantage Program (GSA Program) proposed by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, Duke) pursuant to N.C. Gen. Stat. § 62-159.2, titled "Renewable Energy Procurement for Major Military Installations, Public Universities, and Other Large Customers.

Specifically, the Stipulation proposes that GSA customers that choose the Self-Supply option could also opt for their bill credit to be equal to Duke's administratively-determined avoided cost. The bill credit would be fixed for an initial period that would be equal to the shorter of (i) the term of the customer's GSA Service Agreement, (ii) ten years, or (iii) a shorter period agreed to by the utility and the GSA customer.

The AGO concurs with the parties to the Stipulation that a bill credit equal to Duke's avoided costs holds nonparticipating customers neutral, as required by N.C. Gen. Stat. § 62-159.2(e). Adopting the bill credit proposal in the Stipulation would resolve a significant shortcoming of the GSA Program as proposed by Duke: that the military and public universities for which the General Assembly reserved capacity under the program have indicated they will not participate in it. In the absence of a bill credit along the lines of that proposed in the Stipulation, there is a considerable risk that N.C. Gen. Stat. § 62-159.2 will not benefit the parties for whom the General Assembly enacted it, namely the military and public universities. Under N.C. Gen. Stat. § 62-159.2, 350 megawatts of renewable energy out of the total 600 megawatt program are set aside for major military installations and The University of North Carolina for three years. If the GSA Program fails to attract military and public university customers, North Carolina will lose an opportunity to connect new renewable energy sources to the grid.

Respectfully submitted, this the 25th day of October, 2018.

JOSHUA H. STEIN
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/s/
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CERTIFICATE OF SERVICE

The undersigned certifies that she has served a copy of the foregoing RESPONSE OF THE ATTORNEY GENERAL'S OFFICE TO THE AGREEMENT AND STIPULATION OF PARTIAL SETTLEMENT BY AND BETWEEN NCCEBA, UNC-CHAPEL HILL, AND SACE upon the parties of record in this proceeding and their attorneys by electronic mail.

This the 25th day of October, 2018.

/s/

Jennifer T. Harrod
Special Deputy Attorney General