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November 20, 2018

**VIA ELECTRONIC FILING**

M. Lynn Jarvis, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC - Request for Approval of Renewable Advantage Rider (NC)  
Docket Nos. E-7, Sub 1185 and E-100, Sub 90**

Dear Ms. Jarvis:

Duke Energy Carolinas, LLC (“DEC” or the “Company”) herein requests Commission approval of changes to its voluntary program to offer Renewable Energy Credits (“RECs”) to customers. The Company requests approval of a new Renewable Advantage Rider (NC) and revisions to the existing NC GreenPower Program (NC).

Customer surveys have shown increased interest in ensuring that their electrical requirement is supplied from renewable energy resources. Under current tariffs, electricity is supplied from all generation resources, which includes an increasing percentage of renewable resources. It is anticipated that the requested changes will aid in developing a more active REC market in North Carolina. The acquisition of these resources will not adversely impact the Company’s compliance with the Renewable Energy Portfolio Standard requirement.

The Renewable Advantage Rider (NC) is a new voluntary program allowing residential and non-residential (small business) customers to purchase RECs to offset all or a portion of their electrical consumption. Increasingly, electric public utilities across the country are offering this type of product to their customers who are seeking to increase renewable energy in their areas. This proposed program is similar to Rider G – Renewable Energy Program offered by Dominion Energy Virginia. There is not a supplier of such a service for North Carolina residential or small business customers, however. As an electric public utility, DEC is the natural intermediary for its customers seeking renewable energy solutions in this regard.

The Renewable Advantage Rider (“Rider”) is requested to be offered as a pilot that will be available through December 31, 2024. The Rider has two features that distinguish it from other voluntary REC offerings across the country. First, it allows residential and small business customers to purchase certified fractions of RECs. In other words, the Rider

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Nov 20 2018

allows the customer to acquire multiple blocks, in 250 kilowatt-hour (“kWh”) increments, of RECs that could be sufficient to offset a portion or all of a customer’s consumption. The number of blocks purchased is determined by the participant; however, the Company will offer guidance on matching a customer’s annual usage upon request. Second, as explained in more detail below, the proposed Rider supports local, North Carolina development of renewable energy through a donation to NC GreenPower of \$2 for every REC purchased.

RECs will be secured from both in-state and out-of-state resources and include a variety of generation such as solar photovoltaic, wind-powered, hydro and biomass powered resources. All RECs acquired under the Rider will be retired on behalf of Rider participants. The monthly rate is set to recover all billing, marketing, REC acquisition and other costs associated with the program. The resource blend will be adjusted to achieve an overall monthly rate of \$3 per 250 kWh block. Market research indicates that this rate level will meet the needs of participants interested in having electricity consumption supplied solely from renewable resources. A typical residential customer with an average monthly usage of 1,000 kWh would pay \$12 per month more than standard tariff rates if all of their usage was supplied from renewable resources. The Company believes that offering this program addresses the request of the Company’s customers to offer electricity from sources other than traditional utility resources without adversely impacting other customers.

As part of its proposed Rider offering, the Company is also concurrently seeking changes to its NC GreenPower Program (NC) tariff to concur with program changes concurrently requested by NC GreenPower. This program was initially approved in 2003 in Docket No. E-100, Sub 90 as a state-wide voluntary green power pricing program and offered a 100 kWh block of renewable energy for each contribution of \$4.00. Participating utilities offered tariffs for its customers to acquire RECs which would be secured by NC GreenPower from resources within the state of North Carolina. In 2015, the Commission approved changes to the program, as sought by NC GreenPower, for a 50/50 Hybrid Pilot. Under the 50/50 Hybrid Pilot, tariff revenues are evenly split: 50% are used to purchase a renewable energy block of 50 kWh to benefit eligible green power generators who are installing projects across the State while 50% goes to support the installation of solar photovoltaic projects at selected schools.

NC GreenPower has now advised the Company that it will seek revisions to its mass market program to no longer acquire RECs, but with all funds being used to install solar generation at schools throughout North Carolina. The Company is therefore seeking changes its NC GreenPower Program (NC) tariff to reflect this change. NC GreenPower is a 501(c)(3) nonprofit supporting renewable energy and carbon offset projects and providing grants for solar installations at K-12 schools. The Company will advise current participants of this program revision and will continue to offer and promote both the NC GreenPower Program (NC) and NC Renewable Energy Program (NC) as alternatives to the new Renewable Advantage Rider for customers that prefer the tax advantages and other attributes of these programs. The NC Renewable Energy Program (NC) program will continue to acquire solely in-state RECs.

The Renewable Advantage Rider’s Monthly Rate shall apply to the Customer’s bill regardless of the Customer’s actual monthly kilowatt-hour consumption. A portion of the

Customer's monthly payment shall be paid to NC GreenPower to support the installation of solar generation systems in North Carolina schools.

Renewable Advantage Rider (NC) and revised NC GreenPower Program (NC) are attached as Exhibit Nos. 1 and 2, respectively. Exhibit No. 2 contains both clean and redlined versions of the NC GreenPower Program (NC). The Company requests that this proposal be approved effective on and after December 31, 2018 to allow sufficient time to notify customers of the change to the NC GreenPower Program and to upgrade the Company's billing systems to support the Residential Advantage Rider. The Commission's prompt attention to this matter is appreciated. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendrick C. Fentress". The signature is fluid and cursive, with the first name "Kendrick" being more prominent.

Kendrick C. Fentress

Robert W. Kaylor

ATTORNEY FOR DUKE ENERGY  
CAROLINAS, LLC

Enclosures

cc: Parties of Record

## RENEWABLE ADVANTAGE RIDER (NC)

AVAILABILITY (North Carolina only)

This Rider provides customers the option to purchase energy from generation facilities that use renewable energy resources to provide electricity. This Rider is available on a limited and voluntary basis to retail customers receiving concurrent service from the Company who contract for a block(s) of electricity generated from Renewable Energy Resources. The maximum number of customers served under this Rider shall be determined by the maximum number of blocks of Renewable Energy Resources available for purchase through the Rider. This Rider is not available for temporary service or for resale service. This Rider is available until December 31, 2024.

GENERAL PROVISIONS

Each customer may contract with the Company for the purchase Renewable Energy Resources to be billed to the customer monthly on the basis of a block of Renewable Energy Resources. The customer may change the number of blocks of Renewable Energy Resources contracted for once during the contract year, unless otherwise authorized by the Company.

Renewable Energy Resources will be produced, purchased or otherwise acquired to meet the expected blocks contracted for during each calendar year with an appropriate true-up of the delivery of the blocks to the purchase of blocks within two years of the purchase. The actual amount of energy provided from Renewable Energy Resources during any given month may be more or less than the number of blocks of Renewable Energy Resources for which customers have contracted.

Energy produced from Renewable Energy Resources will displace energy that would have otherwise been produced from traditional generating facilities and may not be delivered specifically to the individual customer contracting for the service under this Rider.

DEFINITIONS

**Renewable Energy Resources:** For the purposes of this Rider, Renewable Energy Resources shall include resources both within and outside North Carolina generating electricity from renewable resources such as solar, wind, hydro-electric and biomass. Renewable Energy under the Rider consists of any combination of these generation resources which create a blend of renewable energy for the customer. Resources must be certified as meeting the Green-e National Standard and provide for the acquisition of all environmental attributes, including all carbon dioxide attributes. Green-e is a program that provides independent verification of renewable energy attributes.

**Renewable Energy Credits (RECs):** RECs shall mean all environmental attributes associated with energy generated by the renewable energy resource and shall be retired on the Customer's behalf and shall not be used for any other REC compliance purposes.

**Block of Renewable Energy Resource:** A block of Renewable Energy Resource is the equivalent of 250 kWh.

MONTHLY RATE

In addition to all other charges stated in the applicable Schedule with which this Rider is used, the following charge shall also apply to each block Customer purchases:

\$ 3.00 per block of Renewable Energy Resources per month.

This Rider's Monthly Rate shall apply to the Customer's bill regardless of Customer's actual monthly kilowatt-hour consumption. A portion of the Customer's monthly payment shall be paid to NC GreenPower to support the installation of solar power systems in North Carolina. NC GreenPower is a 501(c)(3) nonprofit supporting renewable energy and carbon offset projects and providing grants for solar installations at K-12 schools.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase a specified number of blocks of Renewable Energy Resources on a month to month basis upon the condition that either party can terminate the contract by giving at least thirty (30) days prior notice of such termination in writing.

NC GREENPOWER PROGRAM (NC)

AVAILABILITY (North Carolina only)

Available on a limited and voluntary basis to retail customers receiving concurrent service from the Company who contract for a block(s) of electricity generated from Renewable Energy Resources to support deployment of solar photo-voltaic, other renewable technologies, or energy storage projects ("Projects") at North Carolina schools.

GENERAL PROVISIONS

All funds collected under this Rider will be used to pay a portion of the cost of Projects at schools. Customers participating in this program agree that their name, address, and the number of blocks purchased may be disclosed to NC GreenPower Corporation ("NCGP"). The funds, less applicable taxes, collected from customers under this Rider will be distributed to the NCGP, a nonprofit corporation, who will provide incremental payments to contractors installing Projects at schools selected by the NCGP for the participation in the NC GreenPower Program.

Service rendered under this Rider is subject to the provisions of the Service Regulations of Company on file with the state regulatory commission. Circumstances and/or actions which may cause the Company to terminate the availability of this Rider include but are not limited to: the retail supply of electric generation is deregulated; Company's participation in the statewide NC GreenPower Program is terminated; the statewide NC GreenPower Program is terminated; or other regulatory and/or legislative action supersedes or contravenes the Rider or the NC GreenPower Program.

RATE

In addition to all other charges stated in the Monthly Rate of the Schedule with which this Rider is used, the following charge shall also apply to each block Customer purchases:

\$ 4.00 per block of Renewable Energy Resources per month.

This Rider's Monthly Rate shall be applied to Customer's billing regardless of Customer's actual monthly kilowatt-hour consumption. Each block shall be considered as a contribution for the installation of Projects at schools. Customer shall specify the number of blocks requested and may change the number of monthly blocks purchased no more than once during each year, unless otherwise authorized by Company.

PAYMENT

Bills under this Program are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to terminate the customer's contract for this service.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase a specified number of blocks of Renewable Energy Resources on a month to month basis upon the condition that either party can terminate the contract by giving at least thirty (30) days previous notice of such termination in writing.

## NC GREENPOWER PROGRAM (NC)

AVAILABILITY (North Carolina only)

Available on a limited and voluntary basis to retail customers receiving concurrent service from the Company who contract for a block(s) of electricity generated from Renewable Energy Resources to support deployment of solar photo-voltaic, other renewable technologies, or energy storage projects ("Projects") at North Carolina schools provided through the NC GreenPower Program administered by the North Carolina Advanced Energy Corporation (NCAEC).

~~The maximum number of customers served under this program shall be determined by the maximum number of blocks of Renewable Energy Resources available for purchase through the NC GreenPower Program. This Program is available until March 31, 2016, and shall automatically extend thereafter until revised by order of the North Carolina Utilities Commission.~~

GENERAL PROVISIONS

All funds collected under this Rider will be used to pay a portion of the cost of Projects at schools. Customers participating in this program agree that their name, address, and the number of blocks purchased may be disclosed to NC GreenPower Corporation ("NCGP"). The funds, less applicable taxes, collected from customers under this Rider will be distributed to the NCGP, a nonprofit corporation, who will provide incremental payments to contractors installing Projects at schools selected by the NCGP for the participation in the NC GreenPower Program.

Service rendered under this Rider is subject to the provisions of the Service Regulations of Company on file with the state regulatory commission. Circumstances and/or actions which may cause the Company to terminate the availability of this Rider include but are not limited to: the retail supply of electric generation is deregulated; Company's participation in the statewide NC GreenPower Program is terminated; the statewide NC GreenPower Program is terminated; or other regulatory and/or legislative action supersedes or contravenes the Rider or the NC GreenPower Program.

~~Each customer may contract with the Company to allow for the purchase Renewable Energy Resources to be billed to the customer monthly on the basis of a block of Renewable Energy Resources. The customer may change the number of blocks of Renewable Energy Resources contracted for once during the contract year unless otherwise authorized by the Company.~~

~~Renewable Energy Resources will be produced, purchased or otherwise acquired to meet the expected blocks contracted for during each calendar year with an appropriate true up of the delivery of the blocks to the purchase of blocks within two years of the purchase. The actual amount of energy provided from Renewable Energy Resources during any given month may be more or less than the number of blocks of Renewable Energy Resources for which customers have contracted.~~

~~Customers participating in this program will continue to receive and pay for energy used under the applicable rate schedule. The contracted block(s) provided under this Program shall be charged at the Rate shown below irrespective of the Customer's actual monthly kilowatt hour usage. Fifty percent (50%) of the charge under this Program will be used to offset the higher cost of producing, purchasing, and/or acquiring the Renewable Energy Resources. The remaining charge will be used on a matching contribution basis to pay up to fifty percent (50%) of the installation of solar photovoltaic ("PV") generation projects at schools, not to exceed \$10,000 per school. Funds collected through this Program will be provided to the NCAEC and distributed as outlined in the NC GreenPower Program Plan as established and maintained by the NCAEC. Customers participating in this Program who desire other than a 50/50 distribution, as described above, must make arrangements for alternative distribution percentages with NC GreenPower Corporation. Customers participating in this program agree that their name, address, and the number of blocks purchased may be disclosed to NC GreenPower Corporation.~~

~~Energy purchased and / or produced from Renewable Energy Resources will displace energy that would have otherwise been produced from traditional generating facilities, and may not be delivered specifically to the individual customer contracting for the service under this program.~~

DEFINITIONS

~~Renewable Energy Resources: For the purposes of this program, Renewable Energy Resources shall be those included in the NC GreenPower Program Plan and shall include renewable resources such as solar, wind, biomass, and small hydro, placed in service after January 1, 2001 and used to generate electricity delivered to the electric grid in North Carolina.~~

~~Block of Renewable Green Energy Resources: A block of Renewable Energy Resources includes the equivalent of 50 kWh plus a contribution for the installation of PV generation projects at schools.~~



NC GREENPOWER PROGRAM (NC)

~~Month: The term "month" as used in this Program shall be customer's normal bill month for the period between monthly meter readings.~~

RATE

In addition to all other charges stated in the Monthly Rate of the Schedule with which this Rider is used, the following charge shall also apply to each block Customer purchases:

\$ 4.00 per block of Renewable Energy Resources per month.

This Rider's Monthly Rate shall be applied to Customer's billing regardless of Customer's actual monthly kilowatt-hour consumption. Each block shall be considered as a contribution for the installation of Projects at schools. Customer shall specify the number of blocks requested and may change the number of monthly blocks purchased no more than once during each year, unless otherwise authorized by Company.

PAYMENT

Bills under this Program are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to terminate the customer's contract for this service.

CONTRACT PERIOD

Each customer shall enter into a contract to purchase a specified number of blocks of Renewable Energy Resources on a month to month basis upon the condition that either party can terminate the contract by giving at least thirty (30) days previous notice of such termination in writing.

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Request for Approval of Renewable Advantage Rider (NC), in Docket Nos. E-7, Sub 1185 and E-100, Sub 90, 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 20<sup>th</sup> day of November, 2018.



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