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May 30, 2019

VIA ELECTRONIC FILING AND HAND DELIVERY

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

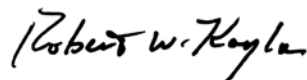
**Re: Duke Energy Carolinas, LLC's REPS Cost Recovery Rider and 2018
Compliance Report – Rebuttal Testimony
Docket No. E-7, Sub 1191**

Dear Ms. Jarvis:

Enclosed for filing is Duke Energy Carolinas, LLC's Rebuttal Testimony of Travis E. Payne for filing in connection with the referenced matter. Fifteen (15) paper copies of the Rebuttal Testimony will be delivered to the Clerk's Office by close of business on May 31, 2019.

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

Sincerely,



Robert W. Kaylor

Enclosure

cc: Parties of Record

OFFICIAL COPY

May 30 2019

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 1191

In the Matter of)
)
Application of Duke Energy Carolinas, LLC)
for Approval of Renewable Energy and)
Energy Efficiency Portfolio Standard (REPS))
Compliance Report and Cost Recovery Rider)
Pursuant to N.C. Gen. Stat. 62-133.8 and)
Commission Rule R8-67)

**REBUTTAL TESTIMONY
OF TRAVIS E. PAYNE**

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

2 A. My name is Travis E. Payne, and my business address is 410 South
3 Wilmington Street, Raleigh, North Carolina.

4 **Q. PLEASE STATE YOUR POSITION WITH DUKE ENERGY AND**
5 **DESCRIBE YOUR CURRENT RESPONSIBILITIES.**

6 A. In my capacity as Business Development Manager II, I am responsible for
7 the origination and execution of wholesale and renewable energy
8 compliance transactions for Duke Energy Carolinas, LLC (“Duke Energy
9 Carolinas,” “DEC” or “the Company”), Duke Energy Progress, LLC
10 (“Duke Energy Progress”) and other Duke Energy jurisdictions as the need
11 arises. My responsibilities include projects related to compliance with the
12 renewable energy and energy efficiency portfolio standard (“REPS”)
13 requirements and renewable generation coordination for Duke Energy’s
14 Wholesale customers.

15 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL**
16 **BACKGROUND.**

17 A. I received a Bachelor of Science degree in Financial Management from the
18 University of North Carolina at Charlotte and a Masters of Business
19 Administration from the University of Florida.

20 **Q. PLEASE DESCRIBE YOUR BUSINESS BACKGROUND AND**
21 **EXPERIENCE.**

22 A. I joined Progress Energy, Inc. in 2007, where I held positions in the Fuels
23 and System Operations department. Following the merger of Progress

1 Energy, Inc. with Duke Energy Corporation, I worked in the same
2 organization as a Natural Gas Trader until September of 2013, when I
3 moved to the Renewables and Distributed Energy Technology organization.
4 Since the move, I have held roles as a Renewable Analytics Manager, the
5 Renewable Compliance Manager and my current position as a Business
6 Development Manager.

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NORTH**
8 **CAROLINA UTILITIES COMMISSION?**

9 A. Yes, I most recently provided testimony in Docket No. E-7, Sub 1131 on
10 DEC's 2016 REPS compliance report and application for approval of its
11 REPS cost recovery rider.

12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 A. The purpose of my testimony is to respond to the testimony of Public Staff
14 witness Michelle M. Boswell and comment on a portion of the testimony
15 of Public Staff witness Evan D. Lawrence.

16 **Q. DO YOU AGREE WITH ANY OF THE RECOMMENDATIONS SET**
17 **FORTH BY MICHELLE M. BOSWELL IN HER PREFILED**
18 **TESTIMONY?**

19 A. The Company agrees with witness Boswell's testimony starting on page 6
20 wherein she recommends that the REC prices and the regulatory treatment
21 of RECs by the Commission should be further evaluated by the Company
22 and the Public Staff. The Company commits to working with the Public
23 Staff over the next year to evaluate the sale price of the set-aside RECs the

1 Company sells to other electric suppliers. The Company further agrees to
2 work with the Public Staff on the five considerations set forth in witness
3 Boswell's testimony beginning on line 13 of page 10 and continuing
4 through line 9 on page 11. The Company commits to address these issues
5 in direct testimony in the Company's 2020 REPS cost recovery proceeding.

6 **Q. DO YOU TAKE ISSUE WITH PORTIONS OF PUBLIC STAFF**
7 **WITNESS LAWRENCE'S TESTIMONY? AND IF YES, PLEASE**
8 **STATE YOUR DIFFERENCES.**

9 A. Yes, as set forth beginning on page 5 of his testimony, witness Lawrence
10 does not believe that all of the costs DEC has included in this proceeding
11 qualify as research costs under N.C. Gen. Stat. § 62-133.8(h)(b). Witness
12 Lawrence does not believe that the costs associated with the "CAPER, Short
13 Course Development" as described in DEC witness Megan Jennings'
14 testimony qualifies as research, nor as incremental cost to be recovered in
15 this REPS proceeding. The Company believes that the costs associated with
16 this program are appropriately recoverable as research costs, however, the
17 Company has decided that it will not contest or object to witness
18 Lawrence's recommendation that they are not to be recovered in this
19 proceeding. The Company believes that courses such as the "CAPER, Short
20 Course Development" course are intended to train in the improved
21 understanding of power systems operations and planning for those working
22 in this field. Finally, I do disagree with witness Lawrence's testimony that
23 CPRE costs cannot be recovered through REPS proceedings, but this is not

1 an issue that needs to be decided in this proceeding as there are no CPRE
2 costs in the Company's filing.

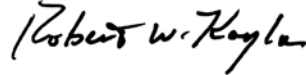
3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Duke Energy Carolinas, LLC's Rebuttal Testimony of Travis E. Payne in Docket No. E-7, Sub 1191, has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to the parties of record.

This, the 30th day of May, 2019.



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