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October 2, 2019

VIA ELECTRONIC FILING

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

**RE: Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's
Joint Motion for Clarification
Docket Nos. E-2, Sub 1170 and E-7, Sub 1169**

Dear Ms. Campbell:

Enclosed for filing in the above-referenced dockets, please find Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's Joint Motion for Clarification.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jack E. Jirak', written over a printed name.

Jack E. Jirak

Enclosure

cc: Parties of Record

OFFICIAL COPY

Oct 02 2019

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1170

DOCKET NO. E-7, SUB 1169

In the Matter of)	
Petition of Duke Energy Progress, LLC,)	DUKE ENERGY CAROLINAS,
and Duke Energy Carolinas, LLC,)	LLC'S AND DUKE ENERGY
Requesting Approval of Green Source)	PROGRESS, LLC'S JOINT MOTION
Advantage Program and Rider GSA to)	FOR CLARIFICATION
Implement G.S. 62-159.2)	

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and together with DEC, the “Companies” or “Duke”), and hereby jointly file this Motion for Clarification in response to the North Carolina Utilities Commission’s (“Commission”) October 1, 2019 *Order Partially Suspending Program Opening* (“*Partial Suspension Order*”). In summary, the Companies believe that the intent of the *Partial Suspension Order* can be preserved by allowing enrollment in the Green Source Advantage (“GSA”) Program, which commenced on October 1, 2019, to continue but then providing enrolled GSA Customers that have selected the Administratively Established Avoided Cost Bill Credit (as defined herein) to elect whether to continue in the GSA Program, and which Bill Credit option to select, after the Commission issues its decision in Docket No. E-100, Sub 158 and provides other direction, as needed.

I. Procedural Background

1. On January 23, 2018, the Companies filed their proposed GSA Program with the Commission pursuant to the requirements of N.C. Gen. Stat. § 62-159.2, as enacted by Session Law 2017-192.

2. On November 1, 2018, the Companies filed updated standard offer avoided cost rates and terms and conditions in the 2018 biennial avoided cost proceeding, Docket No. E-100, Sub 158.

3. On February 1, 2019, the Commission issued its *Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing and Allowing Comments* (“GSA Program Order”) in the above captioned dockets.

4. As directed by the GSA Program Order, the Companies jointly submitted their GSA Program Compliance Filing on March 18, 2019 (“Compliance Filing”).

5. On August 5, 2019, the Commission issued its *Order Approving Compliance Filing* (“GSA Compliance Order”), finding the Companies’ Compliance Filing to be consistent with the GSA Program Order and directing the Companies to open the GSA Program to eligible customers within 60 days of the date of the Order. The Commission approved two Bill Credit option for GSA Customers: (1) a fixed levelized avoided energy and capacity rate calculated using the methodology approved pursuant to N.C. Gen. Stat. § 62-156(c) calculated over a period of two years or five years (for terms of five years or more) (“Administratively Established Avoided Cost Bill Credit”) and (2) a variable rate equal to the Hourly Marginal Avoided Cost Rate (the “Hourly Marginal Avoided Cost Bill Credit”).

6. On September 10, 2019, the North Carolina Clean Energy Business Alliance (“NCCEBA”) and the North Carolina Sustainable Energy Association (“NCSEA”) filed a Motion for Clarification.

7. On September 20, 2019, the Companies filed a Joint Response to Motion for Clarification that explained that, unless otherwise directed by the Commission, for GSA

Customers who apply to the program before the Commission issues its decision in Docket No. E-100, Sub 158 providing further direction, the Companies intended to use the avoided cost structure approved in Docket No. E-100, Sub 148 to determine bill credit amounts for GSA Customers selecting the Administratively Established Avoided Cost Bill Credit and not to apply the Solar Integration Services Charge to the relevant GSA power purchase agreements. The Companies' Joint Response also described in Paragraph No. 6 the Companies' intent to open the GSA Program for enrollment on October 1, 2019.¹

8. On September 30, the Companies filed a Notice of Opening of GSA Program, along with a Supplemental Compliance Filing and Notice of Revisions to the GSA Service Agreement and Intent to Accept Additional Edits, in which the Companies provided further notice to the Commission of their planned opening of the GSA Program for enrollment at 9:00 AM on October 1, 2019, consistent with the marketing and other efforts made by the Companies in engaging potential GSA Customers and Suppliers.

9. On October 1, 2019, the Commission issued its *Partial Suspension Order*.

II. GSA enrollment should be allowed to continue while subsequently allowing GSA Customers that have elected the Administratively Established Avoided Cost Bill Credit a one-time option to withdraw after the Commission issues its decision in Docket No. E-100, Sub 158 and provides further direction.

10. The *Partial Suspension Order* "suspend[ed] the availability of the fixed bill credit option under the GSA Program to facilitate the issuance of a notice of decision or final order in Docket No. E-100, Sub 158." The *Partial Suspension Order* further

¹ The Companies note that Paragraph No. 12 of the September 20, 2019, filing also made references to October 5, 2019, being the date on which the GSA Program would open, that date being the latest date by which the Companies could open the GSA Program to be in compliance with the *GSA Compliance Order*, which is also consistent with the *Partial Suspension Order*, which refers to the GSA Program opening "on or before October 4, 2019."

“direct[ed] Duke to make [the hourly marginal avoided cost bill credit] option available on October 4, 2019, consistent with the Order Approving Compliance Filing.”

11. As was described in the Companies’ September 30, 2019 Notice of Opening of GSA Program, the Companies did, in fact, open the GSA Program for enrollment on October 1, 2019 at 9:00 AM.

12. A number of GSA Customers submitted applications on October 1, 2019, prior to the time the Partial Suspension Order was issued. GSA applications were received from GSA Customers selecting the Administratively Established Avoided Cost Bill Credit and from GSA Customers selecting the Hourly Marginal Avoided Cost Bill Credit.

13. GSA Customers have made substantial effort and incurred substantial expense to submit GSA applications by the Companies’ previously published October 1 9:00 AM deadline. It would be unfair to these customers, and serve no purpose, to invalidate timely applications that were made prior to the Commission’s *Partial Suspension Order*. Nor is any purpose served by suspending further applications to the GSA Program.

14. Furthermore, the *Partial Suspension Order* could have the effect of allowing the GSA Program capacity available only to GSA Customers that selected the Hourly Marginal Avoided Bill Credit and effectively foreclosing participation by GSA Customers desiring to utilize the Administratively Established Avoided Cost Bill Credit.

15. The Companies propose the following process that they believe will implement the intent of the Commission’s *Partial Suspension Order*, while also not unwinding the enrollment process that has already been set in motion or resulting in an unfair outcome for GSA Customers:

- a. The results of initial enrollment that occurred will be honored (i.e., projects will be assessed and allocated capacity in accordance with the queue priority of their submitted applications).
- b. The enrollment window will remain open indefinitely for additional enrollments (with excess enrollments being placed on a waiting list as previously described in the Companies' Compliance Filing).
- c. Once the Commission issues its decision in Docket E-100, Sub 158 and provides further direction with respect to NCCEBA's and NCSEA's motion for clarification, any GSA Customer that has submitted an application and has selected the Administratively Established Avoided Cost Bill Credit option will be given a one-time opportunity to indicate, within a reasonable timeframe to be established by the Companies, whether it wants to (i) continue with its application as submitted, (ii) switch to the Hourly Marginal Avoided Cost Bill Credit and continue with the application; or (iii) withdraw from the GSA Program.

16. The Companies believe that their proposed approach provides an appropriate measure of fairness and equity and does not contravene the perceived intent of the Commission in its *Partial Suspension Order*. Under this approach, the Companies would avoid the administrative burden of administering another enrollment period and the queue priority of those customers that have enrolled will be respected.

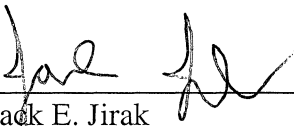
17. If the Commission directs that the initial enrollment results should be cancelled entirely, the Companies do not believe that it would be appropriate to re-open the enrollment until such time as the GSA Program can be open for GSA Customers selecting either the Administratively Established Avoided Cost Bill Credit or the Hourly Marginal Bill Credit. If the Commission directs a complete re-opening of the enrollment window with only the Hourly Marginal Cost Bill Credit available, then GSA Customers selecting the Hourly Marginal Cost Bill Credit option would have the first opportunity to enroll and consume GSA Program capacity and therefore be unfairly advantaged over those

GSA Customers desiring to select the Administratively Established Avoided Cost Bill Credit option.

18. The Companies have shared this Motion for Clarification with various stakeholders to confirm that there are no objections to the approach proposed herein. Specifically, the Public Staff, NCCEBA, and NCSEA have reviewed the Motion and indicate that each supports the approach proposed by the Companies. However, NCCEBA and NCSEA have requested that the Companies make clear in this Motion that NCCEBA and NCSEA continue to maintain the position that was set forth in their Motion for Clarification: namely, that that for GSA Customers who submit applications to the GSA Program before the Commission issues its decision in Docket No. E-100, Sub 158 providing further direction, the avoided cost structure approved in Docket No. E-100, Sub 148 should be used to determine bill credit amounts for GSA Customers selecting the Administratively Established Avoided Cost Bill Credit and any Solar Integration Services Charge approved by the Commission should not be applied to the relevant GSA power purchase agreements.

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request that the Commission grant this Motion for Clarification and provide such further direction as the Commission deems appropriate.

Respectfully submitted, this 2nd day of October, 2019.



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*Counsel for Duke Energy Carolinas, LLC and
Duke Energy Progress, LLC*

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's Joint Motion for Clarification, in Docket Nos. E-2, Sub 1170 and E-7, Sub 1169, has been served by electronic mail, hand delivery, or by depositing a copy in the United States mail, postage prepaid, properly addressed to parties of record.

This the 2nd day of October, 2019.



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