

DUKE ENERGY PROGRESS, LLC
Docket No. E-2, Sub 1276
Compliance Costs - EMF Period April 1, 2020 to March 31, 2021

REDACTED VERSION

Williams Exhibit No. 1
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June 15, 2021

Line No.	Renewable Resource	RECs	MWh (Energy)	Total Cost - Jennings Exhibit No. 2	Avoided Cost	Incremental Cost	Avoided Cost Recovered in Fuel Cost Adjustment Rider
1							
2							
3							
4							
5							
6							
7							
	Jennings Exhibit No. 2						
8	Other Incremental			\$ 1,406,287		\$ 1,406,287	(f)
9	Solar Rebate Program			\$ 1,655,566	Jennings Exhibit No. 2	\$ 1,655,566	(g)
10	Research			<u>\$ 998,132</u>		<u>\$ 998,132</u>	(h)
11	Total			\$ 214,720,037 Jennings Exhibit No. 2		\$ 46,460,124	(below)
	Incremental cost category					Incremental Cost	Percent of Total Incremental Cost
12							
13							
14	Total					\$ 46,460,124 (above)	100.00%
	Allocate estimated incremental cost of solar resources between solar compliance requirement and general compliance requirement:						
15							
16							
17							
18							
19							
20							

Compliance Costs - EMF Period April 1, 2020 to March 31, 2021

Calculate Set-aside and other incremental costs per customer class:

Line No.	Customer Class	Number of REPS Accounts ⁽¹⁾	Annual per account cost cap	Calculated annual revenue cap	Cost cap allocation factor	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research Cost
1	Residential	1,266,927	\$ 27	\$ 34,207,029	51.5%	\$ 14,845,039
2	General	202,923	\$ 150	\$ 30,438,450	45.8%	\$ 13,209,566
3	Industrial	1,783	\$ 1,000	\$ 1,783,000	2.7%	\$ 773,780
4	Totals	<u>1,471,633</u>		<u>\$ 66,428,479</u>	<u>100%</u>	<u>\$ 28,828,385</u>

Williams Ex No. 1, Pg
1 Line 12

Calculate General Requirement incremental costs per customer class:

Line No.	Customer Class	Number of RECs for General compliance ^{(3) (a)}	% of EE RECs supplied by class ⁽²⁾	REC requirement supplied by EE by class ^(b)	Number of General RECs net of EE (c) = (a) - (b)	General cost allocation factor (e) = (c) / (d)	Allocated annual General incremental costs
5	Residential		56.97%			49.5%	\$ 8,719,917
6	General		41.27%			47.5%	\$ 8,377,904
7	Industrial		1.76%			3.0%	\$ 533,918
8	Totals		<u>100.0%</u>			<u>100.0%</u>	<u>\$ 17,631,739</u>

(d)

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Line 13

Total cost allocation by customer class - EMF Period:

	Total Incremental REPS cost by class	% Incremental REPS cost by class
9 Residential	\$ 23,564,956	50.72%
10 General	\$ 21,587,470	46.46%
11 Industrial	\$ 1,307,698	2.81%
12 Total	<u>\$ 46,460,124</u>	<u>100.00%</u>

Williams Ex. No. 1 Pg
1 Line No. 14

- (1) Average number of accounts subject to REPS charge during 2020.
- (2) EE allocated to account type according to actual relative contribution by customer class of EE RECs.
- (3) Total General RECs per note (4) * "Cost Cap Allocation Factor" by class per line Nos. 1-3 above.
- (4) General REC requirement for calendar 2020 (total requirement net of solar, poultry, and swine set-asides)
- (5) Total REC requirement met with EE savings - capped at 25% total - allocated by class according to contribution by class

Total compliance requirement - calendar 2020	3,793,823
Maximum allowed to be met with EE savings	25%
REC requirement supplied by EE savings	<u>948,456</u>

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Compliance Costs - EMF Period April 1, 2020 to March 31, 2021

Calculate incremental cost under/(over) collection per customer class - EMF Period:

Line No.	Customer class	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research cost	Allocated annual General incremental costs	Total incremental costs incurred (a)	Actual REPS rider revenues realized (b)	Revenues true-up for monthly EMF charges approved in Docket No. E-2, Sub 1251 ⁽²⁾ (c)	REPS EMF - under/(over)-collection, before interest (a) - (b) - (c)	Interest on over-collection ⁽¹⁾	REPS EMF - under/(over)-collection
1	Residential	\$ 14,845,039	\$ 8,719,917	\$ 23,564,956	\$ 20,295,007	\$ (12,840)	\$ 3,282,789	\$ -	\$ 3,282,789
2	General	\$ 13,209,566	\$ 8,377,904	\$ 21,587,470	\$ 20,530,882	\$ (4,809)	\$ 1,061,397	\$ -	\$ 1,061,397
3	Industrial	\$ 773,780	\$ 533,918	\$ 1,307,698	\$ 1,296,920	\$ (945)	\$ 11,723	\$ -	\$ 11,723
4	Total	\$ 28,828,385	\$ 17,631,739	\$ 46,460,124	\$ 42,122,809	\$ (18,594)	\$ 4,355,909	\$ -	\$ 4,355,909

<<<Williams Exhibit No. 2 page 1>>>

Notes:

- (1) Interest calculated at annual rate of 10% for number months from mid-point of EMF period to mid-point of prospective rider billing period.
- (2) True up of the difference in monthly EMF charges effective December 1, 2020 as approved by the Commission in its November 30, 2020 *Order Approving REPS and REPS EMF Riders and 2019 REPS Compliance Report* in Docket No. E-2, Sub 1251, and implemented by the Company as of December 7, 2020 per the Commission's December 4, 2020 *Order Approving Change in Billing Dates and Notice to Customers of Change in Rates* in Docket No. E-2, Sub 1251. The changes in prospective monthly REPS rider charges with implementation delayed until December 7, 2020 are incorporated in the "Actual REPS revenues realized" column above.

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Projected Compliance Costs - Billing Period December 1, 2021 - November 30, 2022

Calculate Set-aside and other incremental costs per customer class:

Line No.	Customer Class	Number of REPS Accounts ⁽¹⁾	Annual per account cost cap	Calculated annual revenue cap	Cost cap allocation factor	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research Cost
1	Residential	1,290,556	\$ 27	\$ 34,845,012	51.6%	\$ 13,218,632
2	General	205,773	\$ 150	\$ 30,865,950	45.7%	\$ 11,709,156
3	Industrial	1,770	\$ 1,000	\$ 1,770,000	2.6%	\$ 671,459
4	Totals	<u>1,498,099</u>		<u>\$ 67,480,962</u>	100.0%	<u>\$ 25,599,247</u>

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Line 14

Calculate General Requirement incremental costs per customer class:

Line No.	Customer Class	Number of RECs for General compliance ^{(3) (a)}	% of EE RECs supplied by class ⁽²⁾	REC requirement supplied by EE by class ^(b)	Number of General RECs net of EE ^{(c) = (a) - (b)}	General cost allocation factor ^{(e) = (c) / (d)}	Allocated annual General incremental costs
5	Residential		56.97%			47.5%	\$ 5,311,422
6	General		41.27%			49.2%	\$ 5,497,058
7	Industrial		1.76%			3.3%	\$ 367,494
8	Totals		100.0%			100.0%	\$ 11,175,974

(d)

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Line 15

Total cost allocation by customer class:

	Total Incremental REPS cost by class	% Incremental REPS cost by class
9 Residential	\$ 18,530,054	50.39%
10 General	\$ 17,206,214	46.79%
11 Industrial	\$ 1,038,953	2.83%
12 Total	<u>\$ 36,775,221</u>	100.00%

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Line 16

- (1) Projected number of accounts subject to REPS charge during the billing period.
(2) EE allocated to account type according to actual projected contribution by customer class of EE RECs.
(3) Total General RECs per note (4) * "Cost Cap Allocation Factor" by class per line Nos. 1-3 above.
(4) Forecast general REC requirement for Billing Period (Total requirement net of solar, poultry, and swine set-asides)
(5) Total REC requirement projected to be met with EE savings - capped at 40% total - allocated by class according to contribution by class
- | | |
|--|------------------|
| Forecast total compliance requirement - billing period | 4,663,823 |
| Maximum allowed to be met with EE savings | 40% |
| Forecast REC requirement supplied by EE savings | <u>1,865,529</u> |

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Projected Compliance Costs - Billing Period December 1, 2021 - November 30, 2022

Calculate incremental cost to collect per customer class - Billing Period:

Line No.	Total	Allocated annual Set-aside, Other Incremental, Solar Rebate Program, and Research cost	Allocated annual General incremental costs	Total incremental cost
1	Residential	\$ 13,218,632	\$ 5,311,422	\$ 18,530,054
2	General	\$ 11,709,156	\$ 5,497,058	\$ 17,206,214
3	Industrial	\$ 671,459	\$ 367,494	\$ 1,038,953
4	Total	\$ 25,599,247	\$ 11,175,974	\$ 36,775,221
		Williams Exhibit No. 3, Pg 1, line 4	Williams Exhibit No. 3, Pg 1, line 8	Williams Exhibit No. 3, Pg 1, line 12

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Calculate DEP NC Retail monthly REPS rider components:

Line No.	Customer class	Total projected number of accounts -DEP NC retail ⁽¹⁾	Annual REPS EMF under/(over)-collection	Receipts for contract amendments, penalties, change-of-control, etc. ⁽³⁾	Total EMF costs/(credits)	Monthly EMF Rider ⁽²⁾	Projected total incremental REPS costs	Monthly REPS Rider ⁽²⁾
1	Residential	1,290,556	\$ 3,282,789	\$ (34,965)	\$ 3,247,824	\$ 0.21	\$ 18,530,054	\$ 1.20
2	General	205,773	\$ 1,061,397	\$ (31,113)	\$ 1,030,284	\$ 0.42	\$ 17,206,214	\$ 6.97
3	Industrial	1,770	\$ 11,723	\$ (1,822)	\$ 9,901	\$ 0.47	\$ 1,038,953	\$ 48.91
4			<u>\$ 4,355,909</u>	<u>\$ (67,900)</u>	<u>\$ 4,288,009</u>		<u>\$ 36,775,221</u>	

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Williams Ex. No. 3, Pg 2

Information only:

Compare total annual REPS charges per account to per-account cost caps:

Line No.	Customer class	Monthly EMF Rider ⁽²⁾	Monthly REPS Rider ⁽²⁾	Combined Monthly Rider ⁽²⁾	Regulatory Fee Multiplier	Monthly EMF rider including regulatory fee	Monthly REPS rider including regulatory fee	Combined monthly rider including regulatory fee	Combined annual rider including regulatory fee	Annual per account cost cap	Total Annual REPS Charge excluding solar rebate cost - for per-account cap comparison only
5	Residential	\$ 0.21	\$ 1.20	\$ 1.41	1.001302	\$ 0.21	\$ 1.20	\$ 1.41	\$ 16.92	\$ 27.00	\$ 15.86
6	General	\$ 0.42	\$ 6.97	\$ 7.39	1.001302	\$ 0.42	\$ 6.98	\$ 7.40	\$ 88.80	\$ 150.00	\$ 83.39
7	Industrial	\$ 0.47	\$ 48.91	\$ 49.38	1.001302	\$ 0.47	\$ 48.97	\$ 49.44	\$ 593.28	\$ 1,000.00	\$ 558.49

Notes:

- (1) Projected number of accounts subject to REPS charge during the billing period.
(2) Credit for receipts for contract amendments, penalties, change-of-control, etc

Customer Class	Total contract receipts - EMF period Apr 2020 - Mar 2021	Allocation to customer class - Williams Exhibit No. 2, Pg 1	Receipts for fees, contract amendments, penalties, change-of-control, etc.
Residential		51.49%	\$ (34,965)
General		45.82%	\$ (31,113)
Industrial		2.68%	\$ (1,822)
Total contract payments received - EMF Period	<u>\$ (67,900)</u>	<u>100.00%</u>	<u>\$ (67,900)</u>

Jennings Exhibit No. 2

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Worksheet detailing energy efficiency certificate ("EEC") inventory

	<u>EECs</u>	<u>Reference</u>
EECs carried forward at Dec 31, 2014	655,611	2014 Compliance Report - Docket No. E-2, Sub 1071
EECs generated for 2015 per Company's annual update	1,682,467	Company workpapers
EEC inventory balance adjustment to recognize perpetual savings	1,966,773	Company workpapers
EEC inventory balance 2015 adjustment for EM&V results	4,506	Company workpapers
Less: EECs used for compliance for 2015	562,361	2015 Compliance Report - Docket No. E-2, Sub 1109
EECs carried forward at Dec 31, 2015	3,746,996	2015 Compliance Report - Docket No. E-2, Sub 1109
EECs generated for 2016 per Company's annual update	1,854,388	Company workpapers
EEC inventory balance adjustment - conversion to measure life	(123,943)	Company workpapers
EEC inventory balance 2016 adjustment for EM&V results	(83,074)	Company workpapers
Less: EECs used for compliance for 2016	561,829	2016 Compliance Report - Docket No. E-2, Sub 1144
EECs carried forward at Dec 31, 2016	4,832,538	2016 Compliance Report - Docket No. E-2, Sub 1144
EECs generated for 2017 per Company's annual update	2,026,234	Company workpapers
EEC inventory balance 2017 adjustment for EM&V results	(61,225)	Company workpapers
Less: EECs used for compliance for 2017	559,087	2017 Compliance Report - Docket No. E-2, Sub 1175
EECs carried forward at Dec 31, 2017	6,238,460	2017 Compliance Report - Docket No. E-2, Sub 1175
EECs generated for 2018 per Company's annual update	2,182,561	Company workpapers
EEC inventory balance 2018 adjustment for EM&V results	2,467	Company workpapers
Less: EECs used for compliance for 2018	920,747	2018 Compliance Report - Docket No. E-2, Sub 1205
EECs carried forward at Dec 31, 2018	7,502,741	2018 Compliance Report - Docket No. E-2, Sub 1205
EECs generated for 2019 per Company's annual update	2,257,396	Company workpapers
EEC inventory balance 2019 adjustment for EM&V results	21,274	Company workpapers
Less: EECs used for compliance for 2019	967,181	2019 Compliance Report - Docket No. E-2, Sub 1251
EECs carried forward at Dec 31, 2019	8,814,231	2019 Compliance Report - Docket No. E-2, Sub 1251
EECs generated for 2020 per Company's annual update	2,270,987	Company workpapers ^(a)
EEC inventory balance 2020 adjustment for EM&V results	310	Company workpapers
Less: EECs used for compliance for 2020	948,455	2020 Compliance Report - Docket No. E-2, Sub 1276
EECs carried forward at Dec 31, 2020	10,137,073	2020 Compliance Report - Docket No. E-2, Sub 1276

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Worksheet detailing energy efficiency certificate ("EEC") inventory
Summary workpapers - EECs generated

	Program year						Total
	2008-2014	2015	2016	2017	2018	2019	
Update for EECs generated - as of year-end 2020:							
Current view at year-end 2020	3,376,845	1,533,015	1,817,503	2,028,060	2,204,034	2,257,508	2,270,987
Previously reported current view at year-end 2019	3,376,845	1,533,015	1,817,503	2,028,060	2,203,836	2,257,396	(a) 13,216,654
Total Adjustments to previously reported results	0	0	(0)	(0)	198	112	2,271,297
EM&V and participation adjustments (detail below)	0	0	0	0	198	112	310
EECs generated 2020 per current view							(a) 2,270,987
EECs entered in NC-RETS for vintage 2020							2,271,297

Detail for adjustments applicable to 2008 - 2020 results:

		Program year						Total
Adjustment type	Program	2008-2014	2015	2016	2017	2018	2019	
EM&V and participation adjustments:								
EM&V	Energy Efficient Appliances and Devices	-	-	-	-	-	(188)	(188)
EM&V	Multifamily Energy Efficiency Program	-	-	-	-	198	928	1,126
EM&V	EnergyWise for Business	-	-	-	-	-	415	415
EM&V	Non-Residential Smart Saver	-	-	-	-	-	(1,620)	(1,620)
Participation	Small Business Energy Saver	-	-	-	-	-	577	577
Total Adjustments to previously reported results		-	-	-	-	198	112	310

EM&V reports applicable to results reported above and the time period covered in this docket - filed as Exhibit No. 8 to the testimony of DEP witness Robert Evans in DEP's energy efficiency Docket No. E-2, Sub 1273:

Program Name As Filed	Docket	Report Reference	Effective Date
Energy Efficient Appliances and Devices	E-2, Sub 1085	Save Energy and Water Kits 2018 – 2019 Evaluation Report	9/1/2019
Multifamily Energy Efficiency Program	E-2, Sub 1059	EM&V Report for the Duke Energy Multifamily Energy Efficiency Program	6/1/2018 (Water); 7/1/19 (Lighting)
Non-Residential Smart Saver Program	E-2, Sub 938	Duke Energy Carolinas and Duke Energy Progress Non-Residential Smart Saver Prescriptive Program Evaluation Report	8/1/2019
EnergyWise for Business	E-2, Sub 1086	2020 EM&V Interim Report for the EnergyWise Business Program	3/1/2019