

Docket No. SP-8748, Sub 1
Docket No. SP-8741, Sub 2
Docket No. E-7 Sub 1156

**REPLY IN SUPPORT OF VERIFIED PETITION
FOR DECLARATORY RULING AND OTHER RELIEF**

ATTACHMENTS

- A. Draft Tranche 2 RFP (August 15, 2019)
- B. Final Tranche 2 RFP – Redline to Draft RFP (October 15, 2019)
- C. Duke Energy 2019 - DEC Questions & Answers Summary Page (printed Apr. 27, 2020)
- D. February Stakeholder Meeting, Questions and Answers (Feb. 27, 2020)
- E. CPRE Submittal Letters for Cool Springs Solar and Lick Creek Solar (March 9, 2020)
- F. Correspondence between Petitioners and IA via CPRE Website Message Portal,
Regarding confirmation of bids (March 10-11, 2020)

Attachment A

Draft Tranche 2 RFP (August 15, 2019)

**REQUEST FOR PROPOSALS
FOR THE
COMPETITIVE PROCUREMENT OF
RENEWABLE ENERGY PROGRAM
TRANCHE 2**

**DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC**

**Dated: October 15, 2019
Proposals Due: December 15, 2019**

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I. PROGRAM OVERVIEW

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and, together with DEC, the “Companies”) are soliciting proposals for new renewable energy projects in support of the Companies’ Competitive Procurement of Renewable Energy (“CPRE”) Program (“Program”).¹ The CPRE Program is being implemented in accordance with N.C. Gen. Stat. § 62-110.8, as enacted by North Carolina Session Law 2017-192 (“HB 589”), the North Carolina Utilities Commission’s (“Commission” or “NCUC”) Rule R8-71 (“CPRE Rule”), and the Commission’s Order Modifying and Accepting CPRE Program Plan dated July 2, 2019, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 (“Tranche 2 Order”). Capitalized terms not otherwise defined herein shall have the meaning set forth in the NCUC Rule R8-71(b).

This Tranche 2 Request for Proposals (“RFP”) is soliciting approximately 600 megawatts (“MW”) of new renewable energy resources in DEC and approximately 80 MW of new renewable energy resources in DEP.² Eligible Market Participants (“MPs”) for this RFP include third-party renewable developers (“Third-Party MPs”), the DEC/DEP Proposal Team (as further described herein), and any affiliate of DEC or DEP that elects to submit a Proposal. Proposals submitted into the RFP (“Proposals”) must be submitted in one of the following Proposal categories (as further described herein): (1) a Power Purchase Agreement (“PPA”), (2) Utility Self-Developed Facility (as further described herein), or (3) Asset Acquisition (as further described herein).

Tranche 2 is soliciting Proposals for electric generating facilities (each a “Facility”) that meet all of the following requirements:

1. (i) In the case of Proposals submitted into the DEC portion of the RFP, are located in the DEC North Carolina or South Carolina service territory and have requested to physically interconnect with the DEC transmission or distribution systems; and (ii) in the case of Proposals submitted into the DEP portion of the RFP, are located in the DEP North Carolina or South Carolina service territory and have requested to physically interconnect with the DEP transmission or distribution systems.

¹ For the avoidance of doubt, the DEC and DEP portions of this RFP will be separately administered for purposes of ranking and selection.

² Given that the optimal portfolio may not align exactly with the MW target for DEC or DEP, the IA may recommend a portfolio within a range of +/- 10%. This approach will avoid the potential for foregoing an attractive Proposal that because it is the next-best ranked Proposal, would cause the portfolio to exceed the solicitation goal. In addition, the IA may consider any project size range provided by MPs in designing a portfolio that most closely meets the Tranche 2 target (see Section II(B)). In the event the IA determines a Proposal will be recommended for the final portfolio in an amount less than the maximum size proposed by an MP, the IA will confirm the MP’s commitment to proceed with the Proposal at the size identified by the IA.

2. Have not been placed in service prior to the date of issuance of this RFP and be capable of completing Facility construction (not completion of interconnection) by January 1, 2022.³
3. Are sized between 1 MW and 80 MW (based on the inverter nameplate rating)). A Facility must have a single point of interconnection ("POI").
4. Use a renewable energy resource identified in G.S. 62-133.8(a)(8) and have demonstrated an adequate fuel supply from a qualifying resource.⁴ Wind, swine, and poultry waste powered facilities will not be accepted.
5. Commit to sell 100% of its renewable electrical energy, capacity, and environmental and renewable attributes to DEC or DEP (as applicable).
6. In the case of PPA Proposals and Asset Acquisition Proposals, have submitted Form 556 to the Federal Energy Regulatory Commission on or before the date of submission of the Proposal to obtain qualifying facility ("QF") certification.
7. In the case of PPA Proposals and Asset Acquisition Proposals, have either (i) obtained a queue number under the North Carolina Interconnection Procedures ("NCIP") or the South Carolina Generator Interconnection Procedures ("SC GIP") to interconnect to the DEC transmission or distribution systems in the case of Proposals submitted into the DEC portion of the RFP or the DEP transmission or distribution system in the case of Proposals submitted into the DEP portion of the RFP; or (ii) where a Facility has previously submitted a FERC-jurisdictional interconnection request has submitted a Jurisdictional Interconnection Transition Request Form.⁵
8. In the case of Facilities that include energy storage, have all storage located on the DC side of the inverter and charged solely from the applicable Facility.

³ For the avoidance of doubt, an MP is not required to obtain a certificate of public convenience and necessity ("CPCN") to construct the facility prior to submitting a PPA Proposal, but will be required to establish a reasonable plan for obtaining all necessary permits and certificates (including a CPCN) in a timely manner.

⁴ "Renewable energy resource" means a solar electric, solar thermal, wind, hydropower, geothermal, or ocean current or wave energy resource; a biomass resource, including agricultural waste, animal waste, wood waste, spent pulping liquors, combustible residues, combustible liquids, combustible gases, energy crops, or landfill methane; waste heat derived from a renewable energy resource and used to produce electricity or useful, measurable thermal energy at a retail electric customer's facility; or hydrogen derived from a renewable energy resource. "Renewable energy resource" does not include peat, a fossil fuel, or nuclear energy resource. As noted above, not all of these technologies are being solicited in Tranche 2.

⁵ Interconnection requests for Facilities where the MP plans to contractually commit to sell the full output of the Facility to the interconnected utility, as required under the CPRE Program, are subject to the jurisdiction of, and interconnection procedures and agreements established by either the NCUC and South Carolina Public Service Commission. MPs with generating facilities that have previously submitted interconnection requests pursuant to the Companies' Joint Open Access Transmission Tariff shall be allowed to retain their queue position while transitioning to become state jurisdictional interconnection customers of DEC or DEP (as applicable) prior to the CPRE RFP Solicitation bid due date. The Jurisdictional Interconnection Request Form has been made available on the IA RFP Website and contains further details regarding the transition process.

A. INDEPENDENT ADMINISTRATOR

This RFP will be administered by an Independent Administrator, the Accion Group, LLC (“Accion” or the “IA”). Accion is responsible for developing and utilizing the CPRE Program Methodology to evaluate all Proposals in accordance with the evaluation process established under NCUC Rule R8-71(f)(3)(iii), as further described herein, and ensuring that all Proposals are treated equitably throughout the RFP.

B. RFP ACCESS AND INSTRUCTIONS

Accion hosts a website (“IA RFP Website”) that serves as the required vehicle for all RFP communications. Respondents and interested parties must be registered on the IA RFP Website to access further information related to the RFP. The IA RFP Website may be accessed at <https://decprerfp2019.accionpower.com>.

The IA RFP website will also be used for registered parties to provide comments on or before August 30, 2019 regarding this RFP document, the pro forma PPA, and the various Asset Acquisition agreements. In addition, registered parties may submit questions concerning the RFP on the “Q&A” page of IA RFP Website. The questions and responses will be posted for viewing by all persons registered on the IA RFP Website. Finally, the IA RFP Website also has a confidential “message board” available to registered MPs to facilitate project-specific questions to the IA that should not be disclosed to all MPs. The IA will review all questions and messages and solicit information from the Evaluation Team, as necessary, without disclosing the identity of the MP posing the request. Questions and responses that the IA determines are appropriate for disclosure to all registered MPs will be posted in the Q&A page. After the Proposal submission date, the confidential message board will be used should the IA need clarification concerning any Proposal.

Proposals and all associated documentation must be submitted to the IA through the IA RFP Website on or before **12:00 pm EDT (Noon) on December 15, 2019.**

C. TRANCHE 2 RFP SCHEDULE

The table below presents the planned Tranche 2 RFP schedule. As provided in the CPRE Rule, the Tranche 2 RFP schedule may be modified after consultation with and approval by the IA. MPs will receive notification of any schedule changes through the IA RFP Website.

Milestone	Date
August Stakeholder Meeting	08/07/2019
Draft RFP documents posted to IA Website	08/15/2019
Bidder Conference and September Stakeholder Meeting	09/12/2019
Comment period on draft RFP documents closes	08/30/2019
PPA filed with NCUC	09/15/2019
IA report re: RFP documents	09/25/2019
October Stakeholder Meeting	10/10/2019
Final RFP documents posted to IA website and RFP Opens	10/15/2019
November Stakeholder Meeting	11/13/2019
December Stakeholder Meeting	12/12/2019
Deadline for submission of Proposals	12/15/2019 ⁶
Projected Conclusion of Step 1 of the Evaluation Process	03/01/2020
Projected Conclusion of Step 2 and winning bids notified	06/30/2020
Projected Conclusion of Contracting period	08/28/2020

D. SEPARATION PROTOCOLS

The IA will ensure compliance with the communication restrictions and other requirements set forth in NCUC Rule R8-71(e) (the “Separation Protocols”). Pursuant to such CPRE Rule, DEC and DEP have collectively established a team that is responsible for preparing bids on behalf of DEC/DEP (such team, the “DEC/DEP Proposal Team”), and Duke Energy Renewables, Inc. (“DER”) has established a separate team that is responsible for preparing bids on behalf of DER (such team, the “DER Proposal Team” and together with the DEC/DEP Proposal Team, the “Proposal Teams”). In addition, DEC and DEP have established a team that is responsible for assisting the IA in developing the RFP and evaluating Proposals (the “Evaluation Team”). Finally, the Evaluation Team has a sub-team responsible for assessing and assigning system upgrade costs to Proposals (the “T&D Sub-Team”). The IA will provide the T&D Sub-Team with the identity of each MP and the Facility to be studied during the Step 2 process. There will also be a sub-team responsible for credit review as part of the completion of Step 2 (the “Credit Sub-Team”). All members of the Proposal Team(s) and the Evaluation Team have been separately identified in writing to the IA and physically segregated for purposes of all activities that are part of the Tranche 2 RFP solicitation process. All Proposal Team and Evaluation Team members have also been required to execute acknowledgements regarding compliance with the Separation Protocols, which have been provided to the IA. As shown in the Tranche 2 RFP Schedule above, the IA will require that the Proposal Teams submit any Proposals no less than 24 hours before the RFP window closes.

E. CONFIDENTIALITY

⁶ This date is subject to modification in accordance with the Commission’s Tranche 2 Order.

The IA will not publicly disclose the identity all MPs during the Step 1 and Step 2 evaluation process. However, at the conclusion of the Step 2 evaluation, upon selection of winning MPs, the IA and/or Duke shall be permitted to publicly identify all CPRE participants that submit Proposals in response to any Commission-directed reporting requirements.

II. GENERAL TERMS

A. PROPOSAL CATEGORIES

Proposals may be structured using one of the three proposal categories (“Proposal Categories”) defined in the following table:

Proposal Type	Proposal Cost Structure
PPA	Levelized (non-escalating) payments for capacity, energy, and environmental and renewable attributes in \$/MWh terms for 20 years from the commercial operation date. The pro forma PPA is attached as Appendix A .
Utility Self-Developed Facilities	Utility owns or controls the property and offers Renewable Resource facility(s) into the CPRE RFP in \$/MWh terms for 20 years from the commercial operation date.
Asset Acquisition	Asset Transfer plus EPC – The Facility is submitted into the RFP for purchase by DEC/DEP along with an offer to build the site under an Engineering Procurement and Construction Agreement (“EPC”) for purchase by DEC or DEP. Facility is developed by the MP and ownership transfers to DEC or DEP before the start of construction.
	Build Own Transfer (“BOT”) – Facility is fully developed and constructed by the MP and submitted as a “turn-key” offer into the RFP by MP. Facility ownership will be transferred to DEC or DEP prior to commercial operation.
	Asset Transfer – Facility siting, land control, design, permitting, and interconnect studies completed by the MP and fully-developed project offered into the RFP. Facility ownership will be transferred to DEC or DEP prior to construction and DEC or DEP will be responsible for construction.

B. PROPOSAL ALTERNATIVES AND SIZE FLEXIBILITY

MPs may submit Proposals for the same Facility proffering different sizing, pricing or technology. (e.g., a Facility that is proposed both with and without energy storage must submit separate

Proposals for each Facility configuration). Each Proposal will be a separate submission subject to a separate Proposal Fee. A MP may submit the same Facility as both an Asset Acquisition Proposal and as a PPA Proposal, and that would constitute two separate Proposals. If the Asset Acquisition Proposal is sponsored by the DEC/DEP Proposal Team, the Acquisition Proposal will be converted to PPA pricing as more specifically discussed below. In such case, the highest ranking of all Proposals for the Facility, based on the IA's evaluation, will be considered the "best" or controlling proposal for such Facility and the IA shall eliminate the other Proposal from further consideration in the RFP.

MPs will be permitted to identify the minimum size of the Facility (up to a 10% maximum reduction)⁷ that the MP is willing to provide at the same \$/MWh price. For example, for a 50 MW Proposal, the MP could indicate that it is willing to deliver a Facility sized anywhere between 45-50 MW for the same \$/MWh price.

C. MARKET PARTICIPANTS AND PROPOSAL SPONSORS

DEC and DEP recognize that MPs may utilize partners or sponsors ("Proposal Sponsors") for Proposal development. Proposals that rely on Proposal Sponsors to meet RFP requirements must provide evidence that is satisfactory to the IA of a binding legal partnership or similar relationship with such Proposal Sponsor.

Historically underutilized businesses are encouraged to participate in the RFP. The definitions to be employed for such purposes are set forth in **Appendix B** to this RFP. MPs shall not discriminate based upon race, religion, color, national origin, age, sex, or handicap.

D. PROPOSAL FEES

Each MP is required to submit with each Proposal a non-refundable "Proposal Fee" of \$500/MW, based on the Facility's nameplate capacity, up to a maximum of ten thousand dollars (\$10,000). In addition, successful MPs will be responsible for a pro-rata share of the Winners' Fee (as hereinafter defined).

Proposal Fees are non-refundable and for the avoidance of doubt, will not be refunded in the case of any modification of this RFP schedule, rejection of any Proposal, or failure by a winning MP to execute a PPA. Proposal Fees must be paid via electronic payments through Accion's website: <https://decprerfp2019.accionpower.com>. Payment is due at the time of Proposal submission and must be received no later than 12:00 PM EDT (Noon) on the Proposal due date. Failure to submit the Proposal Fee will result in automatic disqualification of the Proposal from further consideration.

⁷ The maximum reduction percentage is based on Section 1.5.1.6 of the NCIP and Attachment 1 of the SC GIP.

E. WINNERS' FEE

The "Winners' Fee" is the amount to be determined as described below in order to recover any remaining IA costs not covered by the Proposal Fee. The Winners' Fee will be determined upon conclusion of the RFP. Any such Winners' Fee costs will be allocated among all winning Proposals selected by both DEC and DEP on a pro-rata basis on a per MW basis. The total of the Winners' Fees shall not exceed one million dollars (\$1,000,000.00).

F. STEP 2 PROPOSAL SECURITY

1. Third-Party MPs and DER Proposal Team

Security in the amount of \$20/kW, based on the Facility's inverter nameplate capacity, must be posted by all Third-Party MPs and the DER Proposal Team submitting PPA Proposal that are selected to move into Step 2 of the evaluation process ("Step 2 Proposal Security"). This Step 2 Proposal Security can be in the form of (i) cash; (ii) a Surety Bond; or (iii) a Letter of Credit ("LOC"), in each case, in a form acceptable to the Companies and issued by an entity that meets the Companies' issuer requirements and naming DEC or DEP (as applicable) as the sole beneficiary. An issuing bank for the LOC must have a minimum credit rating of A- from S&P and A3 from Moody's and a surety must be rated A.M. Best "A- VII" or higher. Surety bonds must be irrevocable and require payment by the surety within ten days of demand. Interest will not be paid on cash deposits. An example of acceptable LOC is provided in **Appendix C** and an acceptable surety bond is provided in **Appendix D**.

The IA will provide notification to an MP when the IA determines it will likely select the Proposal to move into the Step 2 evaluation. Within 14 days of such initial notification, MPs are required to provide draft forms of Proposal Security, if not posting cash, to allow sufficient time for the IA and the Companies to review and confirm the Proposal Security materially conform to the forms provided in **Appendix C** and **Appendix D**, respectively. The IA will then notify the MP when the Proposal is formally moved into the Step 2 Evaluation, at which point, the MP must post the Step 2 Proposal Security within seven business days⁸.

2. DEC/DEP Proposal Team

In the case of Asset Acquisition Proposal sponsored by the DEC/DEP Proposal Team, Step 2 Proposal Security will be required from the Third-Party MP as further described in Section III(C).

In the case of Utility Self-Developed Facilities, the DEC/DEP Proposal Team will be required to acknowledge that in the event such Proposal is selected as a winner and fails to execute the

⁸ As indicated in the schedule in Section I(c), the IA currently expects that Step 1 of the evaluation process will be completed on or around March 1, 2020.

Acknowledgment Form, an amount equal to \$20/kW will be disallowed from the applicable CPRE Rider recovery.

3. Step 2 Proposal Security Administration

The Step 2 Proposal Security will be released (i) if the Proposal is eliminated by the IA due to failure to meet any required RFP criteria or action; (ii) if the Proposal is not selected as a winning proposal, upon closure of the contracting period; or (iii) if the Proposal is selected as a winning Proposal, upon completion of the contracting phase of the RFP, including execution of the applicable contract (PPA or APA) and posting of security as required in the applicable agreement. DEC or DEP (as applicable) will be entitled to draw on the full amount of the Step 2 Proposal Security in the event that the MP (a) withdraws its Proposal during Step 2 of the Evaluation Process; or (b) if the Proposal is selected as a winning Proposal but the MP fails to complete the contracting phase.

III. ADDITIONAL PROPOSAL REQUIREMENTS

A. SELF-DEVELOPED, SUBSIDIARY, AND AFFILIATE PROPOSALS

Utility Self-Developed Proposals and conversions of Asset Acquisition Proposals will be bid using the same templates, forms, and pricing requirements applicable to PPA Proposals. Proposals submitted by the DER Proposal Team will be made via the IA Website and meet the same requirements as Proposals from Third-Party MPs. In accordance with G.S. 62-110.8(b)(4), no more than thirty percent (30%) of the total CPRE procurement requirements can be awarded to Facilities in which DEC, DEP, or any subsidiary or affiliate holds an ownership interest at the time of Proposal submission.

Utility Self-Developed Proposals and conversions of Asset Acquisition Proposals will be priced based on the assumption that these facilities will continue to receive market-based revenues based on a pricing mechanism to be established by the Commission at the conclusion of the initial 20-year term of the PPA.

B. PPA PROPOSALS

All PPA Proposals must meet the technical specifications set forth in the PPA, as determined by the IA (in consultation with the Evaluation Team, as necessary). The pro forma PPA is provided as Appendix A. After closure of the RFP comment period, and subsequent filing of the PPA with the NCUC, the pro forma PPA is not subject to negotiation or adjustment for purpose of Tranche 2.

C. ASSET ACQUISITION PROPOSALS

Third-Party MPs are permitted to submit Asset Acquisition Proposals for DEC/DEP to consider acquiring a proposed Facility. In Tranche 2, only solar photovoltaic Facilities that are 20 MWac or greater will be accepted for consideration as Asset Acquisitions. As discussed above, Third-Party MPs may submit PPA Proposals as well as Asset Acquisitions for the same Facility, but each Proposal Category must be submitted as a separate Proposal.

Asset Acquisition Proposals must be priced on a \$/kw nameplate capacity basis to be paid according to payment milestones set forth under each type of Asset Acquisition Proposal. All Proposals must meet the DEC/DEP Proposal Team's technical design specifications, as provided in definitive agreements, including complying with the DEC/DEP Proposal Team's list of approved vendors/suppliers (provided on the IA Website for review). After submission of an Asset Acquisition Proposal by an MP, the DEC/DEP Proposal Team will consider all aspects of the Proposal, including location, size, viability, technology, and price to determine if the DEC/DEP Proposal Team will sponsor the Asset Acquisition Proposal. Should the DEC/DEP Proposal Team elect to sponsor an Asset Acquisition Proposal, the DEC/DEP Proposal Team will coordinate with the MP and submit a Proposal into the CPRE RFP in on a \$/MWh basis utilizing the percentage decrement structure described in Section IV below. All Asset Acquisition contracts (definitive agreements under which the MP and DEC/DEP will transact) and exhibits related thereto (including the DEC/DEP Proposal Team's technical design specifications), will be available on the IA RFP website for review and comment by MPs. The DEC/DEP Proposal Team will review and consider any proposed changes (in the form of redlines) to its Asset Acquisition contracts that are submitted at the time an Asset Acquisition Proposal is submitted. The DEC/DEP Proposal Team will not, in any event, consider any proposed changes to the Asset Acquisition contracts, or exhibits related thereto (including the DEC/DEP Proposal Team's technical design specifications), from an MP that are not submitted along with Asset Acquisition Proposal. If the DEC/DEP Proposal Team decides to sponsor one or more Asset Acquisition Proposal(s), the DEC/DEP Proposal Team will require the applicable MP execute a term sheet relating to the principal commercial terms of the Asset Acquisition Proposal and acknowledging that no further changes to the Asset Acquisition Contracts (other than those noted at the time of Proposal Submission) will be accepted, and the DEC/DEP Proposal Team will then submit to the IA the Proposal, for consideration in Step 1 of the evaluation process on a \$/MWh basis utilizing the percentage decrement structure described in Section IV below. Any such Proposals would then be evaluated by the IA along with all other PPA and Utility Self-Developed Proposals submitted. At no time during this process will the DEC/DEP Proposal team have access to any information from the IA Website, including pricing, for PPA Proposals submitted by any Third-Party MPs.

For solar photovoltaic Facilities, additional guidance relating to the DEC/DEP Proposal Team's PV facility design and Proposal criteria will be provided on the portion of the IA RFP Website section dedicated to Asset Acquisition Proposals.

MPs will be required to complete a proposal form that includes detailed information for each Facility, including a list of all major equipment included in the Asset Acquisition Proposal, including manufacturer name and equipment type for all panels, inverters, and racking supply. All Asset Acquisition Proposals should include product data sheets, product warranty information, and the design criteria that forms the basis of the pricing proposal. The DEC/DEP Proposal Team will review project design criteria to properly evaluate the quality of the project design and scope of work included in the proposal price and conformance with the design specifications.

For MPs submitting Asset Acquisition Proposals that do not wish to construct the Facility, the DEC/DEP Proposal Team will only consider Facilities that have completed System Impact Studies, secured long-term site control, initiated or obtained requisite project permits, completed a Phase I Environmental Site Assessment, conducted site analysis (including wetland delineation, preliminary geotechnical analysis, and boundary surveys), prepared a preliminary site layout, obtained CPCN approval (if applicable), and provided all additional required information as identified on the IA RFP Website to allow for full and proper evaluation of the project attributes. For all Asset Acquisition Proposals, MPs must identify which portion of the capital costs are ITC eligible and provide details of any property tax abatement or exemption or fee in lieu of tax (FILOT) arrangements or eligibility for other grants or tax credits. MPs must identify the portion of capital costs that belong to each federal tax depreciation class.

Interconnection Facilities (as defined herein) cost estimates must be included as an additional project cost and documented in the Proposal.

MPs submitting Asset Transfer plus EPC or a BOT (but not if proposing an Asset Transfer only) must have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of at least 50 MW of solar facilities within the United States or Canada. For all Asset Acquisitions, MPs must provide sufficient financial assurances, as set forth in the form EPC and BOT agreements, as necessary for the Facility to meet schedule and proposed performance milestones. In addition, MPs must provide evidence of at least one recent successful construction financing completed by the MP of comparable size to the submitted proposal.

The Third-Party MP that submitted the Asset Acquisition Proposal will be required to provide Step 2 Proposal Security in accordance with the notification and timing requirements described in Section II(F)(1). For Asset Transfer plus EPC and BOT proposals, the Step 2 Proposal Security is \$20/kWac. For Asset Transfer proposals, the Step 2 Proposal Security is the amount of the purchase price of the Proposal. Such Step 2 Proposal Security must conform with the requirements of Section II(F)(1) and will administered in accordance with Section II(F)(3).

IV. AVOIDED COST THRESHOLD AND PROPOSAL PRICING

All PPA and Utility Self-Developed Facility Proposals must be submitted using levelized 20-year dollar per megawatt-hour (\$/MWh) pricing, and, as discussed above, the DEC/DEP Proposal Team will convert any Asset Acquisition Proposals selected into levelized 20-year dollar per megawatt-hour (\$/MWh) pricing.

All Proposals (including the cost of System Upgrades as described herein) must be at or below the applicable 20-year dollar per megawatt-hour (\$/MWh) avoided cost rates specified in the tables below.

Avoided Costs Threshold for Tranche 2

Note: All pricing is indicative and subject to adjustment based on the Commission's final order in Docket No. E-100, Sub 158. Subject to the Commission's Approval, the Companies intend to apply the Solar Integration Services Charge to Tranche 2 CPRE PPAs but have not yet determined the operating protocols that will allow MPs to avoid such charge. This issue will be discussed in more detail at future stakeholder meetings.

ENERGY																																														
DEC-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)																																														
Independent Energy Price Blocks		1.Summer Premium Peak (PM)					2.Summer On-Peak (PM)					3.Summer Off-Peak					4. Winter Premium Peak (AM)					5.Winter On-Peak (AM)					6.Winter On-Peak (PM)					7.Winter Off-Peak					8.Shoulder On-Peak					9.Shoulder Off-Peak				
		(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)					(\$/Mwh)				
Distribution	20 Year	57.1					56.4					34.7					80.7					61.2					67.6					40.9					46.3					31.9				
Transmission	20 Year	55.0					54.5					34.0					78.2					59.6					65.9					40.1					45.4					31.4				
DEC	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24																					
Summer (Jun-Sep)		Off												On (pm)					Premium					On (pm)					Off																	
Winter (Dec-Feb)		Off						On (am)		Premium			On (am)		Off							On (pm)							Off																	
Shoulder (Remaining)		Off						On						Off						On												Off														
CAPACITY																																														
DEC-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)																																														
Independent Price Blocks		1.Summer On										2.Winter On (am)										3.Winter On (pm)																								
		(\$/Mwh)										(\$/Mwh)										(\$/Mwh)																								
Distribution	20 Year	16.9										78.7										25.5																								
Transmission	20 Year	16.5										76.6										24.8																								
DEC / DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24																					
Summer (Jul - Aug)																		On																												
Winter (Dec - Mar)								On (am)												On (pm)																										

ENERGY										
DEP-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)										
Independent Energy Price Blocks		1.Summer Premium Peak (PM)	2.Summer On-Peak (PM)	3.Summer Off-Peak	4. Winter Premium Peak (AM)	5.Winter On-Peak (AM)	6.Winter On-Peak (PM)	7.Winter Off-Peak	8.Shoulder On-Peak	9.Shoulder Off-Peak
		(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)
Distribution	20 Year	43.9	43.7	36.8	59.6	44.7	52.2	37.2	39.3	28.1
Transmission	20 Year	42.7	42.6	36.3	58.2	44.0	51.2	36.7	38.8	27.9

DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Summer (Jun-Sep)		Off												On (pm)		Premium				On (pm)		Off			
Winter (Dec-Feb)		Off			On (am)		Premium		On (am)		Off							On (pm)			Off				
Shoulder (Remaining)		Off				On				Off							On							Off	

CAPACITY							
DEP-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)							
Independent Price Blocks		1.Summer On			2.Winter On (am)		
		(\$/Mwh)			(\$/Mwh)		
Distribution	20 Year	0.00			135.7		
Transmission	20 Year	0.00			133.1		

DEC / DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Summer (Jul - Aug)																		On								
Winter (Dec - Mar)								On (am)												On (pm)						

Seasonal Hourly Capacity Definitions

- All Capacity Periods include Monday through Sunday

Seasonal Hourly Energy Definitions

- All On-Peak Periods include Monday through Friday, except for Holidays.
- Off-Peak Periods include Saturday and Sunday, and all Holidays.
- Holidays include: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above. Proposal pricing must be stated as an equal percentage decrement that is applied equally to all pricing periods. For example, an MP could propose pricing that is 10% less than the avoided cost in each pricing period. This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA. Translating this 10% proposed pricing decrement example into a levelized form of pricing, the following would be the result for a desired 10% decrement for all pricing periods for a Transmission connected project in DEC:

ENERGY																									
DEC-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)																									
Independent Energy Price Blocks		1 Summer Premium Peak (PM)		2 Summer On-Peak (PM)		3 Summer Off-Peak		4 Winter Premium Peak (AM)		5 Winter On-Peak (AM)		6 Winter On-Peak (PM)		7 Winter Off-Peak		8 Shoulder On-Peak		9 Shoulder Off-Peak							
		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)							
Distribution	20 Year	57.4	51.4	56.4	50.8	34.7	31.2	80.7	72.6	61.2	55.1	67.6	60.8	40.9	36.8	46.3	41.7	31.9	28.7						
Transmission	20 Year	55.0	49.5	64.6	49.1	34.0	30.6	78.2	70.4	59.6	53.6	66.9	59.3	40.1	36.1	45.4	40.9	31.4	28.3						
DEC	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Summer (Jun-Sep)		Off												On (pm)			Premium			On (pm)			Off		
Winter (Dec-Feb)		Off				On (am)		Premium		On (am)		Off					On (pm)				Off				
Shoulder (Remaining)		Off					On					Off					On					Off			

CAPACITY																											
DEC-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)																											
Independent Price Blocks		1 Summer On					2 Winter On (am)					3 Winter On (pm)															
		(\$/Mwh)					(\$/Mwh)					(\$/Mwh)															
Distribution	20 Year	46.9	15.2						78.7	70.8						25.5	23.0										
Transmission	20 Year	46.5	14.9						76.6	68.9						24.8	22.3										
DEC / DEP		Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Summer (Jul - Aug)																			On								
Winter (Dec - Mar)									On (am)												On (pm)						

PPA pricing must include all project costs to the Point of Interconnection (“POI”), including the cost to directly connect to the existing DEC or DEP transmission/distribution system (“Interconnection Facilities”). Interconnection Facilities costs at the POI will include all DEC’s or DEP’s (as applicable) costs to connect the Facility to the existing transmission/distribution system delivery point, but shall not include the costs of upgrades to the transmission or distribution system beyond the POI. MP-owned equipment up to the POI often includes equipment such as the generator step-up transformer (for conversion up to the interconnecting voltage level), facility side generator breaker (as needed), and all station service equipment. Utility-owned equipment typically includes metering, protective equipment, relays, and other new electrical infrastructure and specific configurations for transmission connections as discussed in more detail below.

MPs with successful Proposals will be responsible for all Interconnection Facilities costs, even if the actual costs exceed the amount estimated by the MP. The IA will review the estimated Interconnection Facilities costs included in each proposal for reasonableness and reserves the right to impute a larger amount of Interconnection Facilities Costs where it determines that the Interconnection Costs assumed by the MP are unreasonably low. Should the IA determine imputed Interconnection Facilities Costs should be used, the MP will be advised and provided the opportunity to review the revised cost estimates with the IA and advise the IA of whether the imputed estimate is accepted by the MP.

The costs of transmission/distribution grid improvements and upgrades (“System Upgrades”) should not be incorporated in the MP’s PPA price. System Upgrade costs for all Proposals will be identified during Step 2 of the evaluation process as set forth in NCUC Rule R8-71(f)(3)(iii). For the avoidance of doubt, for purposes of determining the satisfaction of the avoided cost threshold, the System Upgrade costs determined by the T&D Sub-Team shall be converted to 20-year \$/MWh pricing and incorporated into the Proposal price by the IA.

V. PROPOSAL EVALUATION

A. OVERVIEW

Proposals will be evaluated by the IA in accordance with the evaluation process set forth in NCUC Rule R8-71(f)(3). A copy of the CPRE Rule is provided on the IA RFP Website. As specified in NCUC Rule R8-71(f)(3), in Step 1 of the evaluation process, the IA will perform the initial ranking of Proposals based on a combination of economic and non-economic criteria. As a part of the Step 1 evaluation, the IA may allow a market participant an opportunity to modify or clarify its proposal to cure a non-conformance or non-substantive deficiency that would otherwise require elimination of the Proposal. The IA will provide the MP with written notice of the deficiency and the MP shall then have five (5) business days after receiving the written notice to cure the deficiency, where failure to cure the deficiency shall result in withdrawal of the Proposal from further consideration. Proposal Fees for a Proposal that fails to timely cure any deficiency identified by the IA shall not be returned.

Each Proposal will be evaluated on its benefit to the DEC/DEP system over the twenty-year analysis period on a \$/MWh basis (accumulated net present value). Although an MP may enjoy economies of scale with respect to the owner’s and development cost of a Facility, the evaluation will be conducted on a \$/MWh (benefit to DEP/DEC) basis and therefore will not favor a Proposal based on Facility size. In order to assess a Proposal’s net benefit, the evaluation must determine both the Proposal’s cost and the Proposal’s benefit to the DEC/DEP system. The cost of the Proposal is determined by taking the MP submitted \$/MWh rate and applying the rate to the Facility’s projected output (8760 hours x 20 years). The benefit to the DEC/DEP system is determined using two metrics: (1) the Proposal’s output contributes toward the ability to defer future DEC/DEP generating unit capacity and (2) the Proposal’s energy output replaces energy that would have been supplied at DEC/DEP system cost for that particular hour.

Proposals must include a set of 8760 hour output projections each of the 20 years of the term. Proposals must be accompanied by PVSyst inputs/outputs and supporting workpapers and calculations demonstrating the basis for the energy profiles proposed. Proposals that include storage must submit two sets of 8760 hour output projections (for the twenty years) for the facility design. The first set is the output projection assuming that the storage capability is not utilized (i.e., turned off) and the second set of output projections is the Facility output after utilizing the

storage capability. It is assumed that the post-storage output projections reflect that the MP has optimized the use of the storage capability. The IA will review both the pre-storage and post-storage Facility output in order to determine that the post-storage projections are reasonable.

Note that under the terms of the PPA, DEP/DEC has the right to curtail energy from the Facility up to 10% of the Facility's annual energy production in the DEP jurisdiction and 5% in the DEC jurisdiction, without compensation to the Facility owner. For purposes of the evaluation, it will be assumed that DEP/DEC fully exercises the energy curtailment to the respective 5% and 10% limits. Note that the energy curtailment reduces the Facility's revenue (in that less energy is sold to the DEP/DEC grid).

In the Proposal evaluation, the curtailment methodology will optimize energy costs for DEP/DEC. In other words, the methodology will begin curtailing the Facility's output when the cost of the Facility's energy is most costly when measured against the DEP/DEC system cost for that hour. This methodology will continue (as the cost difference is reduced) until the full allotment of curtailment is reached (either 5% or 10%).

With Facilities that include storage, it is recognized that some of the Facility's energy that is "lost" during curtailment can be stored and sold into the DEP/DEC system several hours later. For purpose of the evaluation, the following limitations will be taken into account: the overall roundtrip efficiency of energy storage, the MW capability of the storage system (which may be smaller than the facility output), and the MWh (energy) capability of the storage system.

The non-economic criteria specified below will also be evaluated by the IA and scored in accordance with the scoring sheet attached hereto as **Appendix F**, which has been developed by the IA and sets forth the weighting the IA will use in determining the Step 1 ranking of all Proposals. The Step 1 evaluation ranked Proposals into an initial Competitive Tier ("Competitive Tier"), Competitive Tier Reserve ("Competitive Tier Reserve" or "Reserve List"), and released Proposals. For those Proposals that do not advance to Step 2 of the evaluation process, the IA will notify the relevant MP on or before the milestone for concluding Step 1 of the Evaluation Process identified in the Tranche 2 RFP schedule.

In Step 2 of the evaluation process, the T&D Sub-Team shall assess the system impact of the Proposals in the order ranked by the IA and assign any System Upgrade costs attributable to each such Proposal. The IA will utilize such information to re-rank the Proposals (as necessary), and this process will continue in an iterative manner until the optimal portfolio of Proposals has been identified.

Step 2 of the evaluation process shall utilize the System Impact Grouping Study⁹ and all Proposals will be required to be studied based on the Queue Number established by the Companies for purposes of the System Impact Grouping Study.¹⁰

B. NON-ECONOMIC SCORING CRITERIA

The following non-economic criteria will be evaluated for each Proposal and scored in accordance with the scoring sheet.

1. Facility Permitting

MPs should disclose all permits that will have to be obtained and the status of each permit along with a timeline for the completion of all permits that relate to the Proposal. The site evaluation and studies conducted to date, as well as a timeline for completion of these studies, should be included in the Proposal.¹¹

2. Financing Experience

Each Proposal should describe the plans for acquiring the necessary funds for developing, constructing, and operating the Facility. Such plans should include a discussion of the Facility's legal ownership structure and the expected sources and types of capital that the MP has committed to secure. If available, letters of interest or letters of commitment from such financial partners or key sources of funding should be provided.

For PPA proposals, MPs must be able to provide evidence of at least one recent successful facility financing completed of comparable size to the Proposal submitted within the last five years.

MPs must provide the financial and credit information set forth in **Appendix E**.

3. Technical Development and Operational Experience

In general, MP must show experience in developing and operating renewable facilities of comparable size and technology as the Facility submitted in the Proposal. More specifically, MP must:

⁹ As that term is utilized in the NCIP.

¹⁰ The "Late-Stage Proposal" approved by the Commission for use in Tranche 1 has been eliminated for Tranche 2. The Companies will discuss at Stakeholder Meeting #2 the appropriate treatment of CPRE Proposals that have an executed Interconnection Agreement at the time of Proposal Submission, as was raised by an MP during Stakeholder Meeting #1.

¹¹ MPs should take reasonable steps to develop projects in a manner that protects the environment and the communities served by the Companies. According to the North Carolina Wildlife Resources Commission, increasing the availability of native plants at solar facilities can help support pollinators, including birds, bees, and other wildlife, benefiting nearby agricultural fields and community growers. Please consider following the "Solar Site Pollinator Habitat Planning & Assessment Form" provided in **Appendix G**.

- In the case of PPA proposals, have operated a renewable energy project or portfolio of projects >50 MW AC or 3x the nameplate capacity of the Proposal, whichever is less;
- In the case of solar Proposals, have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of >50 MW or 3x the nameplate capacity of the Proposal, whichever is greater, of solar facilities, including at least one project of comparable size to the proposed facility within the United States or Canada; and
- In the case of non-solar Proposals, have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of at least 10 MW of relevant renewable energy facilities within the United States or Canada.

4. Historically Underutilized Businesses

Historically underutilized businesses meeting the requirements set forth in **Appendix B** will be scored in accordance with the score sheet.

VI. ADDITIONAL INFORMATION

A. INTERCONNECTION TIMELINE AND PPA TERM

Typically, execution of an Interconnection Agreement is achieved approximately 4 – 6 months after completion of a System Impact Study. For transmission-connected projects, commercial operation of the Interconnection Facilities is achieved 18 – 24 months after execution of an Interconnection Agreement. However, it is important to note that the amount of time required for construction of Interconnection Facilities for transmission-connected projects can be substantially impacted by the number of non-CPRE projects that execute Interconnection Agreements prior to CPRE Tranche 2 winning Proposals.

The amount of time required to construct System Upgrades varies significantly depending the scope of the System Upgrade.

For the avoidance of doubt, the term of all PPAs shall be 20 years from the Commercial Operation Date (as that term is defined in the PPA).

B. TRANSMISSION GRID LOCATIONAL GUIDANCE

For purposes of the Tranche 2 CPRE RFP, the Companies have provided grid locational guidance on the IA RFP Website indicating known transmission and distribution limitations resulting from the amount of existing or proposed renewable energy facilities in a particular area. This grid locational guidance is intended to provide MPs with information regarding areas on the transmission system where System Upgrade costs are likely based upon recent transmission system studies. The Documents Page of the IA RFP Website includes a map and supporting documentation, including tables of constrained circuits and substations to indicate areas of known

transmission constraints in which System Upgrade costs will likely be required. Studies will be required to determine the extent and cost, if any, of these System Upgrades.

Transmission areas not identified as zones of known transmission constraints may still require System Upgrades, and transmission studies will be required to determine the extent and cost, if any, of these System Upgrades.

C. PRODUCTION ESTIMATES

MPs shall include an 8760 production profile for the first year of operation as part of their Proposal. In the case of solar facilities, the required production profile shall be generated in PVSyst. Production profiles should be based on energy delivered at the POI and taking into account all transformation losses to the POI, including final GSU transformation. For example, transmission interconnected projects should include any transformational losses incurred through the GSU to the high-side of the interconnect. For Transmission interconnected Facilities, utility power factor requirements should also be included in determination of energy delivered to the POI.¹² The production profile provided with the Proposal should not be adjusted for Daylight Standard Time.

All Proposals including on-site storage must submit two production profiles for the facility: one profile with the storage option and one profile without the storage option.

D. STORAGE

Energy storage devices must be on the DC side of the inverter and charged exclusively by the Facility. Storage devices must be controlled by the Seller in accordance with the Energy Storage Protocols specified in the pro forma PPA, including in Exhibit 10 thereof.

E. CONTROL INSTRUCTIONS

Section 8.6 to 8.10 of the pro forma PPA addresses DEC and DEP system operators' rights to issue instructions to control the renewable generating facilities procured through the CPRE Program in the same manner as DEC's and DEP's control of the Companies' own generating facilities.¹³ CPRE Facilities must be designed with control equipment that will facilitate full or incremental

¹² DEC requires each Transmission interconnected Facility to be capable of delivering power to the POI within the power factor range of 0.93 lagging to 0.97 leading. DEP requires the Facility to be capable of delivering power to the POI within the power factor range of 0.95 lagging to 0.95 leading.

¹³ See N.C. Gen. Stat. § 62-110.8(b).

instantaneous control over the Facility¹⁴ in order to take any action directed by the Companies' system operators to implement or otherwise effectuate system operator instruction.

The CPRE dispatch control entitlements are in addition to otherwise applicable system emergency condition instructions and force majeure instructions, as defined in the PPA,¹⁵ and may be issued by the system operator for any reason, including planning its security-constrained unit commitment and dispatch for operational efficiency (*e.g.*, avoid taking a large unit off-line for short intra-day durations to avoid operationally excess energy) or to provide for operational flexibility for anticipated operational challenges (*e.g.*, dispatching down facilities to reduce extreme evening ramp rates).

Section 8.9 of the pro forma PPA specifies that the uncompensated, non-force majeure/emergency conditions CPRE dispatch control entitlement is limited to 5% of the facility's annual expected output in DEC and 10% of the facility's annual expected output in DEP. Compensation at the full contract price will be provided for each MWh of energy that could have been generated but was not due to dispatch down control instruction(s) exceeding the contracted-for percentage CPRE dispatch control entitlement. Section 8.9 and Exhibit 9 to the pro forma PPA also describe the methodology that will determine whether the CPRE dispatch control entitlement was exceeded during a given year and will be used to calculate any compensation owed to the seller under the PPA.

VII. RESERVATION OF RIGHTS

In submitting a Proposal into this RFP, an MP agrees and accepts that nothing contained in this RFP will be construed to require or obligate the Companies to select any Proposal. Per the Commission's CPRE Order, MPs retain the right to initiate a complaint proceeding before the Commission. MPs should be aware that submittals, even if marked "Confidential," may be subject to discovery and disclosure in regulatory or judicial proceedings. The Companies will notify the MP in advance of any required disclosure of confidential information.

¹⁴ As specified in the Energy Storage Protocols in Exhibit 10 of the PPA, DEC/DEP will not have control of the storage resource.

¹⁵ The Companies will manage dispatch control instructions of CPRE Resources and system emergency curtailments in accordance with the Operating Procedures filed January 30, 2018, in Docket No. E-100, Sub 148.

APPENDIX A
PPA

[See attached document]

APPENDIX B

HISTORICALLY UNDERUTILIZED BUSINESSES

As an advocate for corporate responsibility, Duke Energy excels among our utility peers in seeking and developing local and diverse businesses, as well as those with environmentally sustainable practices, through our supply chain sourcing strategy. Including Corporate Responsibility as a standard component of the sourcing process creates a standardized approach when evaluating suppliers, while maintaining flexibility based on opportunity and risk avoidance.

Diverse Supplier Designations

The following designations will be utilized in the CPRE program to qualify a Market Participant as a Historically Underutilized Business:

Designation	Description	Requirement
WBE	Women Owned Business Enterprise	At least 51% owned
MBE	Minority Owned Business	At least 51% owned
VBE	Veteran Owned Business	At least 51% owned
SDVBE	Service Disabled Veteran Owned Business	At least 51% owned

Above business concerns must be at least 51% owned by one or more of individuals in the diverse categories or, in the case of any publicly owned business, at least 51% of the stock is owned by individuals within the groups. In addition, the owners must control the management and daily business operations. In case of a permanent or sever disability, the spouse or caregiver of such a service-disabled veteran may control the management and daily operations.

Certification

MP's that meet one or more of the diverse supplier designations above will be required to complete a self-certification form on the website and will be provided the opportunity to upload third party certifications.

APPENDIX C
FORM OF LETTER OF CREDIT

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: _____

Date: _____

Beneficiary:

[Duke Energy legal entity name] _____
550 South Tryon Street, DEC40C
Charlotte, NC 28202
Attention: Chief Risk Officer

Ladies and Gentlemen:

By the order of:

Applicant:

We hereby issue in your favor our irrevocable letter of credit No.: _____ (“Letter of Credit”) for the account of _____ (the “Applicant”) for an amount or amounts not to exceed _____ US Dollars in the aggregate (US\$ _____) available by your drafts at sight drawn on [Issuing Bank] effective _____ and expiring at our office on [*insert date which is one year from issuance*] (the “Expiration Date”), unless terminated earlier in accordance with the provisions hereof or otherwise extended.

Funds under this Letter of Credit are available against your draft(s), in the form of attached Annex 1, mentioning our letter of credit number and presented at our office located at [Issuing Bank’s address must be in US] and accompanied by a certificate in the form of attached Annex 2 with appropriate blanks completed, purportedly signed by an authorized representative of the Beneficiary, on or before the Expiration Date in accordance with the terms and conditions of this Letter of Credit. Partial drawings under this Letter of Credit are permitted.

We hereby undertake to promptly honor your drawing(s) presented in compliance with the terms of this Letter of Credit, up to the amount then available herein, in no event will payment exceed the amount then available to be drawn under this Letter of Credit.

We engage with you that drafts drawn under and in conformity with the terms of this Letter of Credit will be duly honored on presentation if presented on or before the Expiration Date. Presentation at our office includes presentation in person, by certified, registered, or overnight mail.

This Letter of Credit shall automatically terminate on the earliest of the following to occur: (i) the making by you and payment by us of the drawings in an amount equal to the maximum amount available to be made hereunder; (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 attached hereto; or (iii) the above stated Expiration Date.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Issuing Bank] under this Letter of Credit is the individual obligation of [Issuing Bank] and is in no way contingent upon reimbursement with respect hereto.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber Of Commerce Publication No. 590 ("ISP98"). Matters not addressed by ISP98 shall be governed by the laws of the state of New York.

We shall have a reasonable amount of time, not to exceed three (3) business days following the date of our receipt of drawing documents, to examine the documents and determine whether to take up or refuse the documents and to inform you accordingly.

Kindly address all communications with respect to this Letter of Credit to [Issuing Bank's contact information], specifically referring to the number of this Letter of Credit.

All banking charges are for the account of the Applicant.

This Letter of Credit may not be amended, changed or modified without our express written consent and the consent of the Beneficiary.

Very truly yours
[Issuing Bank]

Authorized Signer

Authorized Signer

This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 1

FORM OF SIGHT DRAFT

[Insert date of sight draft]

To: *[Issuing Bank's name and address]*

For the value received, pay to the order of _____ by wire transfer of immediately available funds to the following account:

[name of account]
[account number]
[name and address of bank at which account is maintained]
[aba number]
[reference]

The following amount:

[insert number of dollars in writing] United States Dollars
(US\$ *[insert number of dollars in figures]*)

Drawn upon your irrevocable letter of credit No. *[irrevocable standby letter of credit number]*
dated *[effective date]*

[Beneficiary]

By: _____
Title: _____

This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 2

FORM OF CERTIFICATE

[Insert date of certificate]

To: *[issuing bank's name and address]*

Duke Energy _____ (the "Beneficiary") is drawing the funds requested under this draft based on the below specified draw condition:

[check appropriate draw condition]

[] [Legal name of bidding entity] (the "Bidder") has withdrawn its proposal in violation of the bidding rules under the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP]; or

[] A proposal submitted by [Legal name of bidding entity] (the "Bidder") has been selected as a winning proposal in the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP] and Bidder has failed to execute the *[insert name of required contract]* (the "Agreement") within 60 days of the closing of the RFP; or

[Legal name of bidding entity] (the "Bidder") has received a winning proposal in the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP] and has failed to meet the creditworthiness requirements under the *[insert name of required contract]* ("Agreement") or to post performance security as required under the Agreement within 5 business days of the execution of the Agreement.

Duke Energy _____

By: _____

Title: _____

ANNEX 3

FORM OF CERTIFICATE OF EXPIRATION

[Insert date of certificate]

To: *[issuing bank's name and address]*

Attention Standby Letter of Credit Unit

Re: irrevocable letter of credit No. *[irrevocable standby letter of credit number]* dated *[effective date]* the "Letter of Credit."

Ladies and Gentlemen:

The undersigned hereby certifies to you that the above referenced Letter of Credit may be cancelled without payment. Attached hereto is the referenced Letter of Credit, marked cancelled.

Duke Energy _____

By: _____

Title: _____

Cc: _____ [Bidder]

APPENDIX D FORM OF SURETY BOND

SURETY BOND – COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY

COLLATERAL SECURITY PAYABLE UPON DEMAND

* * * * *

PRINCIPAL / BIDDER (Legal Name and Business Address)

SURETY (Legal Name and Business Address)	CONTRACT NO.	CONTRACT DATE
OBLIGEE [Duke Energy Carolinas, LLC][Duke Energy Progress, LLC] ---- add address -----	SURETY BOND EFFECTIVE DATE	
PROPOSAL SECURITY AMOUNT	PENAL SUM OF BOND	

KNOW ALL PERSONS BY THESE PRESENTS THAT: PRINCIPAL (herein, “Bidder”) and SURETY are held and firmly bound to [Duke Energy Carolinas, LLC] [Duke Energy Progress, LLC] (“Duke Energy”), a limited liability company organized and existing under the laws of the state of North Carolina, its successors and assigns in the amount of \$[insert Bond Amount] (“Proposal Security Amount”), for the payment of which the Bidder and Surety, their heirs, executors, administrators, successors and assigns are hereby jointly and severally bound.

WHEREAS, Bidder has submitted a bid proposal into Duke Energy’s Request for Proposals for the Competitive Procurement of Renewable Energy (“RFP”), which was issued by Duke Energy on [_____];

WHEREAS, Duke Energy has selected Bidder’s proposal (the “Bid”) for further evaluation in Step 2 of the RFP process (such evaluation referred to herein as the “Step 2 Evaluation Process”) pursuant to the RFP;

WHEREAS, Bidder and Surety acknowledge that the RFP process will be delayed and Duke Energy will be harmed if Bidder withdraws the Bid, or if the Bid is selected as a Bid for the Step 2 Evaluation Process and the Bidder does not execute the RENEWABLE POWER PURCHASE AGREEMENT or the ASSET PURCHASE AND SALE AGREEMENT (as applicable, the “Agreement”) associated with the RFP as requested by Duke Energy and/or fails to provide Performance Assurance as required under and as defined in the Agreement; and

WHEREAS, Bidder desires to furnish this Bond pursuant to the requirement in Section III of the RFP to provide Proposal Security for a bid selected to continue forward into the Step 2 Evaluation Process;

NOW THEREFORE, the condition of this obligation is such that if (i) Duke Energy or the Independent Administrator acting on its behalf notifies Bidder that the Bid has been eliminated from consideration in the RFP, or (ii) Duke Energy subsequently selects the Proposal as a winning Proposal under the RFP and Bidder has executed the Agreement and posted Performance Assurance as required in such Agreement, then this obligation will be null and void; otherwise it will remain in full force and effect, subject to the following additional conditions:

1. Capitalized terms undefined herein will take the meaning or definition provided in the RFP or where indicated, the Agreement. In the event of any conflict between this Bond and the RFP, the terms of this Bond will control.
2. If Bidder withdraws the Bid, or if Duke Energy selects the Bid as a winning Proposal and the Bidder does not execute the Agreement with Duke Energy for the Bid within 90 days of the closing of the RFP or fails to meet the creditworthiness requirements or to post the performance security as required under the Agreement within 5 business days of the execution of the Agreement, then Duke Energy will issue a demand for payment of the Proposal Security Amount to the Surety ("Demand for Payment").
3. Surety will, not later than ten (10) days after delivery of a Demand for Payment to the Surety at the address provided below, pay the Proposal Security Amount to Duke Energy. Surety's obligation for payment of the Proposal Security Amount will be deemed established regardless of the underlying causes for Bidder's withdrawal of the Bid and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of the Surety.
4. Bidder and Surety acknowledge that the Proposal Security Amount represents a fair and reasonable pre-estimation of the damages due to Duke Energy under the circumstances existing as of the Surety Bond Effective Date and that such amount represents a reasonable estimate of Duke Energy's losses in the event of (i) Bidder's withdrawal of the Bid following its selection for further evaluation in the Step 2 Evaluation Process, or (ii) Bidder's failure to execute the Agreement with Duke Energy for the Bid if selected as a winning Proposal or failure to provide Performance Assurance as required under the Agreement. The Proposal Security Amount will not be deemed a penalty, and the Bidder and Surety hereby waive and forfeit any right to contest the reasonableness or validity of the liquidated Proposal Security Amount. Duke Energy's right to recover the Proposal Security Amount will in no way limit its entitlement to other non-monetary remedies to which Duke Energy may be entitled pursuant to the terms of the RFP, the Bond, or applicable law.
5. It is hereby agreed that this obligation is effective beginning on the Surety Bond Effective Date, above, provided that, if this Bond remains in effect after one (1) year following the Surety Bond Effective Date, Bidder may cancel this Bond after such one (1) year period by giving Duke Energy at least forty-five (45) days prior written notice of the cancellation date. Such cancellation notice will be sent by certified mail or by overnight courier with tracking service to:

{Add notice info}

with copy to

[Duke Energy Carolinas, LLC] [Duke Energy Progress, LLC]

Attn: Credit Risk Manager

550 South Tryon Street (DEC40C)

Charlotte, NC 28202

Any obligations of the Bidder prior to any such cancellation will survive such cancellation and continue to be a liability of the Surety until paid in full by the Bidder.

This Bond is irrevocable by Surety.

6. Within thirty (30) days following the date of any notice of cancellation of this Bond that is provided to Duke Energy under Paragraph 6, Bidder will provide to Duke Energy a replacement Bond that satisfies the requirements of Section III of the RFP in the amount of the Performance Security required for the pre-COD period. Bidder's failure to provide such replacement Bond in the required timeframe will constitute a default under this Bond and will entitle Duke Energy to issue a Demand for Payment to the Surety for the payment of the Proposal Security Amount.
7. The Surety's liability is limited to the Proposal Security Amount ("Penal Sum of Bond"), unless suit must be brought for enforcement of the within obligations and in which case the Surety will also be liable for all costs in connection therewith, interest and reasonable attorneys' fees, including costs of and fees for appeals.
8. Failure of the Surety to pay the Proposal Security Amount within ten (10) days of Demand for Payment will constitute default of the Surety's obligation under the Bond and Duke Energy will be entitled to enforce against the Surety any remedy available to it.
9. Surety, for value received, hereby stipulates and agrees that no change, modification, omission, addition or change in or to the RFP or the Agreement, and no action or failure to act by Duke Energy will in any way affect the Surety's obligation on this Bond; and Surety hereby waives notice of any and all such modifications, omissions, alterations, and additions to the terms of the RFP or the Agreement.
10. If any part or provision of this Bond will be declared unenforceable or invalid by a court of competent jurisdiction, such determination in no way will affect the validity or enforceability of the other parts or provisions of this Bond.
11. The undersigned Surety and Bidder are held and firmly bound for the payment of all legal costs, including reasonable attorney's fees, incurred in all or any actions or proceedings taken to enforce

this Bond or the obligations created herein, or payment of any award of judgment rendered against the undersigned Surety. Nothing contained herein will be construed to obligate Duke Energy to pay any fees or expenses incurred in connection with the issuance of this Bond.

12. All disputes relating to the execution, interpretation, construction, performance, or enforcement of the Bond and the rights and obligations thereto will be governed by the laws of, and resolved in the State and Federal courts in North Carolina. The rights and remedies of Duke Energy herein are cumulative and in addition to any and all rights and remedies that may be provided by law or equity.
13. The undersigned Surety agent(s) represent that he/she is a true and lawful attorney-in-fact for the Surety and authorized to bind the Surety hereto and to affix the Surety's corporate seal hereunder, as evidenced by the attached power of attorney.

IN WITNESS WHEREOF, this instrument is SIGNED AND SEALED this ____ day of _____, 20__.

PRINCIPAL/BIDDER:

For Bidder: _____

Signature: _____

(SEAL)

Name and Title: _____

Address: _____

SURETY:

Attorney in Fact: _____

Signature: _____

(SEAL)

Name and Title: _____

Address: _____

AFFIDAVIT AND ACKNOWLEDGEMENT OF ATTORNEY-IN-FACT

STATE OF _____

COUNTY OF _____

I hereby certify that I am the attorney-in-fact of _____, a [*insert entity type*], which is the surety in the foregoing bond, and that I am authorized to execute on the above Surety's behalf the foregoing bond pursuant to the Power of Attorney dated _____ and attached hereto, and on behalf of the Surety, acknowledge the foregoing bond before me as the above Surety's act and deed.

Given under my hand this _____ day of _____.

ATTORNEY-IN-FACT

PRINT NAME

(NOTARY SEAL)

APPENDIX E

REQUIRED FINANCIAL INFORMATION

- A. Description of ownership and proposed financing arrangements, including the expected percentage of debt and equity capital that the bidder has committed to secure.
- B. Annual reports for the past three (3) years and any Form 10-K and 10-Q filings since the period covered in the last annual report. If these documents are not available, then audited financial statements for the last three (3) years will be accepted. All financial statements, annual reports, and other large documents may be referenced via a website address. If a bidder has not been in operation for three (3) years, please provide the above information, as applicable, since the commencement of operation.
- C. Dunn and Bradstreet identification number.
- D. Documentation of the bidder's (or parent's if applicable) credit ratings from S&P, Moody's, or Fitch rating services, if rated.
- E. Details related to its banking relationships or liquidity.
- F. Description of plans for acquiring the necessary funds for developing and operating the Facility, including a discussion of the Facility's legal ownership structure, the expected percentage of debt and equity capital that the bidder has committed to secure, and the identity and credit rating or other financial information indicative of the financial strength of firms that are likely to provide such financing.
- G. Any additional documentation needed to determine the bidder's financial strength and the strength of any corporate parents.

APPENDIX F SAMPLE SCORING SHEET

Bid Scoring Categories	Bid Score	% of Bid Score	Description	Individual Categories	Maximum Scoring	Section Score
1. Price Score		60%	Includes fixed and variable bid costs	The price score will be calculated on the basis of the bid's projected total cost per MWH	600	600
2. Project Development Criteria		15%	Respondent must show sufficient evidence of ability to provide services included in proposal for the contract term Evidence of operational capability to provide proposed services	-Demonstrate that permitting will be complete to meet COD -Experience of project team -Project Site control for full term -Site control to POI for full term	30 30 50 50	160
3a. Facility Project Characteristics		15%	Evidence of equipment designed to meet specifications	-Equipment to be used -Required control equipment (TBD) -Quality of project design	30 30 30	90
3b. Transmission Project Characteristics			Interconnection Transmission Rights	-Submitted completed interconnected request and obtained a queue number	50	50
4. Project Characteristics		4.5%	Value of Project Characteristics	Demonstrates ability to meet performance guarantee and liquidated damages pursuant to the PPA	45	45
5. Historically Underutilized Businesses		.5%	Ownership by Minorities (to be defined)	Ascertain that at least 51% of venture is owned by eligible minority	5	5
6. Credit Worthiness		5%	Financial assurances to meet schedule and milestones in PPA	-Confirms meeting all Duke credit requirements -Pass: MP provides acceptable Proposal Security - Fail: MP does not provide acceptable Proposal Security	50 50 0	50
Total Score	1,000	100%			1,000	

APPENDIX G
RECOMMENDATIONS FOR ESTABLISHING NATIVE POLLINATOR HABITAT ON
SOLAR FARMS IN NORTH CAROLINA

[See attached document]

Attachment B

Final Tranche 2 RFP – Redline (October 15, 2019)

**REQUEST FOR PROPOSALS
FOR THE
COMPETITIVE PROCUREMENT OF
RENEWABLE ENERGY PROGRAM
TRANCHE 2**

**DUKE ENERGY CAROLINAS, LLC
DUKE ENERGY PROGRESS, LLC**

**Dated: October 15, 2019
Proposals Due: December 15, 2019**

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APPENDICES

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Appendix G – RECOMMENDATIONS FOR ESTABLISHING NATIVE POLLINATOR
HABITAT ON SOLAR FARMS IN NORTH CAROLINA

I. PROGRAM OVERVIEW

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and, together with DEC, the “Companies”) are soliciting proposals for new renewable energy projects in support of the Companies’ Competitive Procurement of Renewable Energy (“CPRE”) Program (“Program”).¹ The CPRE Program is being implemented in accordance with N.C. Gen. Stat. § 62-110.8, as enacted by North Carolina Session Law 2017-192 (“HB 589”), the North Carolina Utilities Commission’s (“Commission” or “NCUC”) Rule R8-71 (“CPRE Rule”), and the Commission’s Order Modifying and Accepting CPRE Program Plan dated July 2, 2019, in Docket Nos. E-2, Sub 1159 and E-7, Sub 1156 (“Tranche 2 Order”). Capitalized terms not otherwise defined herein shall have the meaning set forth in the NCUC Rule R8-71(b).

This Tranche 2 Request for Proposals (“RFP”) is soliciting approximately 600 megawatts (“MW”) of new renewable energy resources in DEC and approximately 80 MW of new renewable energy resources in DEP.² Eligible Market Participants (“MPs”) for this RFP include third-party renewable developers (“Third-Party MPs”), the DEC/DEP Proposal Team (as further described herein), and any affiliate of DEC or DEP that elects to submit a Proposal. Proposals submitted into the RFP (“Proposals”) must be submitted in one of the following Proposal categories (as

¹ For the avoidance of doubt, the DEC and DEP portions of this RFP will be separately administered for purposes of ranking and selection.

² Given that the optimal portfolio may not align exactly with the MW target for DEC or DEP, the IA may recommend a portfolio within a range of +/- 10%. This approach will avoid the potential for foregoing an attractive Proposal that because it is the next-best ranked Proposal, would cause the portfolio to exceed the solicitation goal. In addition, the IA may consider any project size range provided by MPs in designing a portfolio that most closely meets the Tranche 2 target (see Section II(B)). In the event the IA determines a Proposal will be recommended for the final portfolio in an amount less than the maximum size proposed by an MP, the IA will confirm the MP’s commitment to proceed with the Proposal at the size identified by the IA.

further described herein): (1) a Power Purchase Agreement (“PPA”), (2) Utility Self-Developed Facility (as further described herein), or (3) Asset Acquisition (as further described herein).

Tranche 2 is soliciting Proposals for electric generating facilities (each a “Facility”) that meet all of the following requirements:

1. (i) In the case of Proposals submitted into the DEC portion of the RFP, are located in the DEC North Carolina or South Carolina³ service territory and have requested to physically interconnect with the DEC transmission or distribution systems; and (ii) in the case of Proposals submitted into the DEP portion of the RFP, are located in the DEP North Carolina or South Carolina service territory and have requested to physically interconnect with the DEP transmission or distribution systems.
2. ~~Have not been placed~~Placed in service ~~prior to the date of issuance of this RFP~~after July 10, 2018 and be capable of completing Facility construction (not completion of interconnection) by January 1, ~~2022~~2023.⁴
3. Are sized between 1 MW and 80 MW (based on the inverter nameplate rating)). A Facility must have a single point of interconnection (“POI”).
4. Use a renewable energy resource identified in G.S. 62-133.8(a)(8) and have demonstrated an adequate fuel supply from a qualifying resource.⁵ ~~Wind, swine, and poultry waste powered facilities will not be accepted.~~
5. Commit to sell 100% of its renewable electrical energy, capacity, and environmental and renewable attributes to DEC or DEP (as applicable).
6. In the case of PPA Proposals and Asset Acquisition Proposals, have submitted Form 556 to the Federal Energy Regulatory Commission on or before the date of submission of the Proposal to obtain qualifying facility (“QF”) certification.
7. In the case of PPA Proposals and Asset Acquisition Proposals, have either (i) obtained a queue number under the North Carolina Interconnection Procedures (“NCIP”) or the

³ The South Carolina Public Service Commission (“SCPSC”) is currently considering a waiver to the SC GIP to allow for the System Impact Grouping Study to be utilized in Tranche 2 for Facilities located in South Carolina. In the event that the SCPSC rejects use of the System Impact Grouping Study for Facilities located in South Carolina, facilities located in South Carolina will only be eligible to participate in Tranche 2 as Advanced Stage Proposals.

⁴ For the avoidance of doubt, an MP is not required to obtain a certificate of public convenience and necessity (“CPCN”) to construct the facility prior to submitting a PPA Proposal, but will be required to establish a reasonable plan for obtaining all necessary permits and certificates (including a CPCN) in a timely manner. Also for the avoidance of doubt, an MP may not submit a Proposal for a Facility that has an existing off-take agreement.

⁵ “Renewable energy resource” means a solar electric, solar thermal, wind, hydropower, geothermal, or ocean current or wave energy resource; a biomass resource, including agricultural waste, animal waste, wood waste, spent pulping liquors, combustible residues, combustible liquids, combustible gases, energy crops, or landfill methane; waste heat derived from a renewable energy resource and used to produce electricity or useful, measurable thermal energy at a retail electric customer's facility; or hydrogen derived from a renewable energy resource. “Renewable energy resource” does not include peat, a fossil fuel, or nuclear energy resource. ~~As noted above, not all of these technologies are being solicited in Tranche 2.~~

- South Carolina Generator Interconnection Procedures (“SC GIP”) to interconnect to the DEC transmission or distribution systems in the case of Proposals submitted into the DEC portion of the RFP or the DEP transmission or distribution system in the case of Proposals submitted into the DEP portion of the RFP; or (ii) where a Facility has previously submitted a FERC-jurisdictional interconnection request has submitted a Jurisdictional Interconnection Transition Request Form.⁶
8. In the case of Facilities that include energy storage, have all storage located on the DC side of the inverter and charged solely from the applicable Facility.

A. INDEPENDENT ADMINISTRATOR

This RFP will be administered by an Independent Administrator, the Accion Group, LLC (“Accion” or the “IA”). Accion is responsible for developing and utilizing the CPRE Program Methodology to evaluate all Proposals in accordance with the evaluation process established under NCUC Rule R8-71(f)(3)(iii), as further described herein, and ensuring that all Proposals are treated equitably throughout the RFP.

B. RFP ACCESS AND INSTRUCTIONS

Accion hosts a website (“IA RFP Website”) that serves as the required vehicle for all RFP communications. Respondents and interested parties must be registered on the IA RFP Website to access further information related to the RFP. The IA RFP Website may be accessed at <https://decprerfp2019.accionpower.com>.

The IA RFP ~~website~~Website will also be used for registered parties to provide comments on or before August 30, 2019 regarding this RFP document, the pro forma PPA, and the various Asset Acquisition agreements. In addition, registered parties may submit questions concerning the RFP on the “Q&A” page of IA RFP Website. The questions and responses will be posted for viewing by all persons registered on the IA RFP Website. Finally, the IA RFP Website also has a confidential “message board” available to registered MPs to facilitate project-specific questions to the IA that should not be disclosed to all MPs. The IA will review all questions and messages and solicit information from the Evaluation Team, as necessary, without disclosing the identity of the MP posing the request. Questions and responses that the IA determines are appropriate for disclosure to all registered MPs will be posted in the Q&A page. After the Proposal submission

⁶ Interconnection requests for Facilities where the MP plans to contractually commit to sell the full output of the Facility to the interconnected utility, as required under the CPRE Program, are subject to the jurisdiction of, and interconnection procedures and agreements established by either the NCUC and South Carolina Public Service Commission. MPs with generating facilities that have previously submitted interconnection requests pursuant to the Companies’ Joint Open Access Transmission Tariff shall be allowed to retain their queue position while transitioning to become state jurisdictional interconnection customers of DEC or DEP (as applicable) prior to the CPRE RFP Solicitation bid due date. The Jurisdictional Interconnection Request Form has been made available on the IA RFP Website and contains further details regarding the transition process.

date, the confidential message board will be used should the IA need clarification concerning any Proposal.

Proposals and all associated documentation must be submitted to the IA through the IA RFP Website on or before **12:00 pm EDT (Noon) on December 15, 2019.**

C. TRANCHE 2 RFP SCHEDULE

The table below presents the planned Tranche 2 RFP schedule. As provided in the CPRE Rule, the Tranche 2 RFP schedule may be modified after consultation with and approval by the IA. MPs will receive notification of any schedule changes through the IA RFP Website.

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
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Milestone	Date
August Stakeholder Meeting	08/07/2019
Draft RFP documents posted to IA <u>RFP Website</u>	08/15/2019
<u>Comment period on draft RFP documents closes</u>	<u>08/30/2019</u>
Bidder Conference and September Stakeholder Meeting	09/12/2019
Comment period on draft RFP documents closes	08/30/2019
PPA filed with NCUC	09/15/2019
IA report re: RFP documents	09/25/2019
October Stakeholder Meeting	10/10/2019
Final RFP documents posted to IA website <u>RFP Website</u> and RFP Opens	10/15/2019
November Stakeholder Meeting	11/13/2019
December Stakeholder Meeting	12/12/2019
Deadline for submission of Proposals	12/15/2019 ⁷
Projected Conclusion of Step 1 of the Evaluation Process	03/01/2020
Projected Conclusion of Step 2 and winning bids notified	06/30/2020
Projected Conclusion of Contracting period	08/28/2020

D. SEPARATION PROTOCOLS

The IA will ensure compliance with the communication restrictions and other requirements set forth in NCUC Rule R8-71(e) (the “Separation Protocols”). Pursuant to such CPRE Rule, DEC and DEP have collectively established a team that is responsible for preparing bids on behalf of DEC/DEP (such team, the “DEC/DEP Proposal Team”), and Duke Energy Renewables, Inc. (“DER”) has established a separate team that is responsible for preparing bids on behalf of DER (such team, the “DER Proposal Team” and together with the DEC/DEP Proposal Team, the “Proposal Teams”). In addition, DEC and DEP have established a team that is responsible for assisting the IA in developing the RFP and evaluating Proposals (the “Evaluation Team”). Finally, the Evaluation Team has a sub-team responsible for assessing and assigning ~~system upgrade costs to Proposals (the “T&D Sub Team”). The IA will provide the T&D Sub Team with the identity of each MP and the Facility to be studied during the Step 2 process. There will also be a sub-team responsible for credit review as part of the completion of Step 2 (the “Credit Sub Team”).~~System Upgrade costs to Proposals (the “T&D Sub-Team”). All members of the Proposal Team(s) and the Evaluation Team have been separately identified in writing to the IA and physically segregated for purposes of all activities that are part of the Tranche 2 RFP solicitation process. All Proposal Team and Evaluation Team members have also been required to execute acknowledgements regarding compliance with the Separation Protocols, which have been provided to the IA. As

⁷ This date is subject to modification in accordance with the Commission’s Tranche 2 Order.

shown in the Tranche 2 RFP Schedule above, the IA will require that the Proposal Teams submit any Proposals no less than 24 hours before the RFP window closes.

E. CONFIDENTIALITY

The IA will not publicly disclose the identity of all MPs during the Step 1 and Step 2 evaluation process. However, at the conclusion of the Step 2 evaluation, upon selection of winning MPs, the IA and/or Duke shall be permitted to publicly identityidentify all CPRE participants that submit Proposals in response to any Commission-directed reporting requirements.

II. GENERAL TERMS

A. PROPOSAL CATEGORIES

Proposals may be structured using one of the three proposal categories (“Proposal Categories”) defined in the following table:

Proposal Type	Proposal Cost Structure
PPA	Levelized (non-escalating) payments for capacity, energy, and environmental and renewable attributes in \$/MWh terms for 20 years from the commercial operation date. The pro forma PPA is attached as Appendix A .
Utility Self-Developed Facilities	Utility owns or controls the property and offers Renewable Resource facility(s) into the CPRE RFP in \$/MWh terms for 20 years from the commercial operation date.
Asset Acquisition	Asset Transfer plus EPC – The Facility is submitted into the RFP for purchase by DEC/DEP along with an offer to build the site under an Engineering Procurement and Construction Agreement (“EPC”) for purchase by DEC or DEP. Facility is developed by the MP and ownership transfers to DEC or DEP before the start of construction.
	Build Own Transfer (“BOT”) – Facility is fully developed and constructed by the MP and submitted as a “turn-key” offer into the RFP by MP. Facility ownership will be transferred to DEC or DEP prior to commercial operation.
	Asset Transfer – Facility siting, land control, design, permitting, and interconnect studies completed by the MP and fully-developed project offered into the RFP. Facility ownership will be transferred to DEC or DEP prior to construction and DEC or DEP will be responsible for construction.

B. PROPOSAL ALTERNATIVES AND SIZE FLEXIBILITY

MPs may submit Proposals for the same Facility proffering different sizing, pricing or technology. (e.g., a Facility that is proposed both with and without energy storage must submit separate Proposals for each Facility configuration). Each Proposal will be a separate submission subject to a separate Proposal Fee. A MP may submit the same Facility as both an Asset Acquisition Proposal and as a PPA Proposal, and that would constitute two separate Proposals. If the Asset Acquisition Proposal is sponsored by the DEC/DEP Proposal Team, the Acquisition Proposal will be converted to PPA pricing as more specifically discussed below. In such case, the highest ranking of all Proposals for the Facility, based on the IA's evaluation, will be considered the "best" or controlling proposal for such Facility and the IA shall eliminate the other Proposal from further consideration in the RFP.

MPs will be permitted to identify the minimum size of the Facility (up to a 10% maximum reduction)⁸ that the MP is willing to provide at the same \$/MWh price. For example, for a 50 MW Proposal, the MP could indicate that it is willing to deliver a Facility sized anywhere between 45-50 MW for the same \$/MWh price.

C. MARKET PARTICIPANTS AND PROPOSAL SPONSORS

DEC and DEP recognize that MPs may utilize partners or sponsors ("Proposal Sponsors") for Proposal development. Proposals that rely on Proposal Sponsors to meet RFP requirements must provide evidence that is satisfactory to the IA of a binding legal partnership or similar relationship with such Proposal Sponsor.

Historically underutilized businesses are encouraged to participate in the RFP. The definitions to be employed for such purposes are set forth in **Appendix B** to this RFP. MPs shall not discriminate based upon race, religion, color, national origin, age, sex, or handicap.

D. PROPOSAL FEES

Each MP is required to submit with each Proposal a non-refundable "Proposal Fee" of \$500/MW, based on the Facility's nameplate capacity, up to a maximum of ten thousand dollars (\$10,000). In addition, successful MPs will be responsible for a pro-rata share of the Winners' Fee (as hereinafter defined).

Proposal Fees are non-refundable and for the avoidance of doubt, will not be refunded in the case of any modification of this RFP schedule, rejection of any Proposal, or failure by a winning MP to execute a PPA. Proposal Fees must be paid via electronic payments through Accion's website: <https://decprerfp2019.accionpower.com>. Payment is due at the time of Proposal submission and must be received no later than 12:00 PM EDT (Noon) on the Proposal due date. Failure to submit

⁸ The maximum reduction percentage is based on Section 1.5.1.6 of the NCIP and Attachment 1 of the SC GIP.

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the Proposal Fee will result in automatic disqualification of the Proposal from further consideration.

E. WINNERS' FEE

The "Winners' Fee" is the amount to be determined as described below in order to recover any remaining IA costs not covered by the Proposal Fee. The Winners' Fee will be determined upon conclusion of the RFP. Any such Winners' Fee costs will be allocated among all winning Proposals selected by both DEC and DEP on a pro-rata basis on a per MW basis. The total of the Winners' Fees shall not exceed one million dollars (\$1,000,000.00).

F. STEP 2 PROPOSAL SECURITY

1. Third-Party MPs and DER Proposal Team

Security in the amount of \$20/kW, based on the Facility's inverter nameplate capacity, must be posted by all Third-Party MPs and the DER Proposal Team submitting PPA Proposal that are selected to move into Step 2 of the evaluation process ("Step 2 Proposal Security"). This Step 2 Proposal Security can be in the form of (i) cash; (ii) a Surety Bond; or (iii) a Letter of Credit ("LOC"), in each case, in a form acceptable to the Companies and issued by an entity that meets the Companies' issuer requirements and naming DEC or DEP (as applicable) as the sole beneficiary. An issuing bank for the LOC must have a minimum credit rating of A- from S&P and A3 from Moody's and a surety must be rated A.M. Best "A- VII" or higher. Surety bonds must be irrevocable and require payment by the surety within ten days of demand. Interest will not be paid on cash deposits. An example of acceptable LOC is provided in **Appendix C** and an acceptable surety bond is provided in **Appendix D**.

The IA will provide notification to an MP when the IA determines it will likely select the Proposal to move into the Step 2 evaluation. Within 14 days of such initial notification, MPs are required to provide draft forms of Proposal Security, if not posting cash, to allow sufficient time for the IA and the Companies to review and confirm the Proposal Security materially conform to the forms provided in **Appendix C** and **Appendix D**, respectively. The IA will then notify the MP when the Proposal is formally moved into the Step 2 Evaluation, at which point, the MP must post the Step 2 Proposal Security within seventen business days⁹.

2. DEC/DEP Proposal Team

In the case of Asset Acquisition Proposal sponsored by the DEC/DEP Proposal Team, Step 2 Proposal Security will be required from the Third-Party MP as further described in Section III(C).

In the case of Utility Self-Developed Facilities, the DEC/DEP Proposal Team will be required to acknowledge that in the event such Proposal is selected as a winner and fails to execute the

⁹ As indicated in the schedule in Section I(c), the IA currently expects that Step 1 of the evaluation process will be completed on or around March 1, 2020.

Acknowledgment Form, an amount equal to \$20/kW will be disallowed from the applicable CPRE Rider recovery.

3. Step 2 Proposal Security Administration

The Step 2 Proposal Security will be released (i) if the Proposal is eliminated by the IA due to failure to meet any required RFP criteria or action; (ii) if the Proposal is not selected as a winning proposal, upon closure of the contracting period; or (iii) if the Proposal is selected as a winning Proposal, upon completion of the contracting phase of the RFP, including execution of the applicable contract (PPA or APAdefinitive agreement for Asset Acquisition Proposals) and posting of security as required in the applicable agreement. DEC or DEP (as applicable) will be entitled to draw on the full amount of the Step 2 Proposal Security in the event that the MP (a) withdraws its Proposal during Step 2 of the Evaluation Process; or (b) if the Proposal is selected as a winning Proposal but the MP fails to complete the contracting phase.

III. ADDITIONAL PROPOSAL REQUIREMENTS

A. SELF-DEVELOPED, SUBSIDIARY, AND AFFILIATE PROPOSALS

Utility Self-Developed Proposals and conversions of Asset Acquisition Proposals will be bid using the same templates, forms, and pricing requirements applicable to PPA Proposals. Proposals submitted by the DER Proposal Team will be made via the IA RFP Website and meet the same requirements as Proposals from Third-Party MPs. In accordance with G.S. 62-110.8(b)(4), no more than thirty percent (30%) of the total CPRE procurement requirements can be awarded to Facilities in which DEC, DEP, or any subsidiary or affiliate holds an ownership interest at the time of Proposal submission.

Utility Self-Developed Proposals and conversions of Asset Acquisition Proposals will be priced based on the assumption that these facilities will continue to receive market-based revenues based on a pricing mechanism to be established by the Commission at the conclusion of the initial 20-year term of the PPA.

B. PPA PROPOSALS

All PPA Proposals must meet the technical specifications set forth in the PPA, as determined by the IA (in consultation with the Evaluation Team, as necessary). The pro forma PPA is provided as Appendix A. After closure of the RFP comment period, and subsequent filing of the PPA with the NCUC, the pro forma PPA is not subject to negotiation or adjustment for purpose of Tranche 2.

C. ASSET ACQUISITION PROPOSALS

Third-Party MPs are permitted to submit Asset Acquisition Proposals for DEC/DEP to consider acquiring a proposed Facility. In Tranche 2, only solar photovoltaic Facilities that are 20 MWac or greater will be accepted for consideration as Asset Acquisitions. As discussed above, Third-Party MPs may submit PPA Proposals as well as Asset Acquisitions for the same Facility, but each Proposal Category must be submitted as a separate Proposal.

Asset Acquisition Proposals must be priced on a \$/kw nameplate capacity basis to be paid according to payment milestones set forth under each type of Asset Acquisition Proposal. All Proposals must meet the DEC/DEP Proposal Team's technical design specifications, as provided in definitive agreements, including complying with the DEC/DEP Proposal Team's list of approved vendors/suppliers (provided on the IA [RFP](#) Website for review). After submission of an Asset Acquisition Proposal by an MP, the DEC/DEP Proposal Team will consider all aspects of the Proposal, including location, size, viability, technology, and price to determine if the DEC/DEP Proposal Team will sponsor the Asset Acquisition Proposal. Should the DEC/DEP Proposal Team elect to sponsor an Asset Acquisition Proposal, the DEC/DEP Proposal Team will coordinate with the MP and submit a Proposal into the CPRE RFP in on a \$/MWh basis utilizing the percentage decrement structure described in Section IV below. All Asset Acquisition contracts (definitive agreements under which the MP and DEC/DEP will transact) and exhibits related thereto (including the DEC/DEP Proposal Team's technical design specifications), will be available on the IA RFP website for review and comment by MPs. The DEC/DEP Proposal Team will review and consider any proposed changes (in the form of redlines) to its Asset Acquisition contracts that are submitted at the time an Asset Acquisition Proposal is submitted. The DEC/DEP Proposal Team will not, in any event, consider any proposed changes to the Asset Acquisition contracts, or exhibits related thereto (including the DEC/DEP Proposal Team's technical design specifications), from an MP that are not submitted along with Asset Acquisition Proposal. If the DEC/DEP Proposal Team decides to sponsor one or more Asset Acquisition Proposal(s), the DEC/DEP Proposal Team will require the applicable MP execute a term sheet relating to the principal commercial terms of the Asset Acquisition Proposal and acknowledging that no further changes to the Asset Acquisition Contracts (other than those noted at the time of Proposal Submission) will be accepted, and the DEC/DEP Proposal Team will then submit to the IA the Proposal, for consideration in Step 1 of the evaluation process on a \$/MWh basis utilizing the percentage decrement structure described in Section IV below. Any such Proposals would then be evaluated by the IA along with all other PPA and Utility Self-Developed Proposals submitted. At no time during this process will the DEC/DEP Proposal team have access to any information from the IA [RFP](#) Website, including pricing, for PPA Proposals submitted by any Third-Party MPs.

For solar photovoltaic Facilities, additional guidance relating to the DEC/DEP Proposal Team's PV facility design and Proposal criteria will be provided on the portion of the IA RFP Website section dedicated to Asset Acquisition Proposals.

MPs will be required to complete a proposal form that includes detailed information for each Facility, including a list of all major equipment included in the Asset Acquisition Proposal, including manufacturer name and equipment type for all panels, inverters, and racking supply. All Asset Acquisition Proposals should include product data sheets, product warranty information, and the design criteria that forms the basis of the pricing proposal. The DEC/DEP Proposal Team will review project design criteria to properly evaluate the quality of the project design and scope of work included in the proposal price and conformance with the design specifications.

For MPs submitting Asset Acquisition Proposals that do not wish to construct the Facility, the DEC/DEP Proposal Team will only consider Facilities that have completed System Impact Studies, secured long-term site control, initiated or obtained requisite project permits, completed a Phase I Environmental Site Assessment, conducted site analysis (including wetland delineation, preliminary geotechnical analysis, and boundary surveys), prepared a preliminary site layout, obtained CPCN approval (if applicable), and provided all additional required information as identified on the IA RFP Website to allow for full and proper evaluation of the project attributes. For all Asset Acquisition Proposals, MPs must identify which portion of the capital costs are ITC eligible and provide details of any property tax abatement or exemption or fee in lieu of tax (FILOT) arrangements or eligibility for other grants or tax credits. MPs must identify the portion of capital costs that belong to each federal tax depreciation class.

Interconnection Facilities (as defined herein) cost estimates must be included as an additional project cost and documented in the Proposal.

MPs submitting Asset Transfer plus EPC or a BOT (but not if proposing an Asset Transfer only) must have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of at least 50 MW of solar facilities within the United States or Canada. For all Asset Acquisitions, MPs must provide sufficient financial assurances, as set forth in the form EPC and BOT agreements, as necessary for the Facility to meet schedule and proposed performance milestones. In addition, MPs must provide evidence of at least one recent successful construction financing completed by the MP of comparable size to the submitted proposal.

The Third-Party MP that submitted the Asset Acquisition Proposal will be required to provide Step 2 Proposal Security in accordance with the notification and timing requirements described in Section II(F)(1). For Asset Transfer plus EPC and BOT proposals, the Step 2 Proposal Security is \$20/kWac. For Asset Transfer proposals, the Step 2 Proposal Security ~~is the~~shall be an amount equal to twenty percent (20%) of the purchase price of the Proposal. Such Step 2 Proposal Security must conform with the requirements of Section II(F)(1) and will administered in accordance with Section II(F)(3).

IV. AVOIDED COST THRESHOLD AND PROPOSAL PRICING

All PPA and Utility Self-Developed Facility Proposals must be submitted using levelized 20-year dollar per megawatt-hour (\$/MWh) pricing, and, as discussed above, the DEC/DEP Proposal Team will convert any Asset Acquisition Proposals selected into levelized 20-year dollar per megawatt-hour (\$/MWh) pricing.

All Proposals (including the cost of System Upgrades as described herein) must be at or below the applicable 20-year dollar per megawatt-hour (\$/MWh) avoided cost rates specified in the tables below.

Avoided Costs Threshold for Tranche 2

Note: All pricing is indicative and subject to adjustment based on the Commission's final order. The Commission has requested briefing in Docket No. E-1002, Sub 158. Subject to the Commission's Approval, the Companies intend to apply 1159 and E-7, Sub 1156 regarding application of the Solar Integration Services Charge ("SISC"). Applicability of the SISC to Tranche 2 CPRE PPAs but have not yet will be determined the operating protocols that will allow MPs to avoid such charge. This issue will be discussed in more detail at future stakeholder meetings by the Commission after completion of such comment process.

ENERGY																																					
DEC-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)																																					
Independent Energy Price Blocks		1.Summer Premium Peak (PM)				2.Summer On-Peak (PM)				3.Summer Off-Peak				4. Winter Premium Peak (AM)				5.Winter On-Peak (AM)				6.Winter On-Peak (PM)				7.Winter Off-Peak				8.Shoulder On-Peak				9.Shoulder Off-Peak			
		(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)				(\$/Mwh)			
Distribution	20 Year	57.1				56.4				34.7				80.7				61.2				67.6				40.9				46.3				31.9			
Transmission	20 Year	55.0				54.5				34.0				78.2				59.6				65.9				40.1				45.4				31.4			
DEC	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24												
Summer (Jun-Sep)		Off												On (pm)				Premium				On (pm)				Off											
Winter (Dec-Feb)		Off						On (am)		Premium		On (am)		Off						On (pm)						Off											
Shoulder (Remaining)		Off						On				Off						On								Off											
CAPACITY																																					
DEC-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)																																					
Independent Price Blocks		1.Summer On												2.Winter On (am)								3.Winter On (pm)															
		(\$/Mwh)												(\$/Mwh)								(\$/Mwh)															
Distribution	20 Year	16.9												78.7								25.5															
Transmission	20 Year	16.5												76.6								24.8															
DEC / DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24												
Summer (Jul - Aug)																		On																			
Winter (Dec - Mar)								On (am)													On (pm)																

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CPRE RFP Tranche 2

ENERGY										
DEP-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)										
Independent Energy Price Blocks		1.Summer Premium Peak (PM)	2.Summer On-Peak (PM)	3.Summer Off-Peak	4. Winter Premium Peak (AM)	5.Winter On-Peak (AM)	6.Winter On-Peak (PM)	7.Winter Off-Peak	8.Shoulder On-Peak	9.Shoulder Off-Peak
		(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)	(\$/Mwh)
Distribution	20 Year	43.9	43.7	36.8	59.6	44.7	52.2	37.2	39.3	28.1
Transmission	20 Year	42.7	42.6	36.3	58.2	44.0	51.2	36.7	38.8	27.9

DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Summer (Jun-Sep)		Off												On (pm)		Premium				On (pm)		Off			
Winter (Dec-Feb)		Off			On (am)		Premium		On (am)		Off								On (pm)			Off			
Shoulder (Remaining)		Off				On				Off							On						Off		

CAPACITY									
DEP-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)									
Independent Price Blocks			1.Summer On		2.Winter On (am)			3.Winter On (pm)	
			(\$/Mwh)		(\$/Mwh)			(\$/Mwh)	
Distribution	20 Year		0.00		135.7			58.2	
Transmission	20 Year		0.00		133.1			57.1	

DEC / DEP	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Summer (Jul - Aug)																		On							
Winter (Dec - Mar)								On (am)												On (pm)					

Seasonal Hourly Capacity Definitions

- ~~All Capacity Periods include Monday through Sunday~~

Seasonal Hourly Energy Definitions

- ~~All On-Peak Periods include Monday through Friday, except for Holidays.~~
- ~~Off Peak Periods include Saturday and Sunday, and all Holidays.~~

~~Holidays include: New Year's Day, Memorial Day, Good Friday, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.~~

DEP 20 Year CPRE												
CAPACITY PRICING				ENERGY PRICING								
Summer Months PM	Winter Months AM	Winter Months PM		Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak
\$/MWh	\$/MWh	\$/MWh		\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ -	\$ 135.59	\$ 58.11	\$ 42.58	\$ 44.10	\$ 38.21	\$ 60.21	\$ 46.41	\$ 53.84	\$ 42.71	\$ 38.15	\$ 33.28
Transmission	\$ -	\$ 133.00	\$ 57.00	\$ 41.43	\$ 42.96	\$ 37.68	\$ 58.78	\$ 45.62	\$ 52.82	\$ 42.13	\$ 37.67	\$ 32.97

DEC 20 Year CPRE												
CAPACITY PRICING				ENERGY PRICING								
Summer Months PM	Winter Months AM	Winter Months PM		Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak AM	Winter On-Peak PM	Winter Off-Peak	Shoulder On-Peak AM/PM	Shoulder Off-Peak
\$/MWh	\$/MWh	\$/MWh		\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Distribution	\$ 43.49	\$ 83.48	\$ 28.30	\$ 59.47	\$ 58.11	\$ 34.86	\$ 73.42	\$ 54.03	\$ 66.48	\$ 42.44	\$ 46.92	\$ 31.26
Transmission	\$ 42.33	\$ 81.25	\$ 27.54	\$ 57.28	\$ 56.15	\$ 34.18	\$ 71.14	\$ 52.66	\$ 64.80	\$ 41.62	\$ 46.01	\$ 30.80

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For Energy Credit purposes in DEP:

Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 1:00 p.m. to 4:00 p.m. and 8:00 p.m. to 9:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 4:00 a.m. to 6:00 a.m. and 9:00 a.m. to 11:00 a.m., plus evening hours from 6:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 10:00 a.m. plus evening hours from 5:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

For Capacity Credit purposes in DEP:

Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.

For Energy Credit purposes in DEC:

Summer months are defined as calendar months June through September, Winter months are defined as calendar months December through February, and Shoulder months are defined as March through May and October through November. Summer on-peak hours shall be Monday through Friday from 12:00 p.m. noon to 4:00 p.m. and 8:00 p.m. to 10:00 p.m. Winter on-peak hours shall be Monday through Friday with morning hours from 5:00 a.m. to 6:00 a.m. and 9:00 a.m. to 10:00 a.m., plus evening hours from 5:00 p.m. to 10:00 p.m. Shoulder on-peak hours shall be Monday through Friday with morning hours from 6:00 a.m. to 10:00 a.m. plus evening hours from 4:00 p.m. to 11:00 p.m. Summer premium peak hours shall be Monday through Friday from 4:00 p.m. to 8:00 p.m.. Winter premium peak hours shall be Monday through Friday from 6:00 a.m. to 9:00 a.m. There are no premium peak hours for Shoulder months. All other hours, plus the following holidays, shall be off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. When a holiday falls on a Saturday, the Friday before the holiday will be considered off-peak; when the holiday falls on a Sunday, the following Monday will be considered off-peak.

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
CPRE RFP Tranche 2

For Capacity Credit purposes in DEC:

Capacity Credit shall only be applicable in Summer months defined as the calendar months of July and August and Winter months defined as calendar months of December through March. Summer on-peak hours shall be 4:00 p.m. to 8:00 p.m. during all Summer days. During Winter months, the morning on-peak hours shall be all Winter days from 6:00 a.m. to 9:00 a.m. and evening on-peak hours shall be all Winter days from 6:00 p.m. to 9:00 p.m. Capacity credits are not applicable in all other months.

Proposal pricing must be in the same format of 20-year avoided cost pricing periods as shown in the tables above. Proposal pricing must be stated as ~~an equal percentage~~ **a fixed dollar per MWh** decrement that is applied equally to all **energy** pricing periods. For example, an MP could propose pricing that is ~~10%\$2.00/MWh~~ less than the avoided cost in each **energy** pricing period- ~~(for clarity, the decrement does not apply to capacity pricing periods).~~ This format for pricing will be required for the bid entry on the IA RFP Website and will be the basis for the pricing in the PPA. Translating this ~~10%\$2.00/MWh~~ proposed pricing decrement example into a leveled form of pricing, the following would be the result for a ~~desired 10% decrement for all pricing periods for~~ **a**-Transmission connected project in DEC:

ENERGY																										
DEC-Stipulated Energy Rate Design Method Estimation of 20 YR CPRE (2022-2041)																										
Independent Energy Price Blocks		1. Summer Premium Peak (PM)		2. Summer On-Peak (PM)		3. Summer Off-Peak		4. Winter Premium Peak (AM)		5. Winter On-Peak (AM)		6. Winter On-Peak (PM)		7. Winter Off-Peak		8. Shoulder On-Peak		9. Shoulder Off-Peak								
		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)		(\$/Mwh)								
Distribution	20 Year	57.4	51.4	56.4	50.8	34.7	31.2	80.7	72.6	64.2	55.1	67.6	60.8	40.9	36.8	46.3	41.7	31.9	28.7							
Transmission	20 Year	55.0	49.5	54.5	49.1	34.0	30.6	78.2	70.4	59.6	53.6	65.9	59.3	40.1	36.1	45.4	40.9	31.4	28.3							
DEC	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Summer (Jun-Sep)		Off												On (pm)			Premium			On (pm)		Off				
Winter (Dec-Feb)		Off				On (am)		Premium		On (am)		Off						On (pm)				Off				
Shoulder (Remaining)		Off					On			Off					On							Off				

CAPACITY																												
DEC-Stipulated Capacity Rate Design Method Estimation of 20 YR CPRE (2022-2041)																												
Independent Price Blocks		1. Summer On										2. Winter On (am)										3. Winter On (pm)						
		(\$/Mwh)										(\$/Mwh)										(\$/Mwh)						
Distribution	20 Year	46.9	15.2									78.7	70.8										25.5	23.0				
Transmission	20 Year	46.5	14.9									76.6	68.9										24.8	22.3				
DEC / DEP		Hour	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
Summer (Jul - Aug)																			On									
Winter (Dec - Mar)									On (am)												On (pm)							

Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
CPRE RFP Tranche 2

DEC 20 Year CPRE with proposed \$2/MWh pricing decrement												
Transmission proposal	CAPACITY PRICING			ENERGY PRICING								
	Summer Months PM	Winter Months AM	Winter Months PM	Summer Prem Pk	Summer On-Peak	Summer Off-Peak	Winter Prem Pk	Winter On-Peak	Winter On-Peak AM	Winter Off-Peak PM	Shoulder On-Peak AM/PM	Shoulder Off-Peak
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
	\$ 42.33	\$ 81.25	\$ 27.54	\$ 57.28	\$ 56.15	\$ 34.18	\$ 71.14	\$ 52.66	\$ 64.80	\$ 41.62	\$ 46.01	\$ 30.80
	\$ 55.28	\$ 54.15	\$ 32.18	\$ 69.14	\$ 50.66	\$ 62.80	\$ 39.62	\$ 44.01	\$ 28.80			

PPA pricing must include all project costs to the Point of Interconnection (“POI”), including the cost to directly connect to the existing DEC or DEP transmission/distribution system (“Interconnection Facilities”). Interconnection Facilities costs at the POI will include all DEC’s or DEP’s (as applicable) costs to connect the Facility to the existing transmission/distribution system delivery point, but shall not include the costs of upgrades to the transmission or distribution system beyond the POI. For transmission interconnections in DEC, evaluation will assume the most cost-effective communication method that meets the Transmission Provider’s requirements in their transfer trip scheme. The MP has cost responsibility for the transfer trip scheme. MP-owned equipment up to the POI often includes equipment such as the generator step-up transformer (for conversion up to the interconnecting voltage level), facility side generator breaker (as needed), and all station service equipment. Utility-owned equipment typically includes metering, protective equipment, relays, and other new electrical infrastructure and specific configurations for transmission connections as discussed in more detail below.

MPs with successful Proposals will be responsible for all Interconnection Facilities costs, even if the actual costs exceed the amount estimated by the MP. The IA will review the estimated Interconnection Facilities costs included in each proposal for reasonableness and reserves the right to impute a larger amount of Interconnection Facilities Costs where it determines that the Interconnection Costs assumed by the MP are unreasonably low. Should the IA determine imputed Interconnection Facilities Costs should be used, the MP will be advised and provided the opportunity to review the revised cost estimates with the IA and advise the IA of whether the imputed estimate is accepted by the MP.

The costs of transmission/distribution grid improvements and upgrades (“System Upgrades”) should not be incorporated in the MP’s PPA price-, unless the MP elects to be treated as an Advanced Stage Proposal, as further defined below. System Upgrade costs for all non-Advanced Stage Proposals will be identified during Step 2 of the evaluation process as set forth in NCUC Rule R8-71(f)(3)(iii). For the avoidance of doubt, for purposes of determining the satisfaction of the avoided cost threshold, the System Upgrade costs determined by the T&D Sub-Team shall be converted to 20-year \$/MWh pricing and incorporated into the Proposal price by the IA.

V. PROPOSAL EVALUATION

A. OVERVIEW

Proposals will be evaluated by the IA in accordance with the evaluation process set forth in NCUC Rule R8-71(f)(3). A copy of the CPRE Rule is provided on the IA RFP Website. As specified in NCUC Rule R8-71(f)(3), in Step 1 of the evaluation process, the IA will perform the initial ranking of Proposals based on a combination of economic and non-economic criteria. As a part of the Step 1 evaluation, the IA may allow a market participant an opportunity to modify or clarify its proposal to cure a non-conformance or non-substantive deficiency that would otherwise require elimination of the Proposal. The IA will provide the MP with written notice of the deficiency and the MP shall then have five (5) business days after receiving the written notice to cure the deficiency, where failure to cure the deficiency shall result in withdrawal of the Proposal from further consideration. Proposal Fees for a Proposal that fails to timely cure any deficiency identified by the IA shall not be returned.

Each Proposal will be evaluated on its benefit to the DEC/DEP system over the twenty-year analysis period on a \$/MWh basis (accumulated net present value). Although an MP may enjoy economies of scale with respect to the owner's and development cost of a Facility, the evaluation will be conducted on a \$/MWh (benefit to DEP/DEC) basis and therefore will not favor a Proposal based on Facility size. In order to assess a Proposal's net benefit, the evaluation must determine both the Proposal's cost and the Proposal's benefit to the DEC/DEP system. The cost of the Proposal is determined by taking the MP submitted \$/MWh rate and applying the rate to the Facility's projected output (8760 hours x 20 years). The benefit to the DEC/DEP system is determined using two metrics: (1) the Proposal's output contributes toward the ability to defer future DEC/DEP generating unit capacity and (2) the Proposal's energy output replaces energy that would have been supplied at DEC/DEP system cost for that particular hour.

Proposals must include a set of 8760 hour output projections each of the 20 years of the term. Proposals must be accompanied by PVSyst inputs/outputs and supporting workpapers and calculations demonstrating the basis for the energy profiles proposed. Proposals that include storage must submit two sets of 8760 hour output projections (for the twenty years) for the facility design. The first set is the output projection assuming that the storage capability is not utilized (i.e., turned off) and the second set of output projections is the Facility output after utilizing the storage capability. It is assumed that the post-storage output projections reflect that the MP has optimized the use of the storage capability. The IA will review both the pre-storage and post-storage Facility output in order to determine that the post-storage projections are reasonable.

Note that under the terms of the PPA, DEP/DEC has the right to curtail energy from the Facility up to 10% of the Facility's annual energy production in the DEP jurisdiction and 5% in the DEC jurisdiction, without compensation to the Facility owner. For purposes of the evaluation, it will be assumed that DEP/DEC fully exercises the energy curtailment to the respective 5% and 10% limits. Note that the energy curtailment reduces the Facility's revenue (in that less energy is sold to the DEP/DEC grid).

In the Proposal evaluation, the curtailment methodology will optimize energy costs for DEP/DEC. In other words, the methodology will begin curtailing the Facility's output when the cost of the Facility's energy is most costly when measured against the DEP/DEC system cost for that hour. This methodology will continue (as the cost difference is reduced) until the full allotment of curtailment is reached (either 5% or 10%).

With Facilities that include storage, it is recognized that some of the Facility's energy that is "lost" during curtailment can be stored and sold into the DEP/DEC system several hours later. For purpose of the evaluation, the following limitations will be taken into account: the overall roundtrip efficiency of energy storage, the MW capability of the storage system (which may be smaller than the facility output), and the MWh (energy) capability of the storage system.

The non-economic criteria specified below will also be evaluated by the IA and scored in accordance with the scoring sheet attached hereto as **Appendix F**, which has been developed by the IA and sets forth the weighting the IA will use in determining the Step 1 ranking of all Proposals. The Step 1 evaluation ranked Proposals into an initial Competitive Tier ("Competitive Tier"), Competitive Tier Reserve ("Competitive Tier Reserve" or "Reserve List"), and released Proposals. For those Proposals that do not advance to Step 2 of the evaluation process, the IA will notify the relevant MP on or before the milestone for concluding Step 1 of the Evaluation Process identified in the Tranche 2 RFP schedule.

In Step 2 of the evaluation process, the T&D Sub-Team shall assess the system impact of the Proposals in the order ranked by the IA and assign any System Upgrade costs attributable to each such Proposal. The IA will utilize such information to re-rank the Proposals (as necessary), and this process will continue in an iterative manner until the optimal portfolio of Proposals has been identified.

Step 2 of the evaluation process shall utilize the System Impact Grouping Study¹⁰ and all Proposals will be required to be studied based on the Queue Number established by the Companies for purposes of the System Impact Grouping Study.¹¹

¹⁰ As that term is utilized in the NCIP.

¹¹ ~~The "Late-Stage Proposal" approved by the Commission for use in Tranche 1 has been eliminated for Tranche 2. The Companies will discuss at Stakeholder Meeting #2 the appropriate treatment of CPRE Proposals that have an executed Interconnection Agreement at the time of Proposal Submission, as was raised by an MP during Stakeholder Meeting #1.~~

B. NON-ECONOMIC SCORING CRITERIA

The following non-economic criteria will be evaluated for each Proposal and scored in accordance with the scoring sheet.

1. Facility Permitting

MPs should disclose all permits that will have to be obtained and the status of each permit along with a timeline for the completion of all permits that relate to the Proposal. The site evaluation and studies conducted to date, as well as a timeline for completion of these studies, should be included in the Proposal.¹²

2. Financing Experience

Each Proposal should describe the plans for acquiring the necessary funds for developing, constructing, and operating the Facility. Such plans should include a discussion of the Facility's legal ownership structure and the expected sources and types of capital that the MP has committed to secure. If available, letters of interest or letters of commitment from such financial partners or key sources of funding should be provided.

For PPA proposals, MPs must be able to provide evidence of at least one recent successful facility financing completed of comparable size to the Proposal submitted within the last five years.

MPs must provide the financial and credit information set forth in **Appendix E**.

3. Technical Development and Operational Experience

In general, MP must show experience in developing and operating renewable facilities of comparable size and technology as the Facility submitted in the Proposal. More specifically, MP must:

- In the case of PPA proposals, have operated a renewable energy project or portfolio of projects >50 MW AC or 3x the nameplate capacity of the Proposal, whichever is less;
- In the case of solar Proposals, have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of >50 MW or 3x the nameplate capacity of the Proposal, whichever is greater, of solar facilities, including at least one project of comparable size to the proposed facility within the United States or Canada; and

¹² MPs should take reasonable steps to develop projects in a manner that protects the environment and the communities served by the Companies. According to the North Carolina Wildlife Resources Commission, increasing the availability of native plants at solar facilities can help support pollinators, including birds, bees, and other wildlife, benefiting nearby agricultural fields and community growers. Please consider following the "Solar Site Pollinator Habitat Planning & Assessment Form" provided in **Appendix G**.

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- In the case of non-solar Proposals, have completed or directly managed the completion of the development, engineering, equipment procurement, and construction of at least 10 MW of relevant renewable energy facilities within the United States or Canada.
4. Historically Underutilized Businesses

Historically underutilized businesses meeting the requirements set forth in **Appendix B** will be scored in accordance with the score sheet.

VI. ADDITIONAL INFORMATION

A. INTERCONNECTION TIMELINE AND PPA TERM

Typically, execution of an Interconnection Agreement is achieved approximately 4 – 6 months after completion of a System Impact Study. For transmission-connected projects, commercial operation of the Interconnection Facilities is achieved 18 – 24 months after execution of an Interconnection Agreement. However, it is important to note that the amount of time required for construction of Interconnection Facilities for transmission-connected projects can be substantially impacted by the number of non-CPRE projects that execute Interconnection Agreements prior to CPRE Tranche 2 winning Proposals.

The amount of time required to construct System Upgrades varies significantly depending the scope of the System Upgrade.

For the avoidance of doubt, the term of all PPAs shall be 20 years from the Commercial Operation Date (as that term is defined in the PPA).

B. ADVANCED STAGE PROPOSALS

A MP that has a fully executed Interconnection Agreement with the Companies as of the Proposal submission date (whether under the NCIP, SC GIP or the Companies' Joint Open Access Transmission Tariff) and is not in default under the Interconnection Agreement shall have the option to elect to participate as an "Advanced Stage Proposal" by so designating in its Proposal form. An Advanced Stage Proposal will not be evaluated as part of the System Impact Grouping Study. Instead, the MP submitting such Advanced Stage Proposal shall be solely responsible for the cost of any System Upgrades assigned to it under its Interconnection Agreement and should bid accordingly. A MP sponsoring an Advanced Stage Proposal must perform all obligations (including satisfying any applicable payment or financial security obligations) arising under the Interconnection Agreement. Participation in CPRE as an Advanced Stage Proposal will not entitle such MP to delay, defer or avoid any such obligations under the Interconnection Agreement nor will such participation alter any term or condition of the applicable Interconnection Agreement, including the MP's obligation to pay the actual cost of the System Upgrade in the manner required under the applicable Interconnection Agreement. In the event that, during the Tranche 2 evaluation

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process, a default on the part of the Interconnection Customer occurs under the relevant Interconnection Agreement or the relevant Interconnection Agreement is terminated, the Advanced Stage Proposal shall be removed from the evaluation process and, if applicable, forfeit the Step 2 Proposal Security.

For the avoidance of doubt: (1) an Advanced Stage Proposal does not forfeit its queue position by participating in CPRE Tranche 2 and (2) the outcome of CPRE Tranche 2 shall have no impact on the applicable Interconnection Agreement, which shall continue to be administered in accordance with the terms thereof both during and after CPRE Tranche 2. If a Facility satisfies the eligibility criteria for an Advanced Stage Proposal, but elects not to participate in CPRE as an Advanced Stage Proposal, then: (1) such Facility will be included in the System Impact Grouping Study and studied based on the Queue Number established by the Companies and (2) the applicable Interconnection Agreement will be terminated by the Companies.

B.C. TRANSMISSION GRID LOCATIONAL GUIDANCE

For purposes of the Tranche 2 CPRE RFP, the Companies have provided grid locational guidance on the IA RFP Website indicating known transmission and distribution limitations resulting from the amount of existing or proposed renewable energy facilities in a particular area. This grid locational guidance is intended to provide MPs with information regarding areas on the transmission system where System Upgrade costs are likely based upon recent transmission system studies. The Documents Page of the IA RFP Website includes a map and supporting documentation, including tables of constrained circuits and substations to indicate areas of known transmission constraints in which System Upgrade costs will likely be required. Studies will be required to determine the extent and cost, if any, of these System Upgrades.

Transmission areas not identified as zones of known transmission constraints may still require System Upgrades, and transmission studies will be required to determine the extent and cost, if any, of these System Upgrades.

C.D. PRODUCTION ESTIMATES

MPs shall include an 8760 production profile for the first year of operation as part of their Proposal. In the case of solar facilities, the required production profile shall be generated in -PVSyst. Production profiles should be based on energy delivered at the POI and taking into account all transformation losses to the POI, including final GSU transformation. For example, transmission interconnected projects should include any transformational losses incurred through the GSU to the high-side of the interconnect. For ~~Transmission-interconnected~~transmission-connected Facilities, utility power factor requirements should also be included in determination of energy

delivered to the POI.¹³ The production profile provided with the Proposal should not be adjusted for Daylight Standard Time.

All Proposals including on-site storage must submit two production profiles for the facility: one profile with the storage option and one profile without the storage option.

D.E. STORAGE

Energy storage devices must be on the DC side of the inverter and charged exclusively by the Facility. Storage devices must be controlled by the Seller in accordance with the Energy Storage Protocols specified in the pro forma PPA, including in Exhibit 10 thereof.

E.F. CONTROL INSTRUCTIONS

Section 8.6 to 8.10 of the pro forma PPA addresses DEC and DEP system operators' rights to issue instructions to control the renewable generating facilities procured through the CPRE Program in the same manner as DEC's and DEP's control of the Companies' own generating facilities.¹⁴ CPRE Facilities must be designed with control equipment that will facilitate full or incremental instantaneous control over the Facility¹⁵ in order to take any action directed by the Companies' system operators to implement or otherwise effectuate system operator instruction.

The CPRE dispatch control entitlements are in addition to otherwise applicable system emergency condition instructions and force majeure instructions, as defined in the PPA,¹⁶ and may be issued by the system operator for any reason, including planning its security-constrained unit commitment and dispatch for operational efficiency (*e.g.*, avoid taking a large unit off-line for short intra-day durations to avoid operationally excess energy) or to provide for operational flexibility for anticipated operational challenges (*e.g.*, dispatching down facilities to reduce extreme evening ramp rates).

Section 8.9 of the pro forma PPA specifies that the uncompensated, non-force majeure/emergency conditions CPRE dispatch control entitlement is limited to 5% of the facility's annual expected output in DEC and 10% of the facility's annual expected output in DEP. Compensation at the full contract price will be provided for each MWh of energy that could have been generated but was not due to dispatch down control instruction(s) exceeding the contracted-for percentage CPRE

¹³ DEC requires each ~~Transmission-interconnected~~transmission-connected Facility to be capable of delivering power to the POI within the power factor range of 0.93 lagging to 0.97 leading. DEP requires the Facility to be capable of delivering power to the POI within the power factor range of 0.95 lagging to 0.95 leading.

¹⁴ See N.C. Gen. Stat. § 62-110.8(b).

¹⁵ As specified in the Energy Storage Protocols in Exhibit 10 of the PPA, DEC/DEP will not have control of the storage resource.

¹⁶ The Companies will manage dispatch control instructions of CPRE ~~Resources~~resources and system emergency curtailments in accordance with the Operating Procedures filed January 30, 2018, in Docket No. E-100, Sub 148.

dispatch control entitlement. Section 8.9 and Exhibit 9 to the pro forma PPA also describe the methodology that will determine whether the CPRE dispatch control entitlement was exceeded during a given year and will be used to calculate any compensation owed to the seller under the PPA.

VII. RESERVATION OF RIGHTS

In submitting a Proposal into this RFP, an MP agrees and accepts that nothing contained in this RFP will be construed to require or obligate the Companies to select any Proposal. Per the Commission's CPRE Order, MPs retain the right to initiate a complaint proceeding before the Commission. MPs should be aware that submittals, even if marked "Confidential," may be subject to discovery and disclosure in regulatory or judicial proceedings. The Companies will notify the MP in advance of any required disclosure of confidential information.

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APPENDIX A
PPA
FORM OF RENEWABLE POWER PURCHASE AGREEMENT

[See attached document]

APPENDIX B

HISTORICALLY UNDERUTILIZED BUSINESSES

As an advocate for corporate responsibility, Duke Energy excels among our utility peers in seeking and developing local and diverse businesses, as well as those with environmentally sustainable practices, through our supply chain sourcing strategy. Including Corporate Responsibility as a standard component of the sourcing process creates a standardized approach when evaluating suppliers, while maintaining flexibility based on opportunity and risk avoidance.

Diverse Supplier Designations

The following designations will be utilized in the CPRE program to qualify a Market Participant as a Historically Underutilized Business:

Designation	Description	Requirement
WBE	Women Owned Business Enterprise	At least 51% owned
MBE	Minority Owned Business	At least 51% owned
VBE	Veteran Owned Business	At least 51% owned
SDVBE	Service Disabled Veteran Owned Business	At least 51% owned

Above business concerns must be at least 51% owned by one or more of individuals in the diverse categories or, in the case of any publicly owned business, at least 51% of the stock is owned by individuals within the groups. In addition, the owners must control the management and daily business operations. In case of a permanent or sever disability, the spouse or caregiver of such a service-disabled veteran may control the management and daily operations.

Certification

MP's that meet one or more of the diverse supplier designations above will be required to complete a self-certification form on the website and will be provided the opportunity to upload third party certifications.

APPENDIX C
FORM OF LETTER OF CREDIT

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: _____

Date: _____

Beneficiary:

[Duke Energy legal entity name] _____

550 South Tryon Street, DEC40C

Charlotte, NC 28202

Attention: Chief Risk Officer

Ladies and Gentlemen:

By the order of:

Applicant:

We hereby issue in your favor our irrevocable letter of credit No.: _____ (“Letter of Credit”) for the account of _____ (the “Applicant”) for an amount or amounts not to exceed _____ US Dollars in the aggregate (US\$ _____) available by your drafts at sight drawn on [Issuing Bank] effective _____ and expiring at our office on [*insert date which is one year from issuance*] (the “Expiration Date”), unless terminated earlier in accordance with the provisions hereof or otherwise extended.

Funds under this Letter of Credit are available against your draft(s), in the form of attached Annex 1, mentioning our letter of credit number and presented at our office located at [Issuing Bank’s address must be in US] and accompanied by a certificate in the form of attached Annex 2 with appropriate blanks completed, purportedly signed by an authorized representative of the Beneficiary, on or before the Expiration Date in accordance with the terms and conditions of this Letter of Credit. Partial drawings under this Letter of Credit are permitted.

We hereby undertake to promptly honor your drawing(s) presented in compliance with the terms of this Letter of Credit, up to the amount then available herein, in no event will payment exceed the amount then available to be drawn under this Letter of Credit.

We engage with you that drafts drawn under and in conformity with the terms of this Letter of Credit will be duly honored on presentation if presented on or before the Expiration Date. Presentation at our office includes presentation in person, by certified, registered, or overnight mail.

This Letter of Credit shall automatically terminate on the earliest of the following to occur: (i) the making by you and payment by us of the drawings in an amount equal to the maximum amount available to be made hereunder; (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 attached hereto; or (iii) the above stated Expiration Date.

Except as stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Issuing Bank] under this Letter of Credit is the individual obligation of [Issuing Bank] and is in no way contingent upon reimbursement with respect hereto.

This Letter of Credit is subject to the International Standby Practices 1998, International Chamber Of Commerce Publication No. 590 ("ISP98"). Matters not addressed by ISP98 shall be governed by the laws of the state of New York.

We shall have a reasonable amount of time, not to exceed three (3) business days following the date of our receipt of drawing documents, to examine the documents and determine whether to take up or refuse the documents and to inform you accordingly.

Kindly address all communications with respect to this Letter of Credit to [Issuing Bank's contact information], specifically referring to the number of this Letter of Credit.

All banking charges are for the account of the Applicant.

This Letter of Credit may not be amended, changed or modified without our express written consent and the consent of the Beneficiary.

Very truly yours
[Issuing Bank]

Authorized Signer

Authorized Signer

This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 1

FORM OF SIGHT DRAFT

[Insert date of sight draft]

To: *[Issuing Bank's name and address]*

For the value received, pay to the order of _____ by wire transfer of immediately available funds to the following account:

[name of account]
[account number]
[name and address of bank at which account is maintained]
[aba number]
[reference]

The following amount:

[insert number of dollars in writing] United States Dollars
(US\$ *[insert number of dollars in figures]*)

Drawn upon your irrevocable letter of credit No. *[irrevocable standby letter of credit number]*
dated *[effective date]*

[Beneficiary]

By: _____
Title: _____

This is an integral part of letter of credit number: *[irrevocable standby letter of credit number]*

ANNEX 2

FORM OF CERTIFICATE

[Insert date of certificate]

To: *[issuing bank's name and address]*

Duke Energy _____ (the "Beneficiary") is drawing the funds requested under this draft based on the below specified draw condition:

[check appropriate draw condition]

[_____] [Legal name of bidding entity] (the "Bidder") has withdrawn its proposal in violation of the bidding rules under the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP]; or

[_____] A proposal submitted by [Legal name of bidding entity] (the "Bidder") has been selected as a winning proposal in the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP] and Bidder has failed to execute the *[insert name of required contract]* (the "Agreement") within 60 days of the closing of the RFP; or

[Legal name of bidding entity] (the "Bidder") has received a winning proposal in the Request for Proposals for the Competitive Procurement of Renewable Energy ("RFP") which was issued by [Insert Beneficiary's name] on [insert date of RFP] and has failed to meet the creditworthiness requirements under the *[insert name of required contract]* ("Agreement") or to post performance security as required under the Agreement within 5 business days of the execution of the Agreement.

Duke Energy _____

By: _____

Title: _____

ANNEX 3

FORM OF CERTIFICATE OF EXPIRATION

[Insert date of certificate]

To: *[issuing bank's name and address]*

Attention Standby Letter of Credit Unit

Re: irrevocable letter of credit No. *[irrevocable standby letter of credit number]* dated *[effective date]* the "Letter of Credit."

Ladies and Gentlemen:

The undersigned hereby certifies to you that the above referenced Letter of Credit may be cancelled without payment. Attached hereto is the referenced Letter of Credit, marked cancelled.

Duke Energy _____

By: _____

Title: _____

Cc: _____ [Bidder]

APPENDIX D
FORM OF SURETY BOND

**SURETY BOND – COMPETITIVE PROCUREMENT OF
RENEWABLE ENERGY**

COLLATERAL SECURITY PAYABLE UPON DEMAND

* * * * *

PRINCIPAL / BIDDER (Legal Name and Business Address)

SURETY (Legal Name and Business Address)	CONTRACT NO.	CONTRACT DATE
OBLIGEE [Duke Energy Carolinas, LLC][Duke Energy Progress, LLC] ---- add address -----	SURETY BOND EFFECTIVE DATE	
PROPOSAL SECURITY AMOUNT	PENAL SUM OF BOND	

KNOW ALL PERSONS BY THESE PRESENTS THAT: PRINCIPAL (herein, “Bidder”) and SURETY are held and firmly bound to [Duke Energy Carolinas, LLC] [Duke Energy Progress, LLC] (“Duke Energy”), a limited liability company organized and existing under the laws of the state of North Carolina, its successors and assigns in the amount of \$[insert Bond Amount] (“Proposal Security Amount”), for the payment of which the Bidder and Surety, their heirs, executors, administrators, successors and assigns are hereby jointly and severally bound.

WHEREAS, Bidder has submitted a bid proposal into Duke Energy’s Request for Proposals for the Competitive Procurement of Renewable Energy (“RFP”), which was issued by Duke Energy on [_____];

WHEREAS, Duke Energy has selected Bidder’s proposal (the “Bid”) for further evaluation in Step 2 of the RFP process (such evaluation referred to herein as the “Step 2 Evaluation Process”) pursuant to the RFP;

WHEREAS, Bidder and Surety acknowledge that the RFP process will be delayed and Duke Energy will be harmed if Bidder withdraws the Bid, or if the Bid is selected as a Bid for the Step 2 Evaluation Process and the Bidder does not execute the RENEWABLE POWER PURCHASE AGREEMENT or the ASSET PURCHASE AND SALE AGREEMENT (as applicable, the “Agreement”) associated with the RFP as requested by Duke Energy and/or fails to provide Performance Assurance as required under and as defined in the Agreement; and

WHEREAS, Bidder desires to furnish this Bond pursuant to the requirement in Section III of the RFP to provide Proposal Security for a bid selected to continue forward into the Step 2 Evaluation Process;

NOW THEREFORE, the condition of this obligation is such that if (i) Duke Energy or the Independent Administrator acting on its behalf notifies Bidder that the Bid has been eliminated from consideration in the RFP, or (ii) Duke Energy subsequently selects the Proposal as a winning Proposal under the RFP and Bidder has executed the Agreement and posted Performance Assurance as required in such Agreement, then this obligation will be null and void; otherwise it will remain in full force and effect, subject to the following additional conditions:

1. Capitalized terms undefined herein will take the meaning or definition provided in the RFP or where indicated, the Agreement. In the event of any conflict between this Bond and the RFP, the terms of this Bond will control.
2. If Bidder withdraws the Bid, or if Duke Energy selects the Bid as a winning Proposal and the Bidder does not execute the Agreement with Duke Energy for the Bid within 90 days of the closing of the RFP or fails to meet the creditworthiness requirements or to post the performance security as required under the Agreement within 5 business days of the execution of the Agreement, then Duke Energy will issue a demand for payment of the Proposal Security Amount to the Surety ("Demand for Payment").
3. Surety will, not later than ten (10) days after delivery of a Demand for Payment to the Surety at the address provided below, pay the Proposal Security Amount to Duke Energy. Surety's obligation for payment of the Proposal Security Amount will be deemed established regardless of the underlying causes for Bidder's withdrawal of the Bid and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of the Surety.
4. Bidder and Surety acknowledge that the Proposal Security Amount represents a fair and reasonable pre-estimation of the damages due to Duke Energy under the circumstances existing as of the Surety Bond Effective Date and that such amount represents a reasonable estimate of Duke Energy's losses in the event of (i) Bidder's withdrawal of the Bid following its selection for further evaluation in the Step 2 Evaluation Process, or (ii) Bidder's failure to execute the Agreement with Duke Energy for the Bid if selected as a winning Proposal or failure to provide Performance Assurance as required under the Agreement. The Proposal Security Amount will not be deemed a penalty, and the Bidder and Surety hereby waive and forfeit any right to contest the reasonableness or validity of the liquidated Proposal Security Amount. Duke Energy's right to recover the Proposal Security Amount will in no way limit its entitlement to other non-monetary remedies to which Duke Energy may be entitled pursuant to the terms of the RFP, the Bond, or applicable law.
5. It is hereby agreed that this obligation is effective beginning on the Surety Bond Effective Date, above, provided that, if this Bond remains in effect after one (1) year following the Surety Bond Effective Date, Bidder may cancel this Bond after such one (1) year period by giving Duke Energy at least forty-five (45) days prior written notice of the cancellation date. Such cancellation notice will be sent by certified mail or by overnight courier with tracking service to:

{Add notice info}

with copy to

[Duke Energy Carolinas, LLC] [Duke Energy Progress, LLC]

Attn: Credit Risk Manager

550 South Tryon Street (DEC40C)

Charlotte, NC 28202

Any obligations of the Bidder prior to any such cancellation will survive such cancellation and continue to be a liability of the Surety until paid in full by the Bidder.

This Bond is irrevocable by Surety.

6. Within thirty (30) days following the date of any notice of cancellation of this Bond that is provided to Duke Energy under Paragraph 6, Bidder will provide to Duke Energy a replacement Bond that satisfies the requirements of Section III of the RFP in the amount of the Performance Security required for the pre-COD period. Bidder's failure to provide such replacement Bond in the required timeframe will constitute a default under this Bond and will entitle Duke Energy to issue a Demand for Payment to the Surety for the payment of the Proposal Security Amount.
7. The Surety's liability is limited to the Proposal Security Amount ("Penal Sum of Bond"), unless suit must be brought for enforcement of the within obligations and in which case the Surety will also be liable for all costs in connection therewith, interest and reasonable attorneys' fees, including costs of and fees for appeals.
8. Failure of the Surety to pay the Proposal Security Amount within ten (10) days of Demand for Payment will constitute default of the Surety's obligation under the Bond and Duke Energy will be entitled to enforce against the Surety any remedy available to it.
9. Surety, for value received, hereby stipulates and agrees that no change, modification, omission, addition or change in or to the RFP or the Agreement, and no action or failure to act by Duke Energy will in any way affect the Surety's obligation on this Bond; and Surety hereby waives notice of any and all such modifications, omissions, alterations, and additions to the terms of the RFP or the Agreement.
10. If any part or provision of this Bond will be declared unenforceable or invalid by a court of competent jurisdiction, such determination in no way will affect the validity or enforceability of the other parts or provisions of this Bond.
11. The undersigned Surety and Bidder are held and firmly bound for the payment of all legal costs, including reasonable attorney's fees, incurred in all or any actions or proceedings taken to enforce

this Bond or the obligations created herein, or payment of any award of judgment rendered against the undersigned Surety. Nothing contained herein will be construed to obligate Duke Energy to pay any fees or expenses incurred in connection with the issuance of this Bond.

12. All disputes relating to the execution, interpretation, construction, performance, or enforcement of the Bond and the rights and obligations thereto will be governed by the laws of, and resolved in the State and Federal courts in North Carolina. The rights and remedies of Duke Energy herein are cumulative and in addition to any and all rights and remedies that may be provided by law or equity.
13. The undersigned Surety agent(s) represent that he/she is a true and lawful attorney-in-fact for the Surety and authorized to bind the Surety hereto and to affix the Surety's corporate seal hereunder, as evidenced by the attached power of attorney.

IN WITNESS WHEREOF, this instrument is SIGNED AND SEALED this ____ day of _____, 20__.

PRINCIPAL/BIDDER:

For Bidder: _____

Signature: _____

(SEAL)

Name and Title: _____

Address: _____

SURETY:

Attorney in Fact: _____

Signature: _____

(SEAL)

Name and Title: _____

Address: _____

AFFIDAVIT AND ACKNOWLEDGEMENT OF ATTORNEY-IN-FACT

STATE OF _____

COUNTY OF _____

I hereby certify that I am the attorney-in-fact of _____, a *[insert entity type]*, which is the surety in the foregoing bond, and that I am authorized to execute on the above Surety's behalf the foregoing bond pursuant to the Power of Attorney dated _____ and attached hereto, and on behalf of the Surety, acknowledge the foregoing bond before me as the above Surety's act and deed.

Given under my hand this _____ day of _____.

ATTORNEY-IN-FACT

PRINT NAME

(NOTARY SEAL)

APPENDIX E

REQUIRED FINANCIAL INFORMATION

- A. Description of ownership and proposed financing arrangements, including the expected percentage of debt and equity capital that the bidder has committed to secure.
- B. Annual reports for the past three (3) years and any Form 10-K and 10-Q filings since the period covered in the last annual report. If these documents are not available, then audited financial statements for the last three (3) years will be accepted. All financial statements, annual reports, and other large documents may be referenced via a website address. If a bidder has not been in operation for three (3) years, please provide the above information, as applicable, since the commencement of operation.
- C. Dunn and Bradstreet identification number.
- D. Documentation of the bidder's (or parent's if applicable) credit ratings from S&P, Moody's, or Fitch rating services, if rated.
- E. Details related to its banking relationships or liquidity.
- F. Description of plans for acquiring the necessary funds for developing and operating the Facility, including a discussion of the Facility's legal ownership structure, the expected percentage of debt and equity capital that the bidder has committed to secure, and the identity and credit rating or other financial information indicative of the financial strength of firms that are likely to provide such financing.
- G. Any additional documentation needed to determine the bidder's financial strength and the strength of any corporate parents.

APPENDIX F

SAMPLE SCORING SHEET

Bid Scoring Categories	Bid Score	% of Bid Score	Description	Individual Categories	Maximum Scoring	Section Score
1. Price Score		60%	Includes fixed and variable bid costs	The price score will be calculated on the basis of the bid's projected total cost per MWH	600	600
2. Project Development Criteria		15%	Respondent must show sufficient evidence of ability to provide services included in proposal for the contract term Evidence of operational capability to provide proposed services	-Demonstrate that permitting will be complete to meet COD -Experience of project team -Project Site control for full term -Site control to POI for full term	30 30 50 50	160
3a. Facility Project Characteristics		15%	Evidence of equipment designed to meet specifications	-Equipment to be used -Required control equipment (TBD) -Quality of project design	30 30 30	90
3b. Transmission Project Characteristics			Interconnection Transmission Rights	-Submitted completed interconnected request and obtained a queue number	50	50
4. Project Characteristics		4.5%	Value of Project Characteristics	Demonstrates ability to meet performance guarantee and liquidated damages pursuant to the PPA	45	45
5. Historically Underutilized Businesses		.5%	Ownership by Minorities (to be defined)	Ascertain that at least 51% of venture is owned by eligible minority	5	5
6. Credit Worthiness		5%	Financial assurances to meet schedule and milestones in PPA	-Confirms meeting all Duke credit requirements -Pass: MP provides acceptable Proposal Security - Fail: MP does not provide acceptable Proposal Security	50 50 0	50
Total Score	1,000	100%			1,000	

APPENDIX G
RECOMMENDATIONS FOR ESTABLISHING NATIVE POLLINATOR HABITAT ON
SOLAR FARMS IN NORTH CAROLINA

[See attached document]

Attachment C

Duke Energy 2019 - DEC Questions & Answers Summary Page (printed Apr. 27, 2020)

Ref #: 1

Category: Transmission

Asked: 8/13/2019 12:25p

Posted: 9/3/2019 2:21p

Question: Regarding constrained areas, will a project located inside a constrained map polygon be deemed constrained even if its point of interconnection is not included on the list of lines and substations provided by DEC?

Answered: 9/3/2019 2:21p

Modified: 9/3/2019 2:25p

Answer: Constrained transmission facilities are those that have previously been identified as potentially overloaded in interconnection studies and other planning studies. Constrained areas are approximate geographic areas where generator interconnection requests may aggravate one or more constrained transmission facilities. Generator interconnection requests that exacerbate loading on one or more constrained facilities and have a distribution factor of greater than 3 percent on those constrained facilities are deemed to be in a constrained area.

Ref #: 5

Category: Transmission

Asked: 8/13/2019 3:21p

Posted: 9/3/2019 2:24p

Question: In the IA's report, the IA noted in Appendix B that in DEC territory, "[a]ny 230 kV interconnections not directly into an existing station require the generation aggregated at a new station to exceed 120 MW." This policy effectively prohibits a project bidding into CPRE (capped at 80 MW) from on a 230 kV line, unless there is an existing station at which to interconnect. A similar policy is not noted for DEP. What is the operational purpose of this policy?

Answered: 9/3/2019 2:24p

Answer: Historically, DEP has allowed 230 kV interconnections due to the legacy design of their system, whereas DEC has not because the features of its system are significantly different. So DEP hasn't needed to have a similar policy. DEC's FCR notes that 230 kV and 500 kV are reserved for bulk transport of energy. The statement in CPRE documentation was to provide clarity on what would be required for a CPRE project (required to be 80 MW or less) to interconnect to 230 kV in DEC.

Ref #: 6

Category: Other

Asked: 8/13/2019 3:21p

Posted: 8/16/2019 11:56a

Question: We ask that Duke provide a list of the queue numbers of those projects that participated in the Tranche 1 RFP.

Answered: 8/16/2019 11:56a

Modified: 9/3/2019 2:26p

Answer: Information identifying the successful Proposals was filed with the NCUC as part of the IA's final report. Identification of Proposals and facilities that were not selected is not released.

Ref #: 7

Category: Transmission

Asked: 8/16/2019 12:12p

Posted: 9/3/2019 9:39a

Question: We ask that Duke clarify how it intends to evaluate projects in CPRE Tranche 2 that hold executed interconnection agreements?

Answered: 9/3/2019 9:39a

Answer: This issue will be discussed at the next stakeholder meeting.

Ref #: 8

Category: Transmission

Asked: 8/16/2019 12:13p

Posted: 9/3/2019 9:40a

Question: Please confirm that the IA is not in any way subject to being at risk to the cost changing or the validity of the IA by bidding a project holding an executed IA.

Answered: 9/3/2019 9:40a

Answer: The question is not clear. However, whether or not projects with executed IA can bid into Tranche 2 and maintain queue position will be discussed at the stakeholder meeting in September.

Ref #: 9

Category: Transmission

Asked: 8/16/2019 12:14p

Posted: 9/3/2019 9:42a

Question: Please explain what if any costs would be assigned a project holding an IA in the phase 2 of the CPRE 2 process.

Answered: 9/3/2019 9:42a

Answer: This issue will be discussed at the next stakeholder meeting in September.

Ref #: 10

Category: Transmission

Asked: 8/16/2019 12:15p

Posted: 9/3/2019 10:07a

Question: How does Duke define constrained facilities? (Discussed on page 50 of the IA's July 18 report, July 23 revision).

Answered: 9/3/2019 10:07a

Modified: 9/3/2019 10:07a

Answer: See most recent version of Locational Guidance.

Ref #: 11

Category: Transmission

Asked: 8/16/2019 12:19p

Posted: 9/3/2019 10:10a

Question: What is the initial line loading on these facilities to be considered as constrained facilities?

Answered: 9/3/2019 10:10a

Answer: Any facility loaded greater than or equal to 94 percent against the applicable rating may be deemed to be constrained, subject to the Transmission Provider's practices. Projects that increase loading on a constrained facility and have a distribution factor of greater than 3 percent may be subject to cost assignment.

Ref #: 12

Category: Transmission

Asked: 8/16/2019 12:20p

Posted: 9/3/2019 10:14a

Question: How was the 3% DFAX considered with respect to percentage overloading of the line? For example, if initial line loading is 95% and adding a new solar resource increases the loading to 98%, will it be considered as network upgrade?

Answered: 9/3/2019 10:14a

Answer: Any facility loaded greater than or equal to 94 percent against the applicable rating may be deemed to be constrained, subject to the Transmission Provider's practices. Projects that increase loading on a constrained facility and have a distribution factor of greater than 3 percent may be subject to cost assignment.

Ref #: 13

Category: Transmission

Asked: 8/16/2019 12:21p

Posted: 9/3/2019 10:16a

Question: What rating of the line and what kind of contingencies are considered for DFAX and line overload evaluation?

Answered: 9/3/2019 10:16a

Answer: Rating of the line is not relevant to distribution factor. Contingencies (generators, lines, transformers, breakers, loads, etc.) are evaluated against the applicable rating (Rate A, Rate B, or Rate C) consistent with the Transmission Provider's practices. Any facility loaded greater than or equal to 94 percent against the applicable rating may be deemed to be constrained, and projects that exacerbate loading and have a distribution factor of greater than 3 percent may be subject to cost assignment.

Ref #: 14

Category: Transmission

Asked: 8/16/2019 12:22p

Posted: 9/3/2019 9:51a

Question: Please provide the loadings on the DEP and DEC constrained infrastructure identified for Tranche 1 and Tranche 2.

Answered: 9/3/2019 9:51a

Answer: Any facility loaded greater than or equal to 94 percent against the applicable rating may be deemed to be constrained, subject to the Transmission Provider's practices. Projects that increase loading on a constrained facility and have a distribution factor of greater than 3 percent may be subject to cost assignment.

Ref #: 15

Category: Transmission

Asked: 8/16/2019 12:22p

Posted: 9/3/2019 9:54a

Question: Please provide more information on contingency analysis to be performed for Tranche 2.

Answered: 9/3/2019 9:54a

Answer: The results of the contingency analysis are included in the guidelines posted on the website.

Ref #: 16

Category: Transmission

Asked: 8/16/2019 12:23p

Posted: 9/3/2019 9:55a

Question: Please provide the guidelines for DEP and DEC to identify the communication (OPGW)

Answered: 9/3/2019 9:55a

Answer: Communication information has been included in the guidelines posted on the website.

Ref #: 17

Category: Transmission

Asked: 8/16/2019 12:23p

Posted: 9/3/2019 9:57a

Question: For the purposes of the Step 2 T&D analysis, please explain how was the existing generation dispatched for the evaluation? How was additional generation modeled to create base case dispatched for the T&D evaluation?

Answered: 9/3/2019 9:57a

Answer: Relevant non-CPRE generation (still active in queue) was turned on, local non-PV generation was turned on (to ensure deliverability isn't compromised), the PV generation under study was turned on, the remaining generation in the BAA was economically dispatched, then any excess generation was exported, if necessary.

Ref #: 18

Category: Transmission

Asked: 8/16/2019 12:24p

Posted: 9/3/2019 10:00a

Question: In Section 5 on Page 48 of the IA's report mentions - "[s]ubsequent studies of any plants excluded from the base case were adjusted such that those generators were not responsible for the costs associated with the upgrades caused by CPRE winners with later queue dates/positions. We ask that Duke provide more information on how the studies were adjusted for the plants excluded from base case.

Answered: 9/3/2019 10:00a

Answer: When the System Impact Study is conducted for the earlier queued non-CPRE project, no upgrade costs driven by the presence of later-queued generation selected through CPRE will be charged to the non-CPRE project.

Ref #: 19

Category: Transmission

Asked: 8/16/2019 12:24p

Posted: 9/3/2019 10:02a

Question: Are communications installations, such as OPGW fiber, considered network upgrades for the purposes of the Step 2 T&D analysis? If such fiber and communication costs are considered network upgrade costs and allocated to individual projects, are bidders uniformly given the opportunity for a cheaper solution (e.g., 3rd party fiber)?

Answered: 9/3/2019 10:02a

Answer: Any identified work at the remote end(s) of the line may be considered a NU. The communication method itself may also be considered a NU; however, the communication method was assumed to be the most cost effective solution that meets the Transmission Provider's requirements and was not factored into the bid evaluation.

Ref #: 20

Category: Other

Asked: 8/22/2019 12:19a

Posted: 8/26/2019 3:38p

Question: Dear IA: Last week you posted a tracked changes version of the CPRE Tranche 2 RFP (file name "20190815 CPRE RFP Tranche 2 DRAFT FOR POSTING REDLINED TO COMPARE.docx"). However, the document does not clarify what original document the changes are tracked against. Based on our review, the original is not the Tranche 1 RFP document, making it difficult to determine what has in fact changed since Tranche 1. It would be very helpful and appreciated if the IA could provide a version with tracked changes against the original Tranche 1 RFP document, ideally by COB Friday, Aug 23 so that market participants have sufficient chance to review prior to the comment deadline. Thank you in advance.

Answered: 8/26/2019 3:38p

Answer: Thank you for bringing this to our attention. The new redlined document has been uploaded to replace the previous version.

The IA

Ref #: 21

Category: Transmission

Asked: 8/22/2019 3:38p

Posted: 8/26/2019 10:02p

Question: Can the IA provide the interconnect queue # of the projects that were awarded in Tranche 1?

Answered: 8/26/2019 10:02p

Answer: No. The extent of information the IA will provide about the successful project in CPRE Tranche 1 is included in the final report filed with the NCUC and available on the document page of the Tranche 2 Websites.

Ref #: 22

Category: Transmission

Asked: 8/22/2019 3:58p

Posted: 8/22/2019 4:17p

Question: Provide the interconnect queue # of the projects that that will be included in the base case.

Answered: 8/22/2019 4:17p

Answer: The information the IA will provide about the results of Tranche 1 is contained in the final report filed with the Commission.

Ref #: 23

Category: Other

Asked: 8/30/2019 10:20a

Posted: 9/4/2019 10:44a

Question: In previous discussion the IA has indicated that, for the purposes of interconnection evaluation, if thermal overloading is identified then upgrades are prescribed to alleviate the overloading. Can you share the line loading percentage that defines overloading and triggers upgrades? For example, are upgrades required when a facility reaches 94%? 95%? 100%? If the trigger is variable between DEC, DEP, or specific facilities, please provide the various relevant parameters.

Answered: 9/4/2019 10:44a

Answer: Any facility loaded greater than or equal to 94 percent against the applicable rating may be deemed to be constrained, subject to the Transmission Provider's practices.

Ref #: 24

Category: Other

Asked: 8/30/2019 4:08p

Posted: 9/3/2019 11:08a

Question: We respectfully request that Accion extend the comment deadline (on the draft RFP documents) until COB on Tuesday, September 3, to allow market participants reasonable relief around the holiday schedule, and to accommodate any market participants who may be experiencing technical difficulties.

Answered: 9/3/2019 11:08a

Answer: The deadline for the comments was extended to COB Tuesday, September 2, 2019, in response to your request.

Ref #: 25

Category: Other

Asked: 9/1/2019 12:17p

Posted: 9/3/2019 11:06a

Question: The website section for commenting on the CPRE draft documents is no longer available, despite the deadline extension through Tuesday COB. Can the IA please reinstate it at its earliest convenience?

Answered: 9/3/2019 11:06a

Answer: Thank you for alerting the IA. When the deadline was extended on Friday, September 30, 2019, the link to the comment feature from the menu bar was not re-activated at the same time the comment feature access was extended. We apologize for the confusion.

Ref #: 26

Category: Other

Asked: 9/3/2019 3:15p

Posted: 9/3/2019 4:07p

Question: Given the delay in making the CPRE document comment section available again until mid-today, we ask that the IA please keep the comment section open until EOD today (11:59PM ET) to provide the opportunity to comment. Thank you.

Answered: 9/3/2019 4:07p

Answer: Please note: the comment section of the website was available starting on August 15, 2019. The first comments from any interest person was received on August 30, 2019. The comment feature will be available until midnight tonight, but there will be no further extension.

Ref #: 27

Category: Transmission

Asked: 9/3/2019 7:20p

Posted: 9/4/2019 4:53p

Question: Can you confirm that we do not need to provide the full deposit for system impact studies to be eligible for the CPRE submittal?

Answered: 9/4/2019 4:53p

Answer: Projects that elect to bid into CPRE are proceeding under the Study Process as described in Section 4 of the North Carolina Interconnection Procedures and South Carolina Generator Interconnection Procedures. As such, they must submit deposits as defined in the Study Process of the applicable state Interconnection Request Application Form. Any FERC jurisdictional projects that submit a Jurisdictional Transition Request Form in order to participate in CPRE will be required to submit the state jurisdictional Study Process deposit within 30 business days of their FERC deposit being refunded per section 2.a.ii of the Jurisdictional Transition Request Form.

Ref #: 28

Category: Other

Asked: 9/4/2019 2:09p

Posted: 9/25/2019 5:28p

Question: Will this Exhibit 2 contain pricing for all energy and capacity periods reflecting the decrement from the MP's proposal offer? In other words, will Duke fill in this exhibit with prices from the new tiered Avoided cost table with discounts for each delivery period?

Answered: 9/25/2019 5:28p

Answer: Yes

Ref #: 29

Category: Transmission

Asked: 9/9/2019 1:07p

Posted: 10/7/2019 8:44a

Question: Please confirm if all the natural gas units (~4.64MW) in DEC South Carolina FERC Queue that are in early stages of interconnection (Feasibility/System Impact) were turned on in the base case for Tranche 1? Will they be turned on for base case in Tranche 2?

Answered: 10/7/2019 8:44a

Answer: As described in the Tranche 1 report, gas projects without an executed IA were excluded from the base case. We have not finalized our approach to developing the base case for Tranche 2.

Ref #: 30

Category: Transmission

Asked: 9/9/2019 1:07p

Posted: 10/7/2019 8:43a

Question: Please confirm if the 1600MW Natural Gas FERC project (Queue No : 180219_1028) was included in the base case to identify constraints in the six county area near DEC's southern border including Newberry, Laurens, Greenwood, Abbeville and portions of Greenville and Anderson counties.

Answered: 10/7/2019 8:43a

Answer: As described in the Tranche 1 report, gas projects without an executed IA were excluded from the base case.

Ref #: 31

Category: Transmission

Asked: 9/9/2019 1:08p

Posted: 10/7/2019 8:42a

Question: Please confirm if a transmission facility is loaded greater than or equal to 94% by any of the relevant non-CPRE generation (still active in queue) and local non-PV generation (that was included to form base case) and if these projects have a distribution factor of 3percent or higher, then the cost assignment for that transmission facility would be assigned to any of the relevant non-CPRE generation (still active in queue) or local non-PV generation whichever is the first one to affect the facility as per serial queue process.

Answered: 10/7/2019 8:42a

Answer: In the scenario described, the assignment of cost responsibility for an upgrade would be assumed in the modeling to be assigned to the earlier queued non-CPRE project triggering the upgrade. However, any Tranche 2 generation impacting that same constrained facility may be unable to proceed in the bid process depending on the uncertainty of the project proceeding and the time required to implement the upgrade.

Ref #: 32

Category: Transmission

Asked: 9/12/2019 11:32a

Posted: 10/7/2019 8:41a

Question: The IA report states that "The DEC base case was formulated by excluding all combined cycle plants bid before October 9, 2018 that did not have an executed Interconnection Agreement." Is there any specific reason on why only the combined cycles plants were excluded? Will all the projects that don't have an executed IA before Oct 9,2018 will be excluded from base case in Tranche 2?

Answered: 10/7/2019 8:41a

Modified: 10/7/2019 8:41a

Answer: The combined cycle plants had significant impacts on the cases due to their size in relation to solar projects. Including them in the base case would have constrained even larger areas of the system when trying to integrate solar. In other words, this exception lessened the likelihood of identifying the need for significant upgrades and therefore facilitated the addition of solar. Aside from that exception, it was necessary to include all other IRs in base case due to the need to respect queue priority. We have not finalized our approach to developing the base case for Tranche 2.

Ref #: 33

Category: Other

Asked: 9/16/2019 2:24p

Posted: 9/25/2019 5:29p

Question: Is the Contract Price for energy, per Exhibit 2 of the PPA, structured as a single fixed value for every kWh throughout the year, or as a time-of-use rate following the time bins in section IV of the RFP? If the former, how is this value determined during PPA negotiations since the proposal will not have been submitted as a single fixed value?

Answered: 9/25/2019 5:29p

Answer: The bid price, bid as a decrement to the avoided cost cap, will be converted to a bid price for each of the nine (9) pricing periods as provided in the RFP

Ref #: 34

Category: Other

Asked: 9/16/2019 2:26p

Posted: 9/26/2019 10:30a

Question: Section V.A. of the RFP states that during proposal evaluation, curtailment will be chosen to optimize energy costs for DEP/DEC based on the difference between Facility energy cost and system cost. Will the system cost for this analysis mirror the avoided costs in section IV of the RFP?

Answered: 9/26/2019 10:30a

Answer: The avoided costs, and the number of avoided cost periods, approved by the NCUC will be used during evaluation as the avoided costs against which MPs will bid decrements.

Ref #: 35

Category: Other

Asked: 9/16/2019 2:27p

Posted: 9/25/2019 5:29p

Question: How much advance notice will be provided before curtailment events? The PPA does not address notification requirements that are

associated with Dispatch Down events.

Answered: 9/25/2019 5:29p

Answer: Per section 8.7 of the draft PPA, Duke will have full control over the Facility to directly implement or otherwise effectuate any System Operator Instructions. There are no communications required in the PPA. Duke does not plan to provide any communications prior to effectuating a System Operator Instruction as these instructions may be made at any time to alleviate system emergencies, relief of system operational issues or other allowed curtailment allowed under the PPA. However, Duke will attempt to make a timely notification of these System Operator Instructions after the event.

Ref #: 36

Category: Other

Asked: 9/26/2019 10:52a

Posted: 9/26/2019 3:32p

Question: When will Duke make the below referenced excel model template available in support of the SISC? Duke Energy will provide excel model template with calculations allowing solar site to enter 5-minute solar output required for the monthly calculation. Solar site can use this template to monitor their performance against targets.

Answered: 9/26/2019 3:32p

Modified: 9/26/2019 3:33p

Answer: Question Ref: #36

The excel model template will be provided before the October 10 stakeholder meeting

Ref #: 37

Category: Other

Asked: 10/7/2019 5:14p

Posted: 10/7/2019 5:15p

Question: we have a question regarding the SISC, please clarify the defined the sample rate of the "5-minute" data, is it a onetime spot check or an average of a sample rate, such as every 1 second, 2 seconds, etc.?

Answered: 10/7/2019 5:15p

Answer: Please refer to the presentation titled "Solar Integration Service Charge_Reduction - Read-Only.pptx" in the Stakeholder Sessions folder of the Documents tab on the IA website for explanation of the 5-minute interval data and how it is collected.

Ref #: 38

Category: Other

Asked: 10/9/2019 2:26p

Posted: 10/11/2019 3:25p

Question: Will the proposed SISC charge be waived during periods of DEC or DEP led curtailment?

Answered: 10/11/2019 3:25p

Answer: Any implementation of the proposed SISC program will be established by the NCUC. The NCUC invited interested parties to file comments by Friday, October 18, 2019.

Ref #: 39

Category: Other

Asked: 10/11/2019 4:59p

Posted: 10/11/2019 5:04p

Question: Just listened through the Oct Stakeholders meeting and was hoping I could have a couple items clarified/expanded on: 1) It is my understanding that the final RFP base pricing is pending changes for both the SISC AND the determination of the PSC on the avoided cost to be used. Is this correct? 2) It is my understanding that the final RFP will not be available when the process opens on Oct 15th. Is there an estimate at this time when the final pricing will be made available?

Answered: 10/11/2019 5:04p

Answer: 1. The NCUC may issue separate orders re SISC and Avoided cost, including whether the former will be included in CPRE Tranche 2.

2. There will be an announcement sent to all registered users of the IA website when the final Avoided Costs for the pricing periods are provided. In the interim, the Proposal Form will be released on October 15, 2019, so MPs can begin the process of compiling the necessary information. The IA does not have an estimate for when the Final RFP will be released. See 1 above.

Ref #: 40

Category: Other

Asked: 10/11/2019 5:01p

Posted: 10/16/2019 8:40a

Question: Can a facility that does not lie in DEC service territory, but can deliver generation to a POI in DEC service territory, compete in the RFP?

Answered: 10/16/2019 8:40a

Answer: A project bidding into the DEC portion of the RFP must be located in the DEC service territory and must have requested to physically interconnect with the DEC transmission or distribution systems.

Ref #: 41

Category: Other

Asked: 10/17/2019 4:07p

Posted: 10/31/2019 9:54a

Question: In the current RFP draft, under the Proposal Evaluation section, it states the following: "In the Proposal evaluation, the curtailment methodology will optimize energy costs for DEP/DEC. In other words, the methodology will begin curtailing the Facility's output when the cost of the Facility's energy is most costly when measured against the DEP/DEC system cost for that hour. This methodology will continue (as the cost difference is reduced) until the full allotment of curtailment is reached (either 5% or 10%)." Under the required bidding structure, it seems that the Facility's energy cost, measured against the DEP/DEC system cost (assumed to be the same as avoided cost, or the energy pricing levels provided in the RFP), will always equate to the bid decrement each hour. So there will never be periods "when the cost of the Facility's energy is most costly," since it will always be the same. Please correct this understanding, or provide further explanation. If the "DEP/DEC system cost" each hour is not the same as the avoided cost, please provide more detail on the system costs each hour used for curtailment application during evaluation, so that bidders can better predict when curtailment is likeliest to occur and price their bids accordingly.

Answered: 10/31/2019 9:54a

Modified: 10/31/2019 9:54a

Answer: Message from the IA: Ref # 41: The Oct. 15, 2019 version of the CPRE Tranche 2 RFP describes the method for determining both the Proposal cost and facility system benefit (see page 14):

In order to assess a Proposal's net benefit, the evaluation must determine both the Proposal's cost and the Proposal's benefit to the DEC/DEP system. The cost of the Proposal is determined by taking the MP submitted \$/MWh rate and applying the rate to the Facility's projected output (8760 hours x 20 years). The benefit to the DEC/DEP system is determined using two metrics: (1) the Proposal's output contributes toward the ability to defer future DEC/DEP generating unit capacity and (2) the Proposal's energy output replaces energy that would have been supplied at DEC/DEP system cost for that particular hour.

The cost of the Proposal is based on the levelized fixed price decrement as applied to the 20-year levelized NPV avoided cost rates specified in the tables on page 11 of the RFP times the facility's hourly production in the appropriate avoided cost period. The benefit of the Proposal is based on an analysis of facility's hourly production as applied to the DEC/DEP system hourly (8760 hours x 20 years) avoided cost values as described above from page 14 and includes calculations of both avoided capacity and energy savings. Therefore, the Proposal cost and benefit are not identical.

The curtailment routine compares the DEC/DEP system hourly (8760 hours x 20 years) avoided energy cost to the Proposal cost for each hour in each year in an optimization process as described on page 15 of the RFP.

Ref #: 42

Category: Other

Asked: 10/21/2019 2:09p

Posted: 10/29/2019 3:27p

Question: Please reference questions 28 and 33. MPs will provide pricing with a fixed decrement to the avoided cost rate table in their proposal form. During the contracting period will the Exhibit 2 of the PPA reflect these same prices (fixed decrement to avoided cost rate table) or just one fixed price regardless of time of energy delivery?

Answered: 10/29/2019 3:27p

Modified: 10/29/2019 3:27p

Answer: Response: The bid price, bid as a decrement to the avoided cost cap, will be converted to a bid price for each of the nine (9) pricing periods as provided in the RFP. There will be 9 energy pricing periods and 3 capacity pricing periods stated in the PPA pricing section in Exhibit 2 of the PPA.

Ref #: 43

Category: Other

Asked: 10/21/2019 5:13p

Posted: 11/19/2019 1:55p

Question: In the Final RFP for CPRE Tranche 2, the Summer premium peak is less than the Summer on-peak in DEP 20 year CPRE. Can you verify that is the case?

Answered: 11/19/2019 1:55p

Answer: response to Ref#43

The most recent Tranche 2 estimate (of the 20 year avoided costs) are calculated in accordance with the methodology approved by the Commission in E-100 Sub 158, and do exhibit a slightly lower Summer premium peak avoided energy cost (vs on-peak) for DEP. While

the "premium" hours are typically higher priced, the way the time "buckets" and methodology are defined in the Sub 158 Avoided Cost Proceeding led to a different result for the 20 year contract for DEP Summer hours. The Commission approved the "premium" Summer hours as 4-8 pm, which had been established based on 10 year forecast data. The contracts are for 20 years, however, and the model has to calculate prices for the 20 year term. The "net load" forecast (load minus existing QF contracts) is different year over year, and the average of the Summer 4-8 pm net load is different for the first ten years of the forecast than the second ten years of the forecast, which has price impacts. The Avoided Cost values in this RFP are averages and, given the changes in this 4-8 pm time window over 20 years, the average came out to be slightly lower than the On Peak hours. In calculating Avoided Cost, there is a base case established and then a change case that incorporates a free 100 MW of energy and capacity. The impact of the "free 100 MW of energy and capacity" on rates is different over 20 years than 10 or 5 years. This leads to different energy rates in each pricing period and a different relative price between periods over 20 years when compared to 5 or 10 years.

Ref #: 44

Category: Other

Asked: 10/23/2019 3:52p

Posted: 10/29/2019 3:28p

Question: Will the Duke PPA contract have one price in Exhibit 2 or will it have prices for each delivery period?

Answered: 10/29/2019 3:28p

Answer: The bid price, bid as a decrement to the avoided cost cap, will be converted to a bid price for each of the nine (9) energy pricing periods as provided in the RFP. There will be 9 energy pricing periods and 3 capacity pricing periods stated in the PPA pricing section in Exhibit 2 of the PPA.

Ref #: 45

Category: Other

Asked: 10/24/2019 5:12a

Posted: 12/18/2019 9:01a

Question: It is our understanding that if a project bids into CPRE Tranche 2, it loses any existing Legally Enforceable Obligation (LEO) it may have as a QF, given that the establishment of a LEO requires by definition that the QF commit to sell its output to the utility under the available QF terms. Can the IA please confirm?

Answered: 12/18/2019 9:01a

Answer: No, bidding into CPRE does not impact a LEO for North Carolina located projects, as it does not violate any term or condition of the currently effective Notice of Commitment form.

Ref #: 46

Category: Other

Asked: 10/30/2019 10:45a

Posted: 11/6/2019 10:02a

Question: Please confirm whether the Capacity Pricing values included in the avoided cost tables are to be considered by each MP as part of the revenues it will receive under its PPA.

Answered: 11/6/2019 10:02a

Answer: Confirmed, Capacity Pricing values included in the avoided cost tables are to be considered as part of the revenues received under the PPA.

Ref #: 47

Category: Other

Asked: 10/31/2019 12:44p

Posted: 11/7/2019 2:01p

Question: In an effort to discourage speculative PPA offers, will the IA provide guidance on the preferred merchant curve?

Answered: 11/7/2019 2:01p

Answer: All Proposals that conform to the CPRE requirements will be evaluated by the IA, as submitted. The IA will not provide guidance on a preferred merchant curve.

Ref #: 48

Category: Other

Asked: 10/31/2019 4:02p

Posted: 11/12/2019 1:53p

Question: In its July 2 order, the NCUC issued its "Order Modifying and Accepting CPRE Program Plan" and directed the CPRE Tranche 2 RFP submission deadline "be subject to automatic extension up to and including the 45th day after the Commission issues a notice of decision or final order in the Sub 158 Proceeding." On October 17, the NCUC issued its "Supplemental Notice of Decision" and not a

"notice of decision," which, as indicated in its July 2 order, would be the final word of the Sub 158 issues affecting CPRE Tranche 2. Currently the question of SISC application in CPRE Tranche 2 remains an outstanding Sub 158 issue. Is the December 15 CPRE Tranche 2 RFP submission deadline still in effect, or will the submission deadline be postponed to the 45th day following the NCUC's order about the applicability of the SISC in the CPRE program?

Answered: 11/12/2019 1:53p

Answer: The December 15, 2019, submission date was established by the NCUC. The IA anticipates that the Commission will determine whether a delay is appropriate when the SISC decision is released. Until modified by the NCUC, the December 15, 2019, submission date will be effective.

Ref #: 49

Category: Other

Asked: 11/1/2019 1:47p

Posted: 11/12/2019 11:55a

Question: What is the farthest into the RFP process a bidder can go before sacrificing their queue position?

Answered: 11/12/2019 11:55a

Answer: Once the IA confirms that a Proposal conforms to the CPRE requirements, the associated Project is assigned to the CPRE queue position. The exception is for Advance Stage Projects, which retain their original queue position provided the required periodic payments are made as provided in the Interconnection Agreement.

Ref #: 50

Category: Transmission

Asked: 11/5/2019 4:06p

Posted: 11/8/2019 1:08p

Question: Regarding the System Impact Grouping Studies, for the purposes of bid evaluation, please define how the costs for network upgrades will be distributed amongst the group of projects affected by the same upgrades.

Answered: 11/7/2019 4:08p

Modified: 11/8/2019 1:15p

Answer: Please review the materials provided on the Document Page in the "Reference Materials from Tranche 1" folder. In particular, please see the "Step 2 Overview" sub-folder.

Ref #: 51

Category: Other

Asked: 11/7/2019 4:33p

Posted: 11/8/2019 11:48a

Question: Two loosely related questions: First, a project that is in the DEC queue, currently without storage, can only be bid into Tranche 2 with storage if the developer files a new interconnection request that includes storage, correct? We know this has been discussed previously but we wanted to be absolutely sure. Second, if a project is submitted into the queue with storage, with the intent of bidding the project into Tranche 2, but it is not selected as a winning project as a part of CPRE, can the developer remove the storage component without that being viewed as a material mod by DEC (ie, developer only wanted to utilize storage as a part of CPRE bid)?

Answered: 11/8/2019 11:48a

Answer: Responses to the two Part Question- Ref:#51 Q1: "First, a project that is in the DEC queue, currently without storage, can only be bid into Tranche 2 with storage if the developer files a new interconnection request that includes storage, correct?": There are 2 scenarios. 1) If the has NOT executed a System Impact Study Agreement then storage may be added to the existing Interconnection Request. The project can then bid the existing IR into Tranche 2 with storage. 2) If the project has executed a System Impact Study Agreement then adding storage will be considered a material modification and they would have to submit a new IR with the storage. As with Tranche 1, a project may not submit 2 proposals (i.e. solar-only and solar plus storage) with one IR.

2nd Question: "Second, if a project is submitted into the queue with storage, with the intent of bidding the project into Tranche 2, but it is not selected as a winning project as a part of CPRE, can the developer remove the storage component without that being viewed as a material mod by DEC (ie, developer only wanted to utilize storage as a part of CPRE bid)?": Yes, with one exception. In the rare event that a project bids as an Advanced Stage proposal with storage and is not selected as a winning project in CPRE then they must continue under the terms of their Interconnection Agreement, which includes storage in this scenario. A non-Advanced Stage proposal will surrender their queue position and any previously executed study agreements. When the non-Advanced Stage proposal is not selected as a winning project in CPRE then their post Tranche 2 status will be Pending System Impact Study and they may add or remove storage as the like.

Ref #: 53

Category: Other

Asked: 11/12/2019 11:17a

Posted: 11/12/2019 1:48p

Question: Are comments still being accepted for the form PPA?

Answered: 11/12/2019 1:48p

Answer: No. The NCUC rules established a comment period that preceded submission of a final pro-forma PPA to the NCUC. That period closed on October 7, 2019.

Ref #: 54

Category: Transmission

Asked: 11/12/2019 5:08p

Posted: 11/12/2019 5:08p

Question: A project that is in the South Carolina DEP queue, currently without storage, can only be bid into Tranche 2 with storage if the developer files a new interconnection request that includes storage, correct? We know this has been discussed previously but we wanted to be absolutely sure.

Answered: 11/12/2019 5:08p

Answer: There are 2 scenarios. 1) If the project has NOT executed a System Impact Study Agreement then storage may be added to the existing Interconnection Request by sending an IR modification request to Duke for approval. The project can then bid the existing IR into Tranche 2 with storage. 2) If the project has executed a System Impact Study Agreement then adding storage will be considered a material modification and they would have to submit a new IR with the storage. As with Tranche 1, a project may not submit 2 proposals (i.e. solar-only and solar plus storage) with one IR.

Ref #: 55

Category: Other

Asked: 11/19/2019 9:29a

Posted: 11/19/2019 11:39a

Question: Where is the Key Milestone Schedule (Duke Energy Template) found?

Answered: 11/19/2019 11:39a

Answer: Q: #55-

The Operational Milestone Schedule is included as Exhibit 3 to the RPPA. The CPRE Tranche 2 RPPA template is located under the Documents tab of the IA website.

Ref #: 56

Category: Other

Asked: 11/19/2019 11:15a

Posted: 12/16/2019 2:09p

Question: Will PPA offers be deemed as "controlled solar generators" and thereby avoid application of the Solar Integration Services Charge? Please reference the NCUC's Supplemental Notice of Decision issued on October 17, 2019, in Docket No. E-100, Sub 158.

Answered: 12/16/2019 2:09p

Answer: The NCUC is currently considering how the SISC will be applied to projects in Tranche 2. Please reference the various parties' comments in the ongoing NCUC CPRE comment process for additional information. As explained in greater detail in Duke's comments, the control rights provided under the CPRE PPA do not give Duke the ability to reduce intra-hour volatility, which is the cause of the ancillary services that gives rise to the SISC.

Ref #: 57

Category: Other

Asked: 11/21/2019 1:48p

Posted: 1/2/2020 11:39a

Question: Last year, a "CPRE_PVSyst Modeling Instruction" document was provided? Is there a 2019 PVSyst Modeling Instructions?

Answered: 1/2/2020 11:39a

Answer: Yes, please refer to document "CPRE_PVSyst Instructions.docx" located under the folder a.Final RFP Documents which was uploaded on 12/2/2019.

Ref #: 60

Category: Other

Asked: 11/21/2019 3:51p

Posted: 1/2/2020 12:02p

Question: Where is the provided document that is reference in the question below under Generating Facility Name and Location: Does the facility's

design comply with Duke Energy's design criteria as provided?

Answered: 1/2/2020 12:02p

Answer: Please refer to the provided EPC Agreement, this question is essentially insuring that bidders will comply with the design requirements provided, for example, the A exhibits provide much of the design criteria. It is recommended to review the EPC Agreement for design criteria requirements.

Ref #: 61

Category: Technology

Asked: 11/21/2019 5:48p

Posted: 12/16/2019 2:12p

Question: Right now the storage language in PPA Exhibit 10, Section 6 b. indicates that for every hour there is a capacity rate provided that the battery system must discharge "in a manner that levelizes output at the highest practical level". In the winter, there are two capacity periods, one before solar production and one after. 1. In the winter, is the storage device required to discharge during both the morning and evening periods? 2. If so, does the storage device need to discharge equal amounts during the morning and evening hours? Or does the discharge only need to maintain a constant output over each 3 hour period independently?

Answered: 12/16/2019 2:12p

Answer: Duke is considering whether further changes to the PPA are warranted and will provide an update when available.

Ref #: 62

Category: Other

Asked: 11/25/2019 2:06p

Posted: 1/3/2020 1:30p

Question: Duke, We have recognized a few Loss value differences between the "CPRE_PVsyst Instructions" and how we typically run our production reports. We also use a post-processing technique after the PVSYST 8760. This post-processing allows us to better clarify AC Losses between the inverter and system POI. Would you confirm if we can use industry standard Loss values that do not match these values and our post processing technique for this submittal?

Answered: 1/3/2020 1:30p

Modified: 1/3/2020 1:44p

Answer: Revised Answer:

Please find the Response below as you are not registered to the AA silo, my apologies.

Response for Q#62: For consistency in evaluating production estimates, please perform PVsyst with assumptions exactly as outlined in the supplied Instructions, and no post-processing.

Ref #: 63

Category: Other

Asked: 12/2/2019 8:52a

Posted: 12/16/2019 3:09p

Question: Will the Site Control Affidavit form be modified to reference Tranche I and include a 2019 date block for execution? Are the MPs expected to make these modifications?

Answered: 12/16/2019 3:09p

Modified: 12/16/2019 3:48p

Answer: Thank you for bringing this to our attention. The Site Control Affidavit was modified and the modified version is available in the folder entitled a. Final RFP and Final RPPA Documents on the Documents Page.

The IA.

Ref #: 64

Category: Other

Asked: 12/11/2019 12:07p

Posted: 1/3/2020 2:04p

Question: Many of the recent Tranche 1 facilities studies completed by DEC came in substantially higher than the Standard Interconnection Costs guidance provided in Tranche 1. The cost indicated in the facilities studies for several projects for which we have direct knowledge ranged from 12% - 45% higher than the cost guidance provided. It's our understanding that many other Tranche 1 projects' facilities studies have also come in higher than the Standard Interconnection Costs guidance provided in Tranche 1. Now that Facilities Studies

for current Tranche 1 projects have been completed with more realistic estimates will the IA and DEC be revising the Standard Interconnection Costs guidance for Tranche 2, so that all bidders can use a more realistic interconnection facility cost?

Answered: 1/3/2020 2:04p

Answer: Response for Q#64

Standard Interconnection Costs guidance for Tranche 2 has been updated and was posted the Documents section of the IA website on December 17, 2019

Ref #: 65

Category: Other

Asked: 12/12/2019 3:32p

Posted: 12/16/2019 2:05p

Question: The Late Filed Exhibit 3 Docket E-100 Sub 158 states that the "weighted average cap would be higher for projects that include storage". Can you indicate how much higher this cap will be for DEC? We need this information in order to determine our decrement for our solar plus storage offer.

Answered: 12/16/2019 2:05p

Answer: **Response to Question#65**

The avoided cost cap in each energy period is the same for all generator technologies. The language referenced in the Late Filed Exhibit 3 Docket E-100 Sub 158 is intended to show that a facility with solar plus storage, that operates such that more energy is provided during the hours with higher caps, may have higher revenue than a solar facility without storage.

Ref #: 67

Category: Other

Asked: 12/17/2019 12:06p

Posted: 12/18/2019 9:38a

Question: The RFP states that PPA pricing must include Interconnection Facilities costs, and the MP's estimate must be stated in its bid, to be reviewed by the IA for reasonableness. In Tranche 1, guidance was provided for these costs. Will similar guidance be provided for Tranche 2? Will guidance also be provided for O&M costs for these facilities, if these are also to be the responsibility of the MP?

Answered: 12/18/2019 9:38a

Answer: A Standard Interconnection Costs document has been posted with guidance on Interconnections Facilities cost estimates. DEC is billing for the cost of Interconnection Facilities under the Extra Facilities Policy, which means expenditures will be recouped through a monthly charge that continues in perpetuity and is 1.0% of the installed cost of the facilities. The monthly charge begins when the DEC facilities are ready to provide service. The MP is financially responsible for charges under the Extra Facilities Policy.

Ref #: 68

Category: Other

Asked: 1/3/2020 10:51a

Posted: 1/3/2020 1:38p

Question: Duke, We have recognized a few Loss value differences between the "CPRE_PVsyst Instructions" and how we typically run our production reports. We also use a post-processing technique after the PVSYST 8760. This post-processing allows us to better clarify AC Losses between the inverter and system POI. Would you confirm if we can use industry standard Loss values that do not match these values and our post processing technique for this submittal?

Answered: 1/3/2020 1:38p

Answer:

Please find the Response below as you are not registered to the AA silo, my apologies.

Response for Q#62: For consistency in evaluating production estimates, please perform PVsyst with assumptions exactly as outlined in the supplied Instructions, and no post-processing.

Ref #: 69

Category: Other

Asked: 1/8/2020 3:07p

Posted: 1/8/2020 4:31p

Question: The current schedule shows the Projected Conclusion of Step 1 of the Evaluation Process as March 1, 2020. Given the delay in bid due date to February 17th will projected date for Step 1 conclusion be extended as well? In Tranche 1 there was significantly more time between these two dates. Please clarify.

Answered: 1/8/2020 4:31p

Answer: Thank you for your question and for pointing this out. We have updated the expected schedule accordingly and the Step 1 completion date is now scheduled for April 17, 2020.

Ref #: 70

Category: Other

Asked: 1/13/2020 5:16p

Modified: 1/15/2020 8:53a

Posted: 1/15/2020 8:53a

Question: For the Post-COD Performance Assurance in Section 5.2 of the RPPA, does the amount of assurance decrease during the Term of the RPPA? I.e. with less years left on the RPPA Term, is less Performance Assurance required? Or is the Performance Assurance constant through the RPPA Term?

Answered: 1/15/2020 8:53a

Modified: 1/15/2020 8:54a

Answer: Response: The Post-COD Performance Security changes over time. The amount set forth over time will be outlined in the RPPA.

Please remember, do not include any identifying information in any future communications on the Q & A board.

Thank you.

Ref #: 71

Category: Other

Asked: 1/13/2020 7:31p

Posted: 1/15/2020 2:26p

Question: Dear IA - We currently have a queue position in the Feasibility Study phase for a project size that is larger than what we would like to bid. Per FERC procedures, we can reduce project size by 60% prior to entering into the System Impact Study. We would like to maintain the possibility of a larger project size in the event we are not selected via this RFP - therefore, we would prefer to update/reduce our interconnection application after having received notification of our project's advancement to Step 2 of the RFP evaluation. In the context of the CPRE grouping study, are we required to update project interconnection details prior to submittal, or can this be done upon notification of our project's advancement to Step 2? Thanks very much in advance.

Answered: 1/15/2020 2:26p

Answer: Thank you for your question. In the case of PPA Proposals and Asset Acquisition Proposals, all project details submitted as a bid into CPRE, including project size, must match a corresponding state-jurisdictional Interconnection Request. In the case of Utility Self-Developed Proposals, all project details submitted as a bid into CPRE, including project size, must match a corresponding FERC-jurisdictional Interconnection Request. Therefore, in the event that a project's current interconnection request is larger than the facility size that it intends to bid, a project must have received formal approval of a downsize request to the as-bid size prior to submitting a bid into CPRE. The bidder should consult the applicable interconnection rules to assess its ability to decrease the project size and/or increase the project size subsequent to participation in CPRE Tranche 2 if the bidder is unsuccessful.

Ref #: 72

Category: Other

Asked: 1/21/2020 5:55p

Posted: 1/22/2020 4:17p

Question: The RFP states that the Jurisdictional Interconnection Request Form has been made available on the IA RFP Website. We're having trouble locating this document - could you point us in the right direction? Thanks very much.

Answered: 1/22/2020 4:17p

Answer: The Jurisdictional Interconnection Transition Request Form is located in Folder e: Company Documents under the Documents Tab. If you have any further issues locating this, please let the IA know.

Thank you.

Ref #: 73

Category: Other

Asked: 1/22/2020 9:02a

Posted: 1/22/2020 12:11p

Question: The E-100 Sub 158 late filed exhibit states that "To estimate a preliminary DEC CPRE cap for Tranche 2, the DEC preliminary 20 Year energy and capacity rates below were applied to a generic DEC solar profile. The resulting weighted average cost cap for DEC is approximately \$42/MWh". Will PPA offers in DEC from each MP be evaluated against this fixed average cost cap of \$42/MWh?

Answered: 1/22/2020 12:11p

Answer: The Proposal must be at or below the Avoided Cost for each of the pricing periods. In Step 2 a determination will be made as to whether there are any system upgrade costs to be imputed to the Proposal, which will be imputed to determine the value of the

Proposal and, in turn, its ranked order among all Proposals. The production profile provided by the MP for the Proposal is included in the evaluation process to determine whether the Proposal is valued at or below Avoided Cost. The approved Avoided Cost for each pricing period is provided in the RFP and on the website Proposal Form.

Ref #: 74

Category: Other

Asked: 1/22/2020 9:59a

Posted: 1/24/2020 11:52a

Question: In the 8760 form provided, the second bullet under Instructions specifies the "8760 profile should be based on Typical Global Horizontal Year (TGY) from NREL NSRDB (Solar Prospector)." How strict is this particular requirement? Would it be acceptable to use Vaisala or SolarAnywhere as an alternative solar resource to NREL NSRDB?

Answered: 1/24/2020 11:52a

Answer: Only the identified Solar Prospector will be accepted. This is so all Proposals use the same methodology when preparing the production profile to be included in the IA's evaluation, so that there is an "apples to apples" evaluation of data.

Ref #: 75

Category: Other

Asked: 1/23/2020 8:36a

Posted: 2/5/2020 5:22p

Question: In Tranche 1 of CPRE, the IA advised market participants that a QF that has established a legally enforceable obligation (LEO) under PURPA could bid into CPRE and (a) if successful, extinguish its LEO and execute a CPRE PPA, and (b) if unsuccessful, retain its LEO and proceed under PURPA. Can the IA confirm that the treatment of this situation will be the same under CPRE Tranche 2? In addition, can the IA confirm that the same approach would apply where the QF has executed a PURPA PPA with Duke. (We note that under PURPA an executed PPA is one form of LEO.) Specifically, we seek confirmation from the IA that a QF with a signed PPA can, without terminating its PURPA PPA, bid into CPRE and (a) if successful, terminate its PURPA PPA and execute a CPRE PPA, and (b) if unsuccessful, retain and proceed under its PURPA PPA. Our belief is that in scenario (a) where the PPA is terminated, the question of whether there would be any liability on the part of the QF due to such termination would be governed by the PPA and any negotiations between the parties to the PPA, so we are not seeking any guidance from the IA on that question.

Answered: 2/5/2020 5:22p

Answer: For CPRE Tranche 2, bidding into CPRE does not impact an LEO for North Carolina projects as it does not violate any term or condition of the currently effective Notice of Commitment form. To qualify under the RFP for CPRE Tranche 2 the MP must be able to commit 100% of the renewable electrical energy, capacity and environmental and renewable attributes from a facility to DEC or DEP as applicable. Where a MP has an executory contract in which it has already committed the output from the facility under the terms of a binding PPA, the facility would not meet the RFP requirements and would not be eligible to participate in CPRE Tranche 2. Duke Energy provides no legal advice to MP as to its rights or obligations under its existing contracts.

Ref #: 76

Category: Transmission

Asked: 1/23/2020 9:55p

Posted: 1/24/2020 3:33p

Question: In a previous Q&A, the IA posted that "DEC is billing for the cost of Interconnection Facilities under the Extra Facilities Policy, which means expenditures will be recouped through a monthly charge that continues in perpetuity and is 1.0% of the installed cost of the facilities." The IA has also stated that each MP's PPA pricing should include an Interconnection Facilities cost, per the guidance posted on the CPRE website (e.g. \$2.5MM for 100kV in DEC South Carolina). But per Duke's Extra Facilities Provisions, should each MP assume this cost (\$e.g. \$2.5MM) will be reimbursed at COD, prior to commencement of the 1% monthly payments?

Answered: 1/24/2020 3:33p

Modified: 1/27/2020 9:16a

Answer: Thank you for your question. Yes, under DEC's Extra Facilities Policy, financial security is required for the Interconnection Facilities (estimated at \$2.5MM for a 100kV interconnection) that is held from 45 days after receiving the Interconnection Agreement to 30 days after COD. Acceptable forms of financial security include cash, a surety bond, or a letter of credit

Ref #: 77

Category: Other

Asked: 1/24/2020 5:32p

Posted: 2/6/2020 11:13a

Question: Can you please confirm that submitting a self-certification to obtain QF status by completing and electronically filing Form No. 556 with the Commission will be sufficient for (1) the purposes of this RFP and (2) the requirements of jurisdictional interconnection transition?

Answered: 2/6/2020 11:13a

Answer: We understand the question to be "is submitting a self-certification and electronically filing FERC Form 556 with the Commission sufficient for demonstrating QF status as required in both the Tranche 2 RFP and in the Jurisdictional Transition Request Form"? Yes, this is sufficient for demonstrating QF status in both cases.

Ref #: 78

Category: Other

Asked: 1/28/2020 4:22p

Posted: 2/6/2020 10:05a

Question: We understand that bidders are required to submit 8760s using NREL NSRDB as the Solar Prospector, for the purposes of consistency in the bid evaluation process. However, it would be prudent to know how Duke will put together their Expected Production Profile for awarded CPRE PPAs. NREL NSRDB is known to be artificially high and inaccurate irradiance data - If NREL will be used in the PPA, those profiles might be high and harder to hit. We seek the IA's guidance on this concern. Will bidders be given an opportunity to adjust the production profile post-award to ensure the PPA reflects a more accurate depiction of expected production? Thanks in advance.

Answered: 2/6/2020 10:05a

Answer: The IA understands that Duke will use the annual production of a Project as presented by the MP with the Proposal. The annual production requirement is set forth in the PPA.

Ref #: 79

Category: Other

Asked: 1/28/2020 4:49p

Posted: 1/29/2020 12:06p

Question: Appendix G (Pollinator Habitat) is not in the final posted RFP document. Can you direct us to it's location on the website? Thank You

Answered: 1/29/2020 12:06p

Answer: Thank you for your question. The CPRE RFP Appendix G (Pollinator Habitat) can now be found in the Final RFP Folder under Documents.

Ref #: 80

Category: Other

Asked: 1/29/2020 8:36p

Modified: 2/7/2020 6:01a

Posted: 2/7/2020 6:01a

Question: What will be included in the Tranche 2 grouping study base case, and please provide an explanation regarding if/how it differs from Tranche 1 and why such change was made. Will the locational guidance provided on the web site be changed to reflect the tranche 2 base case?

Answered: 2/7/2020 6:01a

Answer: A description of the base case was included in the presentation and discussion during the stakeholder session on February 6, 2020. A copy of the presentation, a recording of the session and a list of questions during the session, with written answers, will be available on the document page of the IA website.

A description of how the locational guidance was produced is also part of the February stakeholder session. The locational guidance will not reflect the tranche 2 base case, in part because the base case is unknown until CPRE Proposals are received, for they are excluded from the base case.

Ref #: 81

Category: Other

Asked: 1/30/2020 7:42p

Posted: 2/6/2020 9:54a

Question: Could you clarify how Capacity Credits are applied in DEC? We're wondering specifically if capacity credits are applied by a percentage of potential or actual facility production during applicable hours. Theoretically, if during a summer month at 4pm, an 80 MW solar only facility was delivering 80 MW of energy, would that facility receive \$57.28/MWh (for energy) plus \$42.33/MWh (for 100% of nameplate capacity)?

Answered: 2/6/2020 9:54a

Answer: The IA understands the question to be "how will revenues to be calculated"?

Yes. Multiply the facility production in the hour times the appropriate capacity pricing as identified in the RFP.

Ref #: 82

Category: Other

Asked: 1/30/2020 7:44p

Posted: 2/6/2020 11:25a

Question: Could you please confirm the hours used to define on-peak, off-peak, and premium hours reflect local standard time?

Answered: 2/6/2020 11:25a

Answer: Local prevailing time is used.

Ref #: 83

Category: Transmission

Asked: 1/31/2020 11:13a

Posted: 2/6/2020 10:12a

Question: We understand that any network upgrades associated with a proposed project will be factored into the evaluation and ranking of the bid, but the costs will not ultimately be paid by the project. Will the upgrade costs be paid by the project and then reimbursed (like they are for FERC jurisdictional interconnections)? Or will Duke pay these costs directly? In either case, will there be security due from the project related to the upgrades?

Answered: 2/6/2020 10:12a

Answer: The RFP sets forth that transmission system upgrade costs are not the responsibility of the MP. Interconnection costs are the responsibility of the MP.

Ref #: 84

Category: Installation

Asked: 1/31/2020 11:14a

Posted: 1/31/2020 4:58p

Question: The RFP states that an eligible project must be "Placed in service after July 10, 2018 and capable of completing Facility construction (not completion of interconnection) by January 1, 2023". Does this mean that the project has to simply demonstrate it is capable of being construction complete by January 1, 2023 regardless of whether interconnection facilities/network upgrades are complete by that time? Or does the facility have to be fully "in-service" by January 1, 2023?

Answered: 1/31/2020 4:58p

Answer: The MP is to provide sufficient evidence that the project can be completed by January 1, 2023, for a project to be eligible to participate in tranche 2.

Ref #: 85

Category: Other

Asked: 2/4/2020 9:37a

Posted: 2/4/2020 11:23a

Question: Now that the Deadline for submission of Proposals has been moved out to March 9, do you anticipate that the Projected Conclusion of Step 1 will be pushed out as well? Or should we plan on that date remaining April 17?

Answered: 2/4/2020 11:23a

Answer: No. The goal is to complete tranche 2 and have Projects on line using the existing schedule so that tranche 3 will move forward in a timely manner.

Ref #: 86

Category: Other

Asked: 2/4/2020 10:30a

Posted: 2/4/2020 11:28a

Question: SC Docket No. 2018-202-E states that proposals to the Tranche 2 CPRE RFP solicitation are now due on March 4, 2020. Please confirm that this is incorrect. Thanks.

Answered: 2/4/2020 11:28a

Answer: Thank you for the question. The Proposal submission date for tranche 2 is March 9, 2020. The IA will discuss the issue with the SC Commission Staff.

Ref #: 87

Category: Transmission

Asked: 2/4/2020 12:45p

Posted: 2/5/2020 3:35p

Question: Referring to the "IA PORTFOLIO STUDY EXAMPLE 09182018" posted on the DEC website, under the "Reference Documents from Tranche 1" folder - will the same Step 2 evaluation methodology be used for Tranche 2? If so we would like further explanation in this example of how the costs for the third project (751-11) are treated in the portfolio evaluation scenario. One particular cause of confusion is that in one section, the stand-alone cost (\$1,250,000) and the incremental cost (\$3,860,000) are treated as separate and distinct and are added together, while in another section the stand-alone cost is subtracted from the incremental cost. Subsequently we would like clarification on how the determination is made that the \$3,860,000 cost increase makes this project non-competitive, resulting in its

elimination in this example. Is the dollar figure converted to a per-MWh figure that is added to its bid price? If so, what is the formula for this conversion? Given the complicated nature of these questions, we would like the IA to be prepared to address the example during the 2/6 stakeholder meeting.

Answered: 2/5/2020 3:35p

Answer: Thank you for your question. During tranche 1 the sharing of costs as detailed in the "IA Portfolio Study Example" was not necessary. Such sharing of costs would only occur when interdependent bids were on track to be CPRE successful bids. The cost sharing method that would be used in Tranche 2, if necessary, is a proportional allocation of the system upgrade costs for interdependent bids. The cost added to each bid would be based upon their MW size and their cost causation.

Ref #: 88

Category: Other

Asked: 2/6/2020 2:48p

Posted: 2/7/2020 5:50a

Question: Previously there was a section called Transmission avoided cost which is no longer in the proposal. Where are we expected to input our price now?

Answered: 2/7/2020 5:50a

Answer: When the Proposal form was released the pricing page had indicative avoided cost figures awaiting a decision from the NCUC. On February 6, 2020 the avoided costs were calculated per the most recent order of the NCUC and the pricing page will be completed and released.

Ref #: 89

Category: Other

Asked: 2/6/2020 2:50p

Posted: 2/7/2020 5:34a

Question: In the proposal the MP is asked if the project can be downsized up to 10% by the IA in the selection process. If the IA does not reduce the project size prior to awarding a PPA then can the MP still reduce the project size by up to 10% per the interconnection guidelines?

Answered: 2/7/2020 5:34a

Answer: No. The project size in the final ranking of Proposals will be the size of the Proposals offered a PPA.

The option is provided to identify which Proposals can be adjusted In the event there is a need to adjust the size of projects in order to not exceed the number of MWs sought in the tranche.

Ref #: 90

Category: Other

Asked: 2/6/2020 4:08p

Posted: 2/7/2020 9:41a

Question: Do the equipment specifications in the IR and the Proposal need to be the same(ie: panels, inverters, transformers) assuming these are not a material modification per the interconnection guidelines?

Answered: 2/7/2020 9:41a

Answer: Thank you for your question. Equipment specifications in the Proposal must match the Interconnection Request.

Ref #: 91

Category: Other

Asked: 2/7/2020 1:08p

Posted: 2/10/2020 10:31a

Question: Does the Facility AC in the Proposal need to match the Interconnection Request or can it be within the allowable 10% reduction in size per the Interconnection Standard?

Answered: 2/10/2020 10:31a

Answer: Yes, the Proposal must be the same as the IR.

Ref #: 92

Category: Other

Asked: 2/7/2020 2:46p

Posted: 2/8/2020 12:07p

Question: Dear IA: following the 2/6/20 CPRE stakeholder session, we respectfully request the following clarifications below. Thank you in

advance. 1) Confirmed vs. Unconfirmed Network Upgrades: Please clarify when required network upgrades for non-CPRE queue positions will be assumed to be confirmed. In other words, what standard will be used to determine whether the completion of a required network upgrade in the base case is confirmed or unconfirmed (uncertain)? As an example, will the Friesian upgrade be assumed as confirmed, why or why not, and will the same standard be applied more broadly? 2) Prioritization of SIS Delivery: Please clarify the instances in which a CPRE Tranche 2 awarded project will receive a completed System Impact Study (SIS) prior to other projects in queue ahead of the CPRE Tranche 2 queue position. In particular, please clarify the following case: Project D is designated as "On Hold" (Interdependent) and is interdependent with another "On Hold" project, Project E. Project E bids into CPRE Tranche 2, while Project D does not. Project E receives a CPRE Tranche 2 award. Will Project E received a completed SIS prior to Project D? Will Project D be included in the base case? 3) Grid Locational Guidance: In its response to Ref #80 on the CPRE portal posted on 2/7/20, Accion states, "The locational guidance will not reflect the tranche 2 base case, in part because the base case is unknown until CPRE Proposals are received, for they are excluded from the base case." Given that the guidance does not reflect the Tranche 2 base case, we request that supplementary, updated grid locational guidance be provided in a timely manner. Specifically, we request (1) a congestion map reflecting the full Tranche 2 base case, once the base case is established for Tranche 2, (2) guidance indicating which transmission queue positions in DEC and DEP are considered "interdependent" with each other, as determined by Duke, and (3) more information regarding how Duke determines whether a project is "interdependent."

Answered: 2/8/2020 12:07p

Answer: The base case will not be established until after Proposals are submitted so the requested information is not available. The composition of the base case is described on the website and was again described during the February stakeholders discussion. Please review that information for guidance.

Ref #: 93

Category: Other

Asked: 2/9/2020 5:27p

Posted: 2/10/2020 10:34a

Question: The RFP states that all Asset Acquisition contracts will be available on the IA RFP website for review and comment, and that the Proposal Team will not consider any proposed changes to its contracts that are not submitted along with the Asset Acquisition proposal. We're having trouble finding these documents; could you point me in the direction of these form EPC and BOT agreements? Thanks in advance.

Answered: 2/10/2020 10:34a

Answer: Please see the response to Question 94.

Ref #: 94

Category: Other

Asked: 2/9/2020 5:27p

Posted: 2/10/2020 10:33a

Question: The RFP states that all Asset Acquisition contracts will be available on the IA RFP website for review and comment, and that the Proposal Team will not consider any proposed changes to its contracts that are not submitted along with the Asset Acquisition proposal. We're having trouble finding these documents; could you point me in the direction of these form EPC and BOT agreements? Thanks in advance.

Answered: 2/10/2020 10:33a

Answer: All documents pertaining to the asset acquisition option are found on the separate Asset Acquisition "silo" of the IA website. This silo is for PPA Proposals proffered to DEC.

Ref #: 95

Category: Other

Asked: 2/10/2020 9:15a

Posted: 2/10/2020 10:27a

Question: All other hours, plus the following holidays, shall be off-peak: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. What is the off peak rate for DEC and for DEP during these "all other hours"?

Answered: 2/10/2020 10:27a

Answer: Off peak energy pricing cost caps for Tranche 2 are provided in section IV of the RFP. Section IV includes separate tables for solar vs non-solar fuel types in both DEC and DEP. Each table indicates Summer Off Peak, Winter Off Peak, and Shoulder Off Peak energy pricing for both distribution interconnected and transmission interconnected Proposals.

Ref #: 96

Category: Other

Asked: 2/14/2020 10:46a

Posted: 2/14/2020 4:53p

Question: Could you please clarify timing expectations for posting of the Proposal Security? Is it reasonable to assume that a Proposal will be required to post the Proposal Security after the IA's projected date for the Conclusion of the Step 1 Process, but before the IA's

projected date for Conclusion of the Step 2 process (therefore, somewhere in the window between April 17 and June 30)?

Answered: 2/14/2020 4:53p

Answer: Please see page 11 of the IA's power point presentation during the February stakeholder session, which is found on the document page of the IA website.

Ref #: 97

Category: Other

Asked: 2/18/2020 11:06a

Posted: 2/18/2020 2:34p

Question: Now that the SISC charge is included in the avoided cost cap rates, can we assume that the monthly volatility charge will not be invoiced based on the volatility score card?

Answered: 2/18/2020 2:34p

Answer: Correct, the SISC charge will not billed monthly. Instead, winning bidders can receive credit for reducing intra-hour volatility in accordance with the provisions in Exhibit 11 of the PPA.

Ref #: 98

Category: Transmission

Asked: 2/18/2020 11:07a

Posted: 2/19/2020 1:13p

Question: If a project with a completed Facilities Study is bid into Tranche 2 and not selected does its queue position get impacted?

Answered: 2/18/2020 2:37p

Modified: 2/19/2020 1:13p

Answer: Please refer to question with Ref# 49

Ref #: 99

Category: Other

Asked: 2/18/2020 1:58p

Posted: 2/18/2020 2:34p

Question: For the second revised RPPA, can we have the clean form in Word Doc?

Answered: 2/18/2020 2:34p

Modified: 2/19/2020 9:33a

Answer: A copy of the RPPA in MS Word was posted on the document page of the IA website on February 15, 2020. Please note that the comment feature for the revisions of the document is available on the website and will be open until Monday, February 24, 2020.

Please note that the only changes to the PPA are edits to SISC provisions to accommodate NCUC order and a few minor clarifying edits to Exhibit 10 related to storage discharge over peak periods. Furthermore, only comments with respect to those limited changes, and not to the entire PPA, are accepted at this stage in the process.

Ref #: 100

Category: Transmission

Asked: 2/21/2020 3:31p

Posted: 2/24/2020 3:57p

Question: Can you confirm what happens to a project's interconnection request once the project submits a proposal into Tranche 2? Does the original interconnection request pause until the completion of Tranche 2, immediately terminate, or continue to advance in parallel? Does that answer differ if the proposal is selected to advance to Step 2 of the evaluation or not? For example, if a project is advancing through the SIS and facility studies before the Tranche 2 proposal submission (but does not have an executed GIA as of the submission date), and after submission, is tendered a GIA, fails to sign it, and is removed from the queue. Does that impact the project's continued eligibility for Tranche 2? Note: we reviewed question #49 and the answer provided is not definitive enough regarding "sacrificing the queue position".

Answered: 2/24/2020 3:57p

Answer: The plan is that the Company would continue to process the existing interconnection request of any CPRE projects according to the applicable processes, including in the event that any such project is selected to advance to Step 2. However, for the avoidance of doubt, after completion of CPRE Tranche 2, all unsuccessful non-Advanced Stage CPRE projects will ultimately be re-queued after the CPRE queue number. If a CPRE participant is withdrawn from the interconnection queue after CPRE bid submission due to non-compliance with the applicable interconnection requirements, it will not impact the project's continued eligibility for Tranche 2.

Ref #: 101

Category: Other

Asked: 2/25/2020 12:15p

Posted: 2/26/2020 1:37p

Question: In the online Bid Form, there is an option for the MP to select Surety Bond as a payment method for PPA Performance Assurance. However, the latest version of the RPPA does not make it clear that Surety Bond is a viable payment option - per the RPPA, PPA Performance Assurance means "collateral in the form of cash, Letter(s) of Credit, or a Guaranty that is acceptable to the Buyer in its sole discretion." Can the IA please clarify whether or not the MP can post a Surety Bond as a payment method for the PPA Performance Assurance? Thanks in advance.

Answered: 2/26/2020 1:37p

Modified: 2/26/2020 1:45p

Answer: Surety Bonds are only acceptable to cover Pre Bid Security and are not acceptable for PPA Performance Assurance.

Ref #: 102

Category: Other

Asked: 2/25/2020 12:17p

Posted: 2/26/2020 8:46a

Question: The following question is asked in the Bid Form: "Identification of Seller Guarantor for the Market Participant". Can the IA please clarify what is meant by the "Seller Guarantor"? Thank you.

Answered: 2/26/2020 8:46a

Answer: Please review the RFP and RPPA for the definition of Seller Guarantor.

Ref #: 103

Category: Other

Asked: 2/25/2020 7:01p

Posted: 2/26/2020 8:44a

Question: Can you please clarify what exactly you are looking for here? 1. Please provide all energy production evaluation materials: 2. Upload the related calculations/work papers supporting a solar proposal's 8760 energy production profile:

Answered: 2/26/2020 8:44a

Answer: PVSyst inputs and outputs are to be provided. Provide related calculations and work papers supporting the Proposal's 8760 production profile.

For Projects with storage, provide the work papers necessary to support the development of the storage charging and discharging as set forth in the 8760 production profile.

Ref #: 104

Category: Other

Asked: 2/26/2020 7:58a

Posted: 2/26/2020 8:35a

Question: As with the Tranche 1, it says "(required)Duke Energy Account Number if applicable:" how do we bypass this if we do not have one?

Answered: 2/26/2020 8:35a

Answer: To avoid confusion, the field is no longer required. If you have an account number, please provide it.

Ref #: 105

Category: Other

Asked: 2/26/2020 11:57a

Posted: 3/4/2020 11:05a

Question: In f.n. 4 in the revised RFP, it is stated that a project with a signed PPA may not bid into CPRE without terminating its PPA. This provision is inconsistent with the IA's previous ruling that projects with PURPA LEOs may bid into CPRE (a PURPA PPA is one form of a LEO). Moreover, it puts the project in the unfair position of having to relinquish a contractual right before it knows whether it will be successful in CPRE. It also may unnecessarily limit the universe of CPRE bidders. It was previously requested (in the February stakeholder meeting) that such a party be able to bid into CPRE Tranche 2 provided that it agrees that if awarded a CPRE PPA it will terminate its PURPA PPA and pay any damages due under that agreement. The promised response to that request has not yet been received, so we renew that request here and ask for clarification. Thank you.

Answered: 3/4/2020 11:05a

Answer: A response has been posted to the prior question. See Question 26 in the February Stakeholder Meeting Q&A. While Market Participants with existing LEOs established through a Notice of Commitment form may bid into CPRE and not lose such LEO, a project with a PPA must terminate such PPA prior to bidding into CPRE.

Ref #: 106

Category: Other

Asked: 2/26/2020 1:03p

Posted: 2/26/2020 1:48p

Question: Good afternoon, In going through the Proposal Management, we noticed for the Method of Performance Assurance, that a Surety Bond is listed as one of the options. We are hoping that you can confirm that this is indeed an option, as the bubble text specifies looking at PPA Section 5.0 but does not call out this option specifically. We believe that Surety Bonds are a good alternate to the other options as it keeps the carrying costs lower, which in turn benefits the ratepayers across the Carolinas. Thank you

Answered: 2/26/2020 1:48p

Answer: Please see the response to question 101. Surety Bonds may be used for the Step 2 Proposal Security, but not for the PPA Performance Security.

Ref #: 107

Category: Other

Asked: 2/26/2020 5:15p

Posted: 2/27/2020 10:54a

Question: A few questions came up pertaining to some required inputs in the bid proposal: 1) Under "Credit and Financial Information" it asks for audited financial statements for three years. Is that for the project companies or for the parent co? Also, can you confirm that the financial statements must be audited? If there are sponsors, is it required for MP and Sponsor? 2) Under "Sponsors," what types of documentation between MP and the sponsor are acceptable? An LOI? MOU? Binding term sheet? 3) Under "Resource Output, Variability, and Product Flexibility," what is meant by operational limitations? Can you provide an example? 4) Is the Site Owner's Acknowledgement Letter uploaded under documents?

Answered: 2/27/2020 10:54a

Modified: 2/27/2020 10:54a

Answer: 1: See Appendix E of the RFP.

2: See Appendix E of the RFP.

3: Re operational limitations, identify all limits to be imposed by the MP that are not in standard technical specifications.

4: The form is available on the Document page "IA Form Site Control Affidavit". It is also a direct download from the Proposal Form where that upload is identified.

Ref #: 108

Category: Transmission

Asked: 2/27/2020 10:35a

Posted: 2/27/2020 10:36a

Question: If a project can COD by January 1, 2023, but may be limited to Duke Energy upgrades that could push to June of 2023, will those projects be disadvantaged? If those projects are bid will they be accepted?

Answered: 2/27/2020 10:36a

Answer: The time required for Duke to provide interconnection has no impact on the evaluation and therefore, projects will not be advantaged or disadvantaged or disqualified based on the project's interconnection timeline.

Ref #: 109

Category: Other

Asked: 2/27/2020 10:55a

Posted: 2/28/2020 5:16p

Question: Under Capacity Credit for DEC it says that "During Winter months, the morning on-peak hours shall be all Winter days" does that include weekends?

Answered: 2/28/2020 5:16p

Answer: Revenue calculation for capacity credit does not distinguish by day of the week.

Ref #: 110

Category: Other

Asked: 2/27/2020 1:12p

Posted: 2/27/2020 2:13p

Question: The RFP requires an answer to the following question: (required) Indicate which of the following Debt Ratings is possessed by the credit support provider: S&P Moody, Investor Services, Fitch If you are posting cash as security how do we answer this question to show it as

complete?

Answered: 2/27/2020 2:13p

Answer: Financial information about MPs is required, regardless of how the MP intends to meet the Proposal Security or Performance Security requirements.

Ref #: 111

Category: Other

Asked: 2/27/2020 2:06p

Posted: 2/27/2020 2:06p

Question: When I clone my bid, are the uploaded documents also carried over from the cloned bid to the new bid?

Answered: 2/27/2020 2:06p

Answer: Yes. When a bid is cloned, all data fields and documents associated with the original bid are carried over to the clone. The Data fields are open for any edits to the clone.

Ref #: 112

Category: Other

Asked: 2/28/2020 2:34p

Posted: 2/28/2020 4:20p

Question: Regarding the Short circuit ratio, are we supposed to get the short circuit MVA capacity at the point of interconnection from the utility? If not, where are we supposed to find this information for a transmission level project?

Answered: 2/28/2020 4:20p

Answer: The Market Participant is not being asked for the short circuit MVA at the POI. They are being asked for the minimum short circuit ratio that their inverters are designed to work with. This information can be obtained from the inverter manufacturer.

Ref #: 113

Category: Other

Asked: 2/28/2020 4:35p

Posted: 2/28/2020 5:17p

Question: Just to confirm does Capacity Credit for DEC include the weekends as well?

Answered: 2/28/2020 5:17p

Answer: Please see the response to question number 109.

Ref #: 114

Category: Other

Asked: 3/2/2020 12:48p

Posted: 3/2/2020 1:41p

Question: In regards to the PPA, can terms be negotiated upon being downselected? Or by submitting to the RFP, we are automatically agreeing to all terms and conditions set in the proforma PPA provided in the RFP?

Answered: 3/2/2020 1:41p

Modified: 3/2/2020 1:42p

Answer: Interested Parties were provided two (2) comment periods in order to provide comments and or suggestions regarding the PPA. The comment period is closed. Following closure of the RFP comment period, and subsequent filing of the PPA with the NCUC, the pro forma PPA is not subject to negotiation or adjustment for purpose of Tranche 2.

Ref #: 115

Category: Other

Asked: 3/2/2020 6:27p

Posted: 3/3/2020 2:35p

Question: Can you provide the formula and assumptions that will be used to convert network upgrade costs to \$/MWh for purposes of ranking proposals in Step 2?

Answered: 3/3/2020 2:35p

Answer: The conversion of network upgrade expenditures to \$/mWH levelized costs will be made using the planning assumptions and methods consistent with the current IRPs.

Ref #: 116

Category: Other

Asked: 3/2/2020 8:17p

Posted: 3/3/2020 3:07p

Question: Accion, I have two questions: 1) Method of Proposal Security: you can only select one option (cash, letter of credit, or surety bond), but wanted to confirm that the MP would have the ability to post a different form of Proposal Security than selected in the submittal (so long as the form of security is either cash or meets the issuer and other requirements). 2) Method of Performance Assurance: you can only select one option (cash, seller guaranty, letter of credit, or surety bond), but wanted to confirm that the MP would have the ability to post a different form of Proposal Security than selected in the submittal (so long as the form of security is either cash or meets the issuer and other requirements).

Answered: 3/3/2020 3:07p

Answer: The proposer would have the ability to post a different form of Proposal Security as long as the conforming security is received by the respective deadlines.

Ref #: 117

Category: Technology

Asked: 3/3/2020 2:02p

Posted: 3/4/2020 11:06a

Question: The RFP states that "Proposals must include a set of 8760 hour output projections each of the 20 years of the term. Proposals must be accompanied by PVSyst inputs/outputs and supporting workpapers and calculations demonstrating the basis for the energy profiles proposed." For the 20-yr production forecast, is an annual degradation estimate based on the Yr 1 production in the PVSyst file sufficient or is a more detailed calculation required?

Answered: 3/4/2020 11:06a

Answer: The proposal must provide the full 20-year, 8760 hour output projections (energy profiles) and the underlying degradation assumption utilized in developing the energy projections. Please see P. 15 of the RFP for further detail.

Ref #: 118

Category: Other

Asked: 3/3/2020 3:10p

Posted: 3/4/2020 10:25a

Question: Re: Answer 115, can you provide planning assumptions and methods consistent with the current IRPs?

Answered: 3/4/2020 10:25a

Answer: See Section V of the Final RFP ("20200207 CPRE RFP T2 Rev RFP Clean.pdf") and the "20200228 CPRE IA EVAL PROCESS.pdf" document in the IA Documents folder for explanations of the evaluation methods used to incorporate system upgrade costs into the ranking of proposals.

Ref #: 119

Category: Technology

Asked: 3/4/2020 8:18a

Posted: 3/4/2020 8:49a

Question: The question: "Provide .PAN and .OND files utilized in PVSyst evaluations" does not allow for a .PAN file to be uploaded. The message reads "this file is not allowed". How should we upload these files?

Answered: 3/4/2020 8:49a

Answer: This issue has been resolved. Please try to upload again.

Thank you.

Ref #: 120

Category: Technology

Asked: 3/4/2020 8:21a

Posted: 3/4/2020 8:48a

Question: I can not select a lat/long on any of the maps. I have cookies, javascript, and pop up blockers enabled and I have tried chrome and explorer on both a HP and Mac.

Answered: 3/4/2020 8:48a

Answer: Click the vertical ellipse top right of browser then click Settings. Under Privacy and security click on Site Settings then scroll down to Pop-ups and redirects. Click that then click Add to the right of Allow. Enter [*].accionpower.com

This will turn off the popup blocker for all existing and future accionpower.com sites.

Ref #: 121

Category: Other

Asked: 3/4/2020 9:57a

Posted: 3/4/2020 11:12a

Question: Can you please provide a W9 for Accion? Our accounting department needs it prior to sending the wire.

Answered: 3/4/2020 11:12a

Modified: 3/6/2020 10:24a

Answer: Please note, the Proposal Fees are received by Accion Group, LLC so we can confirm compliance regarding Proposal Submissions. Subsequently the funds are sent to Duke, which is why the Duke Energy W-9 is posted for this purpose, and not Accion Group's.

Thank you,
The IA

Ref #: 122

Category: Installation

Asked: 3/4/2020 5:37p

Posted: 3/6/2020 9:30a

Question: Hi Accion, The RFP asks the MPs to select the ability to downsize the capacity of a project up to 10%. Can the MP elect to downsize the capacity after the RFP submittal without penalty provided the PPA rate stays constant?

Answered: 3/6/2020 9:30a

Answer: As stated in the RFP, the bidder must indicate in the bid whether or not the bidder is offering the capacity reduction option.

Ref #: 123

Category: Transmission

Asked: 3/4/2020 9:04p

Posted: 3/6/2020 6:23p

Question: In the Additional Interconnection Information section, there is a request for " Cost of transmission/distribution system from project to P.O.I." and "Upload cost estimate details of delivery from project to interconnection". Is this meant to be where we affirm the scope/cost of the interconnection facilities as described in the file - Combined DEC-DEP Standard Interconnection Costs 103119.doc? Or is it meant to cover the unique scope/cost of the tie line for a project where the P.O.I. is located separately from the generating facility?

Answered: 3/6/2020 6:23p

Answer: To affirm understanding of the scope and cost of the transmission or distribution system requirements to connect the project to the POI, as guidance, the "Standard Interconnection Cost" document has been provided.

Ref #: 124

Category: Other

Asked: 3/4/2020 9:42p

Posted: 3/6/2020 10:05a

Question: The proposal form asks the question "Are all easements secured?" If the projects have all the easements secured except for Duke interconnection easement, can we click select yes?

Answered: 3/6/2020 10:05a

Answer: It's unclear what is meant by "Duke interconnection easement". Typically the tap line and interconnection facilities are located on the MPs property. In this case, the easements should be secured if answering yes.

Ref #: 125

Category: Technology

Asked: 3/5/2020 8:49a

Posted: 3/5/2020 9:34a

Question: FOLLOW UP: As I mentioned on my below question, I have already turn off the pop blocker and retried on multiple computers. How do you suggest I submit the RFP without having this fields filled in. Question: I can not select a lat/long on any of the maps. I have cookies, javascript, and pop up blockers enabled and I have tried chrome and explorer on both a HP and Mac. Answer: Click the vertical ellipse top right of browser then click Settings. Under Privacy and security click on Site Settings then scroll down to Pop-ups and redirects. Click that then click Add to the right of Allow. Enter [*].accionpower.com This will turn off the popup blocker for all existing and future accionpower.com sites.

Answered: 3/5/2020 9:34a

Answer: We have checked this issue on our end and have experienced no issues. Please review all security settings on your computers. You must include the lat/long field in order to submit your proposal.

Ref #: 126**Category:** Other**Asked:** 3/5/2020 11:24a**Posted:** 3/6/2020 2:48p

Question: With all due respect, we believe that the IA's decision that projects with pre-existing PPAs may not bid into CPRE Tranche 2 is unreasonable, anticompetitive and not in the best interest of ratepayers, and based on an incomplete understanding of the terms of existing Duke PPAs. The only stated reason for the decision is that allowing previously contracted parties to bid into Tranche 2 would "introduce too much uncertainty and complexity into the RFP process." But if a market participant with an existing PPA commits in writing to terminate the existing PPA and pay LDs if awarded a CPRE PPA, whether through an amendment to the PPA or separate contractual agreement, there is no uncertainty whatsoever introduced by an application in this circumstance. Moreover, it would be irrational in the extreme for an MP who has concluded that it would be more advantageous to bid into CPRE than to perform on its existing PPA, and who has been selected for a CPRE PPA, to then change its mind, withdraw from CPRE, and go back to its existing PPA. In any event, the bid bond that the MP would be required to post if short-listed would provide further assurance of its commitment to proceeding with CPRE if selected. Excluding projects with an existing PPA from Tranche 2 unless they terminate their PPAs (based on the speculative possibility that they will be selected in Tranche 2) narrows the field of potential projects, potentially driving up the clearing price and making it more difficult for the utility to meet its procurement goals. All things being equal, a project with an existing PPA is likely to be more viable and less speculative than a project without a PPA. Excluding such projects would not benefit ratepayers or advance the statutory goals of the CPRE program. Accordingly, please be advised that we intend to make Tranche 2 submittals from projects with existing PPAs, accompanied by our commitment to terminate the pre-existing PPA if awarded a CPRE PPA. We urge the IA to reconsider its prior conclusion on this issue and let any otherwise-eligible project with an existing PPA to bid into Tranche 2, subject to a commitment to terminate the existing PPA is awarded a CPRE PPA.

Answered: 3/6/2020 2:48p

Answer: The IA appreciates the statement of a litigation position by the Market Participant. However, The Soliciting Entity has determined that the proposed arrangement requiring default on an existing legal obligation is not in the best interests of its ratepayers, and therefore, respectfully disputes the position taken by the prospective bidder. The IA supports this position as being consistent with the CPRE objectives. Any bid submitted must be free and clear of any pre-existing contractual obligations as was clearly specified in both the draft and final versions of the RFP (see footnote 4).

Ref #: 127**Category:** Technology**Asked:** 3/6/2020 10:46a**Posted:** 3/6/2020 11:55a

Question: Good Morning, We are required to upload three years of Form 10-k or audited financial statements for the past three years. When uploading, we are only able to attach 1 pdf. Is there a way to upload more than one document? These are sensitive documents and we cannot combine them. Thanks

Answered: 3/6/2020 11:55a

Answer: You should be able to save all three PDF's into one PDF prior to uploading them with no affect to your original files. Or, you may use the "Supplemental Documents" to upload the additional files.

Ref #: 128**Category:** Other**Asked:** 3/6/2020 11:13a**Posted:** 3/6/2020 11:33a

Question: Is this supposed to be listed as "Required?" (required) If Applicable, please complete and upload Appendix G, Solar Site Pollinator Habitat Plan and Assessment Form:

Answered: 3/6/2020 11:33a

Answer: This requirement has been removed from this question. Thank you for pointing this issue out to us.

Ref #: 129**Category:** Other**Asked:** 3/6/2020 1:01p**Posted:** 3/6/2020 4:23p

Question: If we submitted an NDA for Tranche 1 do we need to do it again for Tranche 2?

Answered: 3/6/2020 4:23p

Answer: On the Proposal Form, in the Additional Required Documents, there is a check box as follows: I hereby agree that I downloaded and read the confidentiality agreement. I understand that checking this box constitutes a legal signature confirming that I acknowledge and agree the Confidential and Non-Disclosure Terms and Conditions.

Ref #: 130

Category: Other

Asked: 3/9/2020 10:40a

Posted: 3/9/2020 10:51a

Question: Will we receive confirmation of receipt of CPRE deposits?

Answered: 3/9/2020 10:51a

Answer: Yes, as soon as the transactions are confirmed by the IA, we will provide confirmation as requested.

Records found: 123

Attachment D

February Stakeholder Meeting, Questions and Answers (Feb. 27, 2020)

Q#	Question	Answer
Q1	OPGW- Is that going to be included in the interconnection upgrade cost, there's options for a third party? Some projects require an extra communication link- there are a few ways to do that which can reduce that cost will that be evaluated against a project... third party link?	See Ref # 19 on the DEC Silo Q&A
Q2	Have you an idea how (this) would be handled in South Carolina (modifying the base case?)	Any secondary contingency analysis will be performed as needed with the supervision of the IA.
Q3	Two ways of ranking in case the megawatts aren't achieved. Would the contingency rankings could that change the initial ranking using the entire queue or could the results change with the second scenario in which the base case only includes projects with facility study agreements?	This question concerns the IA's suggested "alternative base case", which would have the IA conduct a parallel base case analysis, with the base case limited to Projects with completed Facility Study Agreements. Both results will be reported to the NCUC. In the event the tranche 2 goals are not met using a base case calculated as it was in tranche 1, the IA may recommend selecting successful Proposals from the best ranked Proposals using the alternative base case methodology.
Q4	Clarifying question on the alternative analysis: It seems that there are two purposes on the review one is to evaluate network costs and the other is time costs?	Please see the response to Q3.
Q5	Everything in the queue is being included in the base case- is the implication then that everything else in queue will also receive a system impact study prior to the delivery SIS prior to T2 awarded projects?	Projects in the queue will be analyzed in the normal progression. Not all projects receive a system impact study, some are cancelled, some are on hold awaiting a decision by the developer and others are on hold because of a contingency.
Q6	Are you concerned about the number of projects in the queue right now? That it will have a negative impact on this round?	The IA believes the alternative base case analysis described in response to Q3 would minimize the concern.
Q7	If a project has a very high interconnection cost upgrade but is in the queue ahead of time, are those projects assumed to be going ahead and making those improvements in the base case?	Using the base case approached employed in tranche 1, all Projects with a queue position ahead of CPRE proposals would be assumed to use existing T&D capacity before the capacity would be available to CPRE Projects.

Q8	Does Duke assume that the freesian upgrade in that situation southeastern North Carolina will be constructed in CPRE unless you determine otherwise?	No, for purposes of assessing the transmission impacts of CPRE projects, Duke will not assume that the transmission upgrades currently assigned to Friesian will be constructed. Such upgrades have not been irrevocably funded and moreover, a
Q9	Have you got an idea of how this (see: Q8) would be handled for South Carolina? Since they are presumably separate?	All projects, whether located in North or South Carolina, will be evaluated in CPRE in the same manner (including both Step 1 and Step 2 of the evaluation process).
Q10	And just to follow up if the South Carolina commission either, you know, is not able to act on on that request or denies it, and North Carolina Commission doesn't give a sense of how that would be handled, how you'd have to handle that.	It is premature to speculate regarding what if any contingency analysis will be needed in the Tranche 2 Step 2 evaluation and therefore, it is premature to speculate what, if any, NCUC or SC PSC approval will be needed.
Q11	I did have just a kind of a technical question about the two ways of ranking. Since there would be the contingency case, the megawatts would not be achieved with that. Would the contingency ranking or the contingency manner that we're doing, what could that change the initial ranking that was done using the entire queue. Or, is that is that possible or could it could the results change with the second scenario in, which only the base case only included projects was facility study agreement just understood.	The second scenario will be presented using an alternative base case. The alternative base case will show the results of eliminating bids that are less likely to be constructed. Alternative analysis results will be presented for further consideration.
Q12	This is just a clarifying question, on the, sort of the alternative analysis Because it seems like there, there are two purposes of the, of the T&D review One is to evaluate the network upgrade costs and the other one is to actually assign costs. So is it the intention so you could weight the proposals just by evaluation of costs?	The goal of the IA's alternative base case is to fulfill the goals of CPRE with Projects that are "shovel ready," that is, a "first ready, first build" approach.
Q13	Could we be provided with an updated constrained area map that reflects only the projects with executed facility studies.	No, Duke will not created constrained area map that reflects only projects with executed facility studies because that would create a potentially misleading picture of the constrained area.

Q14	When the step two evaluation produces a system impact cost to be imputed to any proposal, and that is provided back to Accion, how is that converted in the IA modeling to a dollar per megawatt costs?	The Transmission and Distribution team will provide the revenue requirements resulting from estimated T&D expenditures. The expenditures will be translated into levelized \$/MWH costs using the energy production in the proposal. [GCR Draft]
Q15	It might be particular projects that would be excluded in the analysis that doesn't have facilities study?	The alternative analysis would exclude specific projects from the base case on constrained circuits. These alternatives would be presented and the likelihood of the alternative outcome would be discussed.
Q16	Maybe, if we go back to the slide, referring to the setting of the or COD and then subsequently, the date at which the upgrades would be completed. And then the final COD deadline or in service date, would be set. Each bidder is going to have to go through the process and post their security before knowing the final result of that in service date. So if that process is done and the in-service date is much later than January 1, 2023, let's say it's going to take another year, or two for Duke to complete those, complete that work that changes the economics to the market participant. So, you know, one aspect off top of my head is the ITC implications with the step down. So would it be possible to allow for refund of the bid security if that date turns out to be substantially later than January 1, 2023?	We recognize this as a challenge but there are a number of factors outside of Duke's control that impact the interconnection in-service date . Thus, the structure of the RFP does not have a mechanism for bidders that have moved into Step 2 evaluation to re-fresh or withdraw without forfeiting security based on timing of the interconnection in-service date .
Q17	So I was simply asking if there's an ability to withdraw at that point and get the bid security refund or damage?	See Q16
Q18	Question about the the base case and sounds like some ongoing discussion here but just so I understand. So, everything in the queue has been included in the baseline. And then evaluation has been conducted on these projects for CPRE, the selections are made, and then those awardees are delivered. Completed system impact studies is the implication then that everything else in the queue will also receive at system impact study, prior to delivery of SIS to the CPRE tranche two, awarded projects?	The base case analysis for purposes of CPRE Tranche 2 does not constitute a comprehensive System Impact Study for every project in the base line. System Impact Studies for non-CPRE participants will be conducted according to the applicable interconnection procedures.

Q19	Question on the base case analysis and I think I understand the logic Harry, are you concerned about the number of projects in the queue right now?	Please see the responses to Q6 and Q3.
Q20	Are you concerned that that will have a negative impact on us in this next round? And I understand that you're looking at two scenarios to kind of help with that. I think that's going to be really problematic.	Please see the response to Q3. The IA recognizes that the NCUC makes policy, and note the IA. The IA will make the analysis available to the NCUC with recommendations for the Commission's consideration.
Q21	Mike mentioned, if a project has a very high interconnection cost upgrade that's in the queue ahead of time, are those projects that seemed to be going ahead and making those improvements in the base case?	Projects in the queue with very high interconnection costs will be included in the base case. Whether they go forward or not depends on factors such as interdependency, and developer desire to move forward. Alternative analysis could "step around" these projects. This is a complex evaluation where earlier queued, non-CPRE projects may be the first to trigger a need for substantial Network Upgrades. We do not have a mechanism to make assumptions as to whether those earlier queued projects will commit to constructing the upgrades or withdraw from queue. But in order to respect the serial nature of the interconnection queue, we can not allow CPRE projects to jump ahead of the lower queued projects so we can not properly assess the upgrades that should be, or would eventually be, assigned to the CPRE project. Nevertheless, the IA and Duke will work together to identify whether there are any specific circumstances in which contingent assumptions could be made that would alter the Step 2 evaluation.
Q22	I wasn't sure I totally heard what you said about the exceptional circumstances operation. Did you say that Duke assumes that the friesian network upgrades in that situation in southeastern North Carolina will be constructed and, and, CPRN, unless you determine otherwise?	See Q8
Q23	I've got a follow up question on the baseline. Can we clarify what exactly the existing locational guidance on the constrained area map represents in terms of interconnection status? And then, if it is inconsistent with what's going to be in the baseline, can we clarify if and when an updated version will be released?	The existing guidance was based upon the base case as it existed in DEC on 10/8/2018 and for DEP on 3/31/2019. The base case that will be used for Tranche 2 cost analysis can not be finalized until after bids are received. Thus guidance for Tranche 2 cannot be updated to for bidders to use for bidding purposes. (PBL)

Q24	I just wanted to clarify what exactly it is represented here, saying that the existing guidance that is posted on the Portal represents all I ARS up through October eighth of 2018 and BEC or did you say those projects are completed as system impact studies?	Assumptions used to generate the locational guidance maps are posted on the IA website in a document titled DEP DEC Generator Interconnection Requirements and Locational Guidance 8-5-19 FINAL
Q25	Just curious, is there a reason that you all didn't update that upon the posting of tranche two materials (RE ?	Locational guidance maps were updated on or about the time that Tranche 2 materials were posted.
Q26	<p>There were some Q and A I think it just went up on the website in the last day or so The question related to the ability or eligibility of a project with a signed PPA to fit into CPRE. Because I understood the answer that came back It was that such a project would not be eligible because of its prior contractual commitment. But I'm wondering about the rationale if the contract can be terminated with whatever liability the seller may have to Duke, why would CPRE not want to see the pool expanded and allow that project to bid in?</p> <p>RESTATEMENT: Can a Project with an existing off-take agreement bid into CPRE, and if successful in CPRE cancel the other PPA and proceed with a CPRE PPA?</p>	<p>Projects that have an existing off-take agreement must terminate such off-take agreement prior to bidding into CPRE. Allowing projects with existing off-take agreement to bid into CPRE would introduce too much uncertainty and complexity into the RFP process.</p>

Q27	<p>I understand that part of it, but, of course, that creates a catch 22 that you, the market participant wouldn't know the outcome of CPRE. So, what is the sort of downside or the problem of deferring that action or decision until a CPRE Award has been made? So the decision to terminate the PPA because there's just comparable toward what's being allowed with respect to a Leo that, obviously, the seller, the market participant wants to know that it has a CPRE offtake opportunity before it terminates its preexisting offtake. It's not obvious to me why there's any downside to Duke or anybody else from allowing the termination, or whatever consequences flow from that to occur after that decision has been made about the CPRE award. I would think its a reasonable requirement -If I'm selected I will perform. Required the termination before the market knows anything about CPRE it seems like you are doing that unnecessarily.</p>	See Q26.
Q28	<p>I want to go back to the method of calculating maximum allowable T&D investment. It's my understanding that in tranche one, that analysis was done sort of prior to the T&D analysis or for some subset of projects. Is that the plan for tranche two, and if it is, can you talk a little bit about the assumptions that will go into that analysis in terms of what the what the costs would be. So, specifically, it would be costs that are assumed to be borne by the project even without triggering any network upgrades and the T&D analysis?</p>	<p>The IA will not provide pricing information about Proposals to the Duke T&D Evaluation team when the ranked Proposals are provided for the Step 2 evaluation. To avoid extended T&D evaluation, the IA will also provide the amount of system upgrade cost that if imputed to the associated Proposal would result in the Proposal being above avoided cost.</p>
Q29	<p>Can some detail be provided on If there are assumptions or cost figures that are being used in that analysis(I.E., maximum allowable T&D). If that information can be provided?</p>	<p>In the Step 2 analysis the standard Duke construction costs are used. These standard costs and standard construction units are posted on the Accion website. The IA will post a memorandum providing additional detail on the IA website.</p>
Q30	<p>So you're just coming up with a number, and then that number gets plugged in?</p>	Please see the response to Q29.

Q31	At what point can your evaluation determine a project is over avoided costs? At what point can that result in a project being disqualified as above avoided cost is adjusted in the step two analysis?	Please see the response to Q29.
Q32	I was thinking of it in a way where a bid is, let's say a dollar below what it costs, therefore, it has a dollar of room than the network upgrade cause an upgraded. The network upgrade costs are estimated and converted into a per megawatt hour figure. You actually do it the other way around you. You do that conversion before sending it to step 2. Because, you know, it's a dollar below, and you convert that into how many millions of dollars can it support? And still remain under avoided cost?	Please refer to the RFP, Section V, Proposal Evaluation, for a description of how proposals are evaluated. The evaluation determines the proposal's costs and benefits on a \$/MWh basis, and includes the impacts of curtailment as well as storage if it storage is included in the proposal. Regarding the Step 2 system upgrade costs, the Transmission and Distribution team will provide the revenue requirements resulting from estimated T&D expenditures. The expenditures will be translated into levelized \$/MWH costs using the energy production in the proposal.

Attachment E

CPRE Submittal Letters for Cool Springs Solar and Lick Creek Solar (March 9, 2020)



To: Accion, CPRE Independent Administrator ("IA")
CC: Duke Energy Carolinas

Cool Springs Solar, LLC ("Cool Springs") is currently a party to that certain Purchased Power Agreement ("PPA") with Duke Energy Carolinas, LLC ("DEC") dated September 6, 2019. If Cool Springs is awarded a PPA pursuant to CPRE Tranche 2, it hereby commits to terminating its existing PPA and paying any liquidated damages ("LDs") owed under that PPA to DEC. Although the IA has stated that projects with pre-existing PPAs may not bid into CPRE Tranche 2, we believe, with all due respect, that this decision is arbitrary and unreasonable, anticompetitive and not in the best interest of ratepayers, and based on an incomplete understanding of the situation. The only stated reason for the decision is that allowing previously contracted parties to bid into Tranche 2 would "introduce too much uncertainty and complexity into the RFP process." Given our commitment to terminating the existing PPA and pay LDs if awarded a CPRE PPA, which we are prepared to further formalize, through an amendment to the PPA or separate contractual agreement, there is no uncertainty whatsoever introduced by an application in this circumstance. Moreover, the Proposal Security that we would be required to post if we were selected for Step 2 would provide further assurance of our commitment to proceeding with CPRE if selected.

Sincerely,

Ben Catt, President
Silver Pine Energy Holdings



To: Accion, CPRE Independent Administrator ("IA")
CC: Duke Energy Carolinas

Lick Creek Solar, LLC ("Lick Creek") is currently a party to that certain Purchased Power Agreement ("PPA") with Duke Energy Carolinas, LLC ("DEC") dated September 6, 2019. If Lick Creek is awarded a PPA pursuant to CPRE Tranche 2, it hereby commits to terminating its existing PPA and paying any liquidated damages ("LDs") owed under that PPA to DEC. Although the IA has stated that projects with pre-existing PPAs may not bid into CPRE Tranche 2, we believe, with all due respect, that this decision is arbitrary and unreasonable, anticompetitive and not in the best interest of ratepayers, and based on an incomplete understanding of the situation. The only stated reason for the decision is that allowing previously contracted parties to bid into Tranche 2 would "introduce too much uncertainty and complexity into the RFP process." Given our commitment to terminating the existing PPA and pay LDs if awarded a CPRE PPA, which we are prepared to further formalize, through an amendment to the PPA or separate contractual agreement, there is no uncertainty whatsoever introduced by an application in this circumstance. Moreover, the Proposal Security that we would be required to post if we were selected for Step 2 would provide further assurance of our commitment to proceeding with CPRE if selected.

Sincerely,

Ben Catt, President
Silver Pine Energy Holdings

Attachment F

Correspondence between Petitioners and IA via CPRE Website Message Portal, Regarding confirmation of bids (March 10-11, 2020)

Pine Gate Renewables Market Participant ID: 174 3/11/2020 4:21:00 PM	Proposal 174-05 Bid Confirmation Memo We have reviewed the Bid Confirmation Memo for Cool Springs Solar (174-05) and would like to note the following corrections needed. 1) Installed DC Capacity should be 112 MW DC. 2) The project does have an existing offtake agreement, which we have committed to terminating upon award of a CPRE PPA as outlined in the submittal letter uploaded to Supplemental Materials.
Pine Gate Renewables Market Participant ID: 174 3/11/2020 4:14:57 PM	Proposal 174-03 Bid Confirmation Memo We have reviewed the Bid Confirmation Memo for Lick Creek Solar (174-03) and would like to note the following correction needed. 1) The project does have an existing offtake agreement, which we have committed to terminating upon award of a CPRE PPA as outlined in the submittal letter uploaded to Supplemental Materials.
Independent Administrator 3/10/2020 10:34:56 AM	Proposal 174-05 Bid Confirmation Memo The IA has uploaded a memo to your bid book summarizing key aspects of your Proposal. Please review the memo for accuracy and respond via this confidential Message Board within 48 hours to confirm the accuracy of the information provided. You will find the memo in the cure folder within your bid book.
Independent Administrator 3/10/2020 10:34:06 AM	Proposal 174-03 Bid Confirmation Memo The IA has uploaded a memo to your bid book summarizing key aspects of your Proposal. Please review the memo for accuracy and respond via this confidential Message Board within 48 hours to confirm the accuracy of the information provided. You will find the memo in the cure folder within your bid book.