

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1170
DOCKET NO. E-7, SUB 1169

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Petition of Duke Energy Progress, LLC,)	
and Duke Energy Carolinas, LLC,)	ORDER ON INTERIM
Requesting Approval of Green Source)	GSA PROGRAM
Advantage Program and Rider GSA to)	IMPLEMENTATION
Implement N.C.G.S. § 62-159.2)	

BY THE COMMISSION: On February 1, 2019, the Commission issued an Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing, and Allowing Comments (GSA Program Order) in the above-captioned proceeding resolving numerous issues in dispute in this proceeding regarding implementation of the GSA Program established pursuant to N.C. Gen. Stat. § 62-159.2, including the establishment of “a bill credit that serves as a proxy for the value of the energy and capacity procured through the GSA Program.” GSA Program Order at 44. Two bill credit alternatives were approved: one, a fixed, levelized avoided energy and capacity bill credit based on the Commission-established avoided cost rates; the other based upon Duke’s hourly marginal avoided cost rate. “The Commission’s determination of the appropriate bill credit to be received by participating customers is at the heart of implementing the General Assembly’s directive that all customers not participating in the GSA Program be ‘held neutral, neither advantaged nor disadvantaged, from the impact of the renewable electricity procured on behalf of the program customer.’” Id., quoting N.C.G.S. § 62-159.2(e).

On June 5, 2019, the Commission issued an Order Approving Compliance Filing directing Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP) (together, Duke), to open the GSA Program on or before October 4, 2019 (60 days from the date of that Order).

On September 10, 2019, the North Carolina Clean Energy Business Alliance (NCCEBA) and the North Carolina Sustainable Energy Association (NCSEA) filed a joint Motion for Clarification requesting that the Commission issue an order clarifying that the fixed bill credit is based on the avoided cost methodology and rates approved in the 2016 biennial avoided cost proceeding (Docket No. E-100, Sub 148) and that it does not include the Solar Integration Services Charge proposed in the 2018 biennial avoided cost proceeding (Docket No. E-100, Sub 158).

On September 20, 2019, Duke filed comments in response to NCCEBA and NCSEA's Motion for Clarification. In summary, Duke states that it has agreed with the Public Staff, NCCEBA, and NCSEA that, unless ordered otherwise by the Commission, Duke will not apply the Solar Integration Services Charge or the rates proposed in Docket No. E-100, Sub 158 to determine the fixed bill credit until the Commission issues its decision in that proceeding.

On October 1, 2019, the Commission issued an Order Partially Suspending Program Opening suspending the availability of the fixed bill credit option under the GSA Program to facilitate the issuance of a notice of decision or final order in Docket No. E-100, Sub 158.

On October 2, 2019, Duke filed the Joint Motion for Clarification of DEC and DEP alerting the Commission that in the hours between the opening of the GSA Program at 9:00 a.m., on October 1, 2019, and the issuance of the Commission's Order Partially Suspending Program Opening later that same day, a "number of GSA Customers" submitted applications selecting the fixed bill credit or the hourly marginal bill credit. Duke states that the customers that submitted applications made substantial effort and incurred substantial expense to submit applications, and Duke argues that it would be unfair to these customers and serve no purpose to invalidate the applications that were timely submitted prior to the issuance of the Commission's Order. In addition, Duke argues that the Commission's Order could have the effect of allowing the limited capacity available under the GSA Program to be subscribed by GSA Customers that desire the hourly marginal bill credit, effectively foreclosing participation by those eligible customers who desire the fixed bill credit. Duke then proposed a process that would honor the results of the initial enrollment; allow the enrollment window to remain open indefinitely with the use of a waiting list; and, after the Commission issues a notice of decision or order in Docket No. E-100, Sub 158 and provides further direction with respect to NCCEBA and NCSEA's Motion for Clarification, provide customers an option to continue with the application previously submitted, switch to the hourly marginal avoided cost bill credit, or withdraw from the GSA Program. Duke further argues that if the Commission directs that the initial enrollment results be cancelled entirely, then the GSA Program should not be reopened for applications until both bill credit options can be made available. Finally, Duke states that it shared its motion with various stakeholders, and that the Public Staff, NCCEBA, and NCSEA all indicated support for Duke's proposed approach; however, NCCEBA and NCSEA continue to maintain the position set forth in their September 10, 2018 Motion for Clarification, namely, that for GSA Customers submitting applications prior to the issuance of a decision in Docket No. E-100, Sub 158, the fixed bill credit should be based upon the rates previously established in Docket No. E-100, Sub 148.

Based upon the foregoing and the entire record herein, the Commission determines that Duke's proposed approach is appropriate for the purpose of interim implementation of the GSA Program. The Commission has recently issued a decision in Docket No. E-100, Sub 158 addressing certain issues related to the calculation of avoided energy and capacity rates. The Commission will shortly issue a decision in this proceeding in response to NCCEBA and NCSEA's Motion for Clarification clarifying which

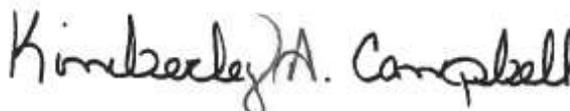
avoided cost rates are to be used in the calculation of the fixed bill credit, ie., the rates established in Docket No. E-100, Sub 148 or the rates established in Docket No. E-100, Sub 158, and whether the proposed Solar Integration Services Charge should apply within the context of the GSA Program. Thus, as proposed by Duke, GSA Program applications received from eligible customers shall be honored in accordance with their queue priority; the enrollment window will remain open indefinitely for additional enrollments (with excess enrollments being placed on a waiting list); and, subsequent to that forthcoming order of the Commission, any GSA Customer that has submitted an application and selected the fixed bill credit will be allowed a one-time opportunity to (i) continue with its application as submitted, (ii) switch to the hourly marginal bill credit and continue with the application, or (iii) withdraw from the GSA Program. In addition, the Commission finds that it would be helpful to have additional information about the number of GSA Program applications received, and, therefore, directs Duke to make an appropriate filing in these Dockets within ten days of the date of this Order detailing the number of GSA Program applications that DEC and DEP received to date, identifying the number of applications seeking each bill credit option, and identifying the number of applications received from customers in each of the categories of eligible customers (major military installations, the University of North Carolina, or the eligible nonresidential customers).

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 10th day of October, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Handwritten signature of Kimberly A. Campbell in black ink.

Kimberly A. Campbell, Chief Clerk