

April 20, 2018

Ms. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

RE: Petition of Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, Requesting Approval of Green Source Advantage Program and Rider GSA to Implement G.S. 62-159.2 NCUC Docket E-2, Sub 1170 and E-7, Sub 1169

Dear Ms. Jarvis:

We hereby submit **Reply Comments of the University of North Carolina at Chapel Hill** in the above-referenced docket.

If you have any questions or comments regarding this filing, please do not hesitate to call me.

Thank you in advance for your assistance.

Very truly yours,

/s/M. Gray Styers, Jr.

skb

Enclosure

cc: Parties of Record

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,
Requesting Approval of Green Source
Advantage Program and Rider GSA to
Implement G.S. 62-159.2

REPLY COMMENTS OF
THE UNIVERSITY
OF NORTH CAROLINA
AT CHAPEL HILL

Pursuant to the North Carolina Utilities Commission's ("Commission") Order Requesting Comments issued on December 20, 2017, as modified by the Order Granting Extension of Time issued on April 5, 2018, in the above-captioned proceeding, the University of North Carolina at Chapel Hill ("UNC-Chapel Hill") submits the following Reply Comments regarding the Petition Requesting Approval of the Green Source Advantage Program and Rider GSA filed by Duke Energy Progress, LLC and Duke Energy Carolinas (hereinafter collectively "Duke Energy").

REPLY COMMENTS

Part III of House Bill 589 specifically calls for the creation of

[A] new program applicable to major military installations, as that term is defined in G.S. 143-215.115(1), The University of North Carolina, as established in Article 1 of Chapter 116 of the General Statutes, and other new and existing nonresidential customers with either a contract demand (i) equal to or greater than one megawatt (MW) or (ii) at multiple service locations that, in aggregate, is equal to or greater than five megawatts (MW)

through which those participating customers can "select the new renewable energy

facility from which the electric public utility shall procure energy and capacity" on their

behalf. This is the reason that those customers – including UNC-Chapel Hill – advocated for this part of the legislation and why the General Assembly added this section to the bill.¹ It is thus striking that the customers for whom this section was specifically intended to benefit and who have filed Comments or letters in this docket – Google, Apple, Walmart, numerous businesses and academic institutions whose letters were attached to NCSEA’s Initial Comments, the United States Department of Defense, and UNC-Chapel Hill – have consistently, uniformly, and unequivocally stated that Duke Energy’s GSA tariff, as proposed in its application and as we understand it, does not create a program that will likely be subscribed to or that will achieve the intent of the legislation. As stated in the Comments of Google and Apple,

[T]he proposed GSA rider – which was prepared, upon information and belief, with little consultation with other industry stakeholders such as the Customer Intervenor who have extensive experience in designing these programs – fails to implement the program put into place by the General Assembly. More generally, it falls short of creating a viable program which will be attractive to intensive users of energy in Duke’s territory, including the Customer Intervenor – who are in the class of customers who are the intended beneficiaries of the General Assembly’s enactment.

(Google and Apple Comments, p. 3).

In essence, Duke Energy’s proposal appears to be nothing more than an unbundled REC program, as noted by several of the intervenors. (*See, e.g.* SACE Comments, pg. 7; NCCEBA Comments, pg. 14). Customers such as UNC-Chapel Hill should have additional flexibility in procurement options that allows them to meet their energy needs, with contracts of various lengths (not just 2, 5, or 20 years), with renewable energy suppliers of their choosing, for specific amounts of capacity and

¹ Representatives of UNC-Chapel Hill were personally present when this section was being discussed and negotiated in the General Assembly and have first hand knowledge of this legislative intent.

energy, at prices they negotiate, to achieve their policy goals and objectives. This flexibility can be accomplished without disadvantaging other customers -- a requirement of the law and a principle to which UNC-Chapel Hill is committed – but the GSA application filed by Duke Energy falls far short of creating such a program.²

UNC-Chapel Hill will not repeat the content of its initial Comments filed in this docket, but wishes to conclude by re-emphasizing its desire to procure renewable energy at fair and competitive rates to further its core mission of education, research, and service for the people of the State of North Carolina, and appreciates the opportunity to participate in these proceedings toward that end.

Respectfully submitted this 20th day April, 2018.

SMITH MOORE LEATHERWOOD LLP

BY: /ES/M. Gray Styers, Jr.
M. Gray Styers, Jr.
434 Fayetteville Street, Suite 2800
Raleigh, NC 27601
Telephone: 919-755-8764
E-mail: gray.styers@smithmoorelaw.com

Attorney for the University of
North Carolina at Chapel Hill

² We remain willing to work cooperatively with all of the stakeholders to assist in developing a workable program that is attractive and would achieve the benefits intended by House Bill 589. No one from Duke Energy has communicated on this topic directly with representatives of UNC-Chapel Hill who are involved in this matter or has indicated any interest in working together with UNC-Chapel Hill to craft a mutually acceptable program.

CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing **Reply Comments of UNC-Chapel Hill** first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission to all parties of record.

Respectfully submitted, this the 20th day of April, 2018.

BY: /ES/M. Gray Styers, Jr.
M. Gray Styers, Jr.
Smith Moore Leatherwood
Attorney for the University of
North Carolina at Chapel Hill