

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1159

DOCKET NO. E-7, SUB 1156

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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|-------------------------------|---|-----------------------------------|
| In the Matter of |) | COMMENTS OF THE CPRE INDEPENDENT |
| Joint Petition of Duke Energy |) | ADMINISTRATOR (ACCION GROUP, LLC) |
| Carolinas, LLC, and Duke |) | REGARDING REVISIONS TO COMMISSION |
| Energy Progress, LLC, for |) | RULE R8-729(f)(3) |
| Approval of Competitive |) | |
| Procurement of Renewable |) | |
| Energy Program |) | |

On May 23, 2019, the North Carolina Utilities Commission ("Commission") conducted a Technical Session regarding the Competitive Procurement of Renewable Energy Program ("CPRE") Tranche 2. During the session Accion Group, LLC, the Independent Administrator of CPRE ("IA"), committed to provide written responses to a number of questions. The IA provided responses to those questions on May 30, 2019. This submission provides supplemental information in response to a request that the IA provide additional information about the system upgrade costs assigned to CPRE Proposals.

The IA's May 30, 2019, submission provided the calculated system upgrade costs for the successful Proposals. Herein the IA provides a summary of the calculated system upgrade costs for all Proposals that were included in the Step 2 review. Table 1 presents that information for Duke Energy Carolinas ("DEC") and Table 2 presents that information for Duke Energy Progress ("DEP"). Please note the following:

- The identity of projects, locations, and Market Participants is not included, with artificial bid numbers being employed; and,
- The Proposals highlighted in green are the successful Proposals presented by the IA to Duke for contracting.

I. DEC System Upgrade Cost Determinations

Some Proposals did not have assigned system upgrade cost in Step 2 because

- the Market Participant chose to withdraw the Proposal at the end of Step 1 or failed to provide Proposal security
- the Proposal was calculated to be above Avoided Cost at the end of Step 1, or
- the Proposal was disqualified for unique reasons, such as failing to have a valid interconnection option.¹

¹ See: IA CPRE Step 2 Report dated April 9, 2019 at page 5.

Table 1
DEC System Upgrade Costs

| BID | Minimum T&D Cost |
|-----------|--------------------|
| DEC_00-01 | \$450,000.00 |
| DEC_01-01 | \$725,000.00 |
| DEC_02-01 | \$450,000.00 |
| DEC_03-01 | \$832,000.00 |
| DEC_04-01 | \$225,000.00 |
| DEC_05-01 | \$225,000.00 |
| DEC_06-01 | \$450,000.00 |
| DEC_07-01 | \$450,000.00 |
| DEC_08-01 | \$450,000.00 |
| DEC_09-01 | \$192,000.00 |
| DEC_10-01 | \$450,000.00 |
| DEC_11-01 | \$225,000.00 |
| DEC_12-01 | \$8,867,279.46 |
| DEC_13-01 | \$11,205,470.24 |
| DEC_14-01 | \$5,521,065.99 |
| DEC_15-01 | \$5,283,834.64 |
| DEC_16-01 | \$4,544,744.32 |
| DEC_17-01 | Withdrew |
| DEC_18-01 | \$7,500,000.00 |
| DEC_19-01 | Withdrew |
| DEC_20-01 | Withdrew |
| DEC_21-01 | Above avoided cost |
| DEC_22-01 | \$15,000,000.00 |
| DEC_23-01 | \$4,000,000.00 |
| DEC_24-01 | \$15,000,000.00 |
| DEC_25-01 | \$15,000,000.00 |
| DEC_26-01 | \$20,000,000.00 |
| DEC_27-01 | \$14,000,000.00 |
| DEC_28-01 | \$40,000,000.00 |
| DEC_29-01 | \$44,000,000.00 |

| BID | Minimum T&D Cost |
|-----------|---------------------------|
| DEC_30-01 | \$20,000,000.00 |
| DEC_31-01 | Above avoided cost |
| DEC_32-01 | Above avoided cost |
| DEC_33-01 | Unique |
| DEC_34-01 | Unique |
| DEC_35-01 | Unique |
| DEC_36-01 | Unique |
| DEC_37-01 | Unique |
| DEC_38-01 | Did not post bid security |
| DEC_39-01 | Did not post bid security |
| DEC_40-01 | Did not post bid security |
| DEC_41-01 | Did not post bid security |
| DEC_42-01 | Did not post bid security |
| DEC_43-01 | Did not post bid security |
| DEC_44-01 | Did not post bid security |
| DEC_45-01 | Did not post bid security |
| DEC_46-01 | Did not post bid security |
| DEC_47-01 | Did not post bid security |
| DEC_48-01 | Did not post bid security |
| DEC_49-01 | Did not post bid security |
| DEC_50-01 | Did not post bid security |
| DEC_51-01 | Did not post bid security |
| DEC_52-01 | Did not post bid security |
| DEC_53-01 | Did not post bid security |
| DEC_54-01 | Did not post bid security |
| DEC_55-01 | Did not post bid security |
| DEC_56-01 | Did not post bid security |
| DEC_57-01 | Did not post bid security |
| | |
| Total | \$233,421,394.65 |

II. DEP System Upgrade Cost Determinations

In both DEC and DEP, the Step 2 determination of system upgrade costs was conducted starting with the best ranked proposals and proceeding until the Tranche 1 goals were met.² In DEP, the Tranche 1 goal of 80 MW was met with two projects. To be certain of having projects that would meet the Tranche 1 goal in the event the best-ranked proposals failed to proceed to contracting, a review of the next best-ranked Proposals were and then the Step 2 review was ended without establishing system upgrade costs for the remaining projects.

Table 2
DEP System Upgrade Costs

| BID | Minimum T&D Cost |
|------------|------------------|
| DEP_101-1 | \$79,000.00 |
| DEP_102-1 | \$0.00 |
| DEP_103-01 | \$89,700,000.00 |
| DEP_104-01 | \$89,700,000.00 |
| DEP_105-01 | \$73,900,000.00 |
| DEP_106-01 | Exceeded Goal |
| DEP_107-01 | Exceeded Goal |
| DEP_108-01 | Exceeded Goal |
| DEP_109-01 | Exceeded Goal |
| DEP_110-01 | Exceeded Goal |
| DEP_111-01 | Exceeded Goal |
| DEP_112-01 | Exceeded Goal |
| DEP_113-01 | Exceeded Goal |
| DEP_114-01 | Exceeded Goal |
| DEP_115-01 | Exceeded Goal |
| DEP_116-01 | Exceeded Goal |
| DEP_117-01 | Exceeded Goal |
| DEP_118-01 | Exceeded Goal |
| DEP_119-01 | Exceeded Goal |
| DEP_120-01 | Exceeded Goal |
| | |
| Total | \$253,379,000.00 |

² In DEC, the goal of 600 MW was not met.