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December 14, 2017

## **VIA ELECTRONIC FILING**

Ms. M. Lynn Jarvis, Chief Clerk North Carolina Utilities Commission 4325 Mail Service Center Raleigh, North Carolina 27699-4325

Re: Docket No. SP-5273, Sub 0

Docket No. SP-5434, Sub 0 Docket No. E-22, Sub 548

Dear Ms. Jarvis:

Enclosed for filing in the above-referenced dockets, please find Pecan Solar, LLC ("Pecan Solar"), Johannes Gutenberg Solar, LLC ("Gutenberg Solar"), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina's ("DENC" or the "Company") (collectively, the "Applicants") Joint Motion to Amend the Commission's Order Approving Transfer of Certificates Subject to Conditions issued on December 8, 2017 (the "Order").

The Joint Motion requests that the Commission amend the Order to reflect that (a) the transfer of Pecan Solar's Certificate of Public Convenience and Necessity ("CPCN") to the Company shall be effective upon closing of DENC's acquisition of the proposed 74.9 MWAC solar photovoltaic ("PV") electric generating facility that is the subject of that CPCN from Pecan Solar; (b) the transfer of Gutenberg Solar's CPCN to the Company shall be effective upon closing of DENC's acquisition of the 79.9 MWAC solar PV electric generating facility from Gutenberg Solar; and (c) that Pecan Solar and Gutenberg Solar's CPCNs remain in full force and effect until the respective closing dates when those CPCNs shall be transferred to the Company. The Applicants have also provided, as Exhibit 1 to the Joint Motion, a proposed order granting the requested relief.

Thank you for your assistance with this matter, and feel free to contact me with any questions.



Sincerely,

<u>Electronically submitted</u> s/ Molly McIntosh Jagannathan molly.jagannathan@troutman.com

**Enclosures** 

cc: Andrea R. Kells

Elizabeth D. Culpepper

David T. Drooz

# STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. SP-5273, SUB 0 DOCKET NO. SP-5434, SUB 0 DOCKET NO. E-22, SUB 548

### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. SP-5273, SUB 0	)
In the Matter of Application of Pecan Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 74.9-MW Solar Array in Northampton County, North Carolina	) ) ) ) JOINT MOTION TO AMEND ) ORDER APPROVING ) TRANSFER OF CERTIFICATES ) SUBJECT TO CONDITIONS
DOCKET NO. SP-5434, SUB 0	)
In the Matter of Application of Johannes Gutenberg Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 79.9-MW Solar Array in Northampton County, North Carolina	) ) ) ) ) )
DOCKET NO. E-22, SUB 548	, )
In the Matter of	) )
Application by Virginia Electric and Power	)
Company, d/b/a Dominion Energy North	)
Carolina, Pecan Solar, LLC, and Johannes	)
Gutenberg Solar, LLC, to Transfer the	)
Certificates of Public Convenience and	)
Necessity to Construct Solar Arrays in	)
Northampton County, North Carolina	)

Pecan Solar, LLC ("Pecan Solar"), Johannes Gutenberg Solar, LLC ("Gutenberg Solar"), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC" or the "Company") (collectively, the "Applicants"), pursuant to Commission Rule R1-7, with the consent of the Public Staff of the North Carolina Utilities Commission ("Public Staff"), respectfully move the North Carolina Utilities Commission (the

"Commission") to amend its Order Approving Transfer of Certificates Subject to Conditions issued on December 8, 2017, in the above-referenced dockets (the "Order").

In support of their Joint Motion, Applicants respectfully represent the following to the Commission:

- 1. In their Verified Joint Notice and Request for Approval to Transfer Certificates of Public Convenience and Necessity ("Verified Joint Notice"), Pecan Solar, Gutenberg Solar, and DENC jointly requested that the Commission permit the transfer of the Certificates of Public Convenience and Necessity ("CPCN") previously issued in Docket No. SP-5273, Sub 0, for Pecan Solar's planned 74.9 MW (AC) solar photovoltaic generating facility ("Pecan Facility") and in Docket No. SP-5434, Sub 0, for Gutenberg Solar's 79.9 MW (AC) solar photovoltaic generating facility ("Gutenberg Facility") (collectively, the "Facilities") from Pecan Solar and Gutenberg Solar, respectively, to the Company.
- 2. As noted in the Verified Joint Notice, on September 21, 2017, the Company executed Asset Purchase Agreements (the "APAs") with Pecan Solar and with Gutenberg Solar for their respective Facilities and related assets, whereby the Company will acquire the Facilities' assets, including the equipment, such as solar panels, tracking systems, inverters, transformers, and other associated equipment, properties and permits associated with the ground-mounted solar photovoltaic systems. The Pecan Facility acquisition is anticipated to be consummated in mid-to-late 2018 and the Gutenberg Facility acquisition is anticipated to be consummated in early to mid-2019.
- 3. While the Applicants did ask for the Commission to approve the transfer of the CPCNs prior to the closings contemplated under the APAs, they requested that the

actual transfer of the CPCNs from Pecan Solar and Gutenberg Solar to the Company be effective only upon the occurrence of the respective closings of the Company's acquisition of each of the Facilities. In other words, Applicants requested that following Commission approval of the transfer, Pecan Solar and Gutenberg Solar would remain holders of the CPCNs until each respective closing date, when the CPCNs would be reissued in the Company's name.

- 4. The Commission's December 8, 2017, Order approved the transfers of the CPCNs subject to certain conditions, but did not reflect that the transfers would not be effective until the respective closings of each of the Facilities. In the Order, the Commission cancelled Pecan Solar and Gutenberg Solar's CPCNs and directed that Docket No. SP-5273, Sub 0, and Docket No. SP-5434, Sub 0, be closed.
- 5. The Applicants respectfully request that the Commission's Order be amended to reflect that (a) the transfer of Pecan Solar's CPCN to the Company shall be effective upon closing of DENC's acquisition of the Pecan Facility; (b) the transfer of Gutenberg's CPCN to the Company shall be effective upon closing of DENC's acquisition of the Gutenberg Facility; and (c) that Pecan Solar and Gutenberg Solar's CPCNs remain in full force and effect until the respective closing dates when those CPCNs shall be transferred to the Company.
- 6. The Applicants have conferred with the Public Staff, which has indicated that it supports this Joint Motion and the amendment requested herein.
- 7. The Applicants have attached hereto as Exhibit 1, a proposed order granting the Joint Motion for the Commission's consideration.

WHEREFORE, Pecan Solar, Gutenberg Solar, and DENC respectfully request that the Commission amend the Ordering Paragraphs of its December 8, 2017, Order to read as follows:

- 1. That the transfers of the CPCNs for the Facilities are approved.
- 2. That this approval is subject to Condition Nos. 1-5 recommended by the Public Staff, as set forth in the body of this Order.
- 3. That Appendix A shall be effective as of the closing date of DENC's acquisition of the Pecan Facility ("Pecan Closing Date"), and as of the Pecan Closing Date, shall constitute the CPCN reflecting transfer of the CPCN from Pecan Solar to DENC.
- 4. That Appendix B shall be effective as of the closing date of DENC's acquisition of the Gutenberg Facility ("Gutenberg Closing Date"), and as of the Gutenberg Closing Date, shall constitute the CPCN reflecting the transfer of the CPCN from Gutenberg Solar to DENC.
- 5. That until the Pecan Closing Date, Pecan Solar will remain the holder of the CPCN for the Pecan Facility and Docket No. SP-5273, Sub 0, shall remain open until that time.
- 6. That until the Gutenberg Closing Date, Gutenberg Solar will remain the holder of the CPCN for the Gutenberg Facility and Docket No. SP-5434, Sub 0, shall remain open until that time.
- 7. That Applicants shall file with the Commission a notice of closing for each facility, promptly upon completion of each closing.

8. That Applicants shall file with the Commission a notification if anticipated closing dates are substantially delayed, the acquisitions are cancelled, or any other material change in circumstances occurs.

Respectfully submitted, this the 14<sup>th</sup> day of December, 2017.

/s/Andrea R. Kells

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Attorney for Dominion Energy North Carolina /s/Molly McIntosh Jagannathan
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Attorney for Pecan Solar LLC and Johannes Gutenberg Solar, LLC

## **CERTIFICATE OF SERVICE**

It is hereby certified that the foregoing <u>Joint Motion to Amend Order Approving</u>

<u>Transfer of Certificates Subject to Conditions</u>, filed in Docket Nos. SP-5273, Sub 0, SP-5434, Sub 0, and E-22, Sub 548, has been served this day upon all parties of record via U.S. mail, postage paid, hand delivery, or electronically.

This, the 14<sup>th</sup> day of December, 2017.

/s/Molly McIntosh Jagannathan
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Attorney for Pecan Solar LLC and Johannes Gutenberg Solar, LLC

# STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. SP-5273, SUB 0 DOCKET NO. SP-5434, SUB 0 DOCKET NO. E-22, SUB 548

### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. SP-5273, SUB 0	)	
T. d. M C	)	
In the Matter of	)	
Application of Pecan Solar, LLC, for a	)	
Certificate of Public Convenience and	)	PROPOSED ORDER
Necessity to Construct a 74.9-MW Solar	)	GRANTING MOTION TO
Array in Northampton County, North Carolina	)	AMEND ORDER APPROVING
	)	TRANSFER OF
DOCKET NO. SP-5434, SUB 0	)	CERTIFICATES SUBJECT TO
	)	CONDITIONS
In the Matter of	)	
Application of Johannes Gutenberg Solar,	)	
LLC, for a Certificate of Public Convenience	)	
and Necessity to Construct a 79.9-MW Solar	)	
Array in Northampton County, North Carolina	)	
	)	
DOCKET NO. E-22, SUB 548	)	
	)	
In the Matter of	)	
Application by Virginia Electric and Power	)	
Company, d/b/a Dominion Energy North	)	
Carolina, Pecan Solar, LLC, and Johannes	)	
Gutenberg Solar, LLC, to Transfer the	)	
Certificates of Public Convenience and	)	
Necessity to Construct Solar Arrays in	)	
Northampton County, North Carolina	)	

BY THE COMMISSION: On June 13, 2017, in Docket No. SP-5273, Sub 0, the Commission issued a certificate of public convenience and necessity (CPCN) to Pecan Solar, LLC (Pecan Solar), for the construction of a 74.9 MW<sub>AC</sub> solar photovoltaic (PV) electric generating facility in Northampton County, North Carolina (Pecan Facility).

On August 7, 2017, in Docket No. SP-5434, Sub 0, the Commission issued a CPCN to Johannes Gutenberg Solar, LLC (Gutenberg Solar), for the construction of a 79.9 MW<sub>AC</sub> solar PV electric generating facility in Northampton County, North Carolina (Gutenberg Facility).

On October 11, 2017, Pecan Solar, Gutenberg Solar (collectively, the Sellers), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC) (collectively, the Applicants), filed a verified joint notice and request for approval (Joint Notice) to transfer the CPCNs for the Pecan Facility and the Gutenberg Facility (collectively, the Facilities) to DENC.

According to the Joint Notice, DENC plans to acquire the Facilities and their associated rights and assets and to sell the entire energy output of the Facilities into the PJM Interconnection, LLC (PJM) market, and 100% of the renewable energy certificates (RECs) and environmental attributes (EAs) to a third-party customer (Customer) that is currently served by DENC.

The Public Staff included this matter as an item on the Staff Conference Agenda for the Commission's Regular Staff Conference scheduled to be held on December 11, 2017. The Commission's Regular Staff Conference scheduled for December 11, 2017 was subsequently cancelled.

On December 8, 2017, the Commission issued an Order Approving Transfer of Certificates Subject to Certain Conditions (December 8 Order) approving the proposed transfer of the CPCNs for the Facilities from the Sellers to DENC as proposed in the Joint Notice, subject to the following conditions recommended by the Public Staff:

- (Accounting Conditions) DENC shall utilize appropriate mechanisms in its
  accounting system and internal controls to identify, capture, and report all costs
  associated with the Facilities in sufficient detail such that these costs are
  excluded from its North Carolina retail cost of service.
- 2. (Cost of Service Conditions) DENC shall allocate system level costs, excluding the costs associated with the Facilities, to the Customer such that DENC's ownership and operation of the Facilities will have no impact on the costs allocated to North Carolina retail operations. This allocation procedure shall be used consistently in all DENC general rate case and rider proceedings such that there will be no impact on DENC's North Carolina retail ratepayers as a result of DENC's ownership or operation of the Facilities.
- 3. (Fuel Cost Conditions) DENC shall exclude from its fuel factor calculations any impacts of the Facilities on total system energy volumes and system fuel costs such that DENC's ownership of the Facilities will have no impact on its North Carolina retail fuel factors.
- 4. (REPS Conditions) DENC shall transfer all of the RECs earned by the Facilities to the Customer, shall not apply the RECs associated with the Facilities to its own REPS compliance obligation, and shall not seek to recover any costs associated with providing this service to the Customer from its North Carolina retail cost of service.
- 5. (Reporting Conditions) Upon commencing operation of the Facilities, and annually thereafter, DENC shall file documentation in conjunction with its annual cost of service filings showing that DENC's North Carolina ratepayers

are held harmless from any impacts resulting from DENC's ownership and operation of the Facilities.

To its December 8 Order, the Commission attached Appendix A as the CPCN reflecting the transfer of the CPCN from Pecan Solar to DENC and Appendix B as the CPCN reflecting the transfer of the CPCN from Gutenberg Solar to DENC. In the ordering paragraphs, the Commission also cancelled Pecan Solar and Gutenberg Solar's CPCNs and directed that Docket No. SP-5273, Sub 0, and Docket No. SP-5434, Sub 0, be closed.

On December 14, 2017, the Applicants filed a joint motion to amend the December 8 Order (Motion). In support of their Motion, Applicants noted that as stated in the Joint Notice, on September 21, 2017, the Company executed Asset Purchase Agreements (the APAs) with Pecan Solar and with Gutenberg Solar for their respective Facilities and related assets, whereby the Company will acquire the Facilities' assets, including the equipment, such as solar panels, tracking systems, inverters, transformers, and other associated equipment, properties and permits associated with the ground-mounted solar photovoltaic systems. According to the Joint Notice and Motion, the acquisition of the Pecan Facility is anticipated to be consummated in mid-to-late 2018 and the acquisition of the Gutenberg Facility is anticipated to be consummated in early to mid-2019.

In their Motion, Applicants stated that they did request in their Joint Notice for the Commission to approve the transfer of the CPCNs prior to the closings contemplated under the APAs, but also requested in the Joint Notice that the actual transfer of the CPCNs from Pecan Solar and Gutenberg Solar to DENC be effective only upon the occurrence of the respective closings of the Company's acquisition of each of the Facilities. In other words, Applicants requested that following Commission approval of the transfer, Pecan Solar and

Gutenberg Solar would remain holders of the CPCNs until each respective closing date, when the CPCNs would be reissued in the Company's name.

As the Applicants point out in their Motion, the Commission's December 8 Order did not reflect that the transfers would not be effective until the respective closings of each of the Facilities. The Applicants therefore requested that the Commission's December 8 Order be amended to reflect that (a) the transfer of Pecan Solar's CPCN to the Company shall be effective upon closing of DENC's acquisition of the Pecan Facility; (b) the transfer of Gutenberg's CPCN to the Company shall be effective upon closing of DENC's acquisition of the Gutenberg Facility; and (c) that Pecan Solar and Gutenberg Solar's CPCNs remain in full force and effect until the respective closing dates when those CPCNs shall be transferred to the Company. In the Motion, the Applicants noted that they conferred with the Public Staff, which has indicated that it supports this Motion and the amendment requested therein.

For the reasons stated in the Joint Notice and the Motion and for good cause shown, the Commission hereby grants the Motion and amends the December 8 Order such that the ordering paragraphs read as follows:

### IT IS, THEREFORE, ORDERED as follows:

- 1. That the transfers of the CPCNs for the Facilities are approved.
- 2. That this approval is subject to Condition Nos. 1-5 recommended by the Public Staff, as set forth in the body of this Order.
- 3. That Appendix A shall be effective as of the closing date of DENC's acquisition of the Pecan Facility (Pecan Closing Date), and as of the Pecan Closing Date, shall constitute the CPCN reflecting transfer of the CPCN from Pecan Solar to DENC.

- 4. That Appendix B shall be effective as of the closing date of DENC's acquisition of the Gutenberg Facility (Gutenberg Closing Date), and as of the Gutenberg Closing Date, shall constitute the CPCN reflecting the transfer of the CPCN from Gutenberg Solar to DENC.
- 5. That until the Pecan Closing Date, Pecan Solar will remain the holder of the CPCN for the Pecan Facility and Docket No. SP-5273, Sub 0, shall remain open until that time.
- 6. That until the Gutenberg Closing Date, Gutenberg Solar will remain the holder of the CPCN for the Gutenberg Facility and Docket No. SP-5434, Sub 0, shall remain open until that time.
- 7. That Applicants shall file with the Commission a notice of closing for each facility, promptly upon completion of each closing.
- 8. That Applicants shall file with the Commission a notification if anticipated closing dates are substantially delayed, the acquisitions are cancelled, or any other material change in circumstances occurs.

NORTH CAROLINA UTILITIES COMMISSION