



March 16, 2022

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

Re: Docket No. E-100, Sub 178
In the Matter of: Rulemaking Proceeding to Implement Performance
Based Regulation of Electric Utilities
CCEBA's Letter in Lieu of Comments on Commission Questions
Related to CPCNs

Dear Ms. Dunston,

The Carolinas Clean Energy Business Association ("CCEBA"), Intervenor in the above docket, did not actively participate in the prior rulemaking proceedings of this docket. Nevertheless, CCEBA has reviewed the North Carolina Utilities Commission's Order Adopting Rule 1-17B and the three questions regarding certificates of public convenience and necessity ("CPCN") on which the Commission requested further comment. CCEBA respectfully requests that the Commission accept this letter in lieu of more extensive comments.

CCEBA has also had the opportunity to review the joint comments filed in response to those questions by Carolina Utility Customers Association, Inc. ("CUCA") and the Carolina Industrial Group for Fair Utility Rates I, II, and III ("CIGFUR") as well as the comments filed by the North Carolina Sustainable Energy Association ("NCSEA"). Those comments and responses are well-taken.

In response to Question I – *Whether the Commission may approve cost recovery within a multi-year rate plan ("MYRP") for capital projects for which a CPCN is required but has not been granted as of the date the performance-based regulation ("PBR") application is approved* – CCEBA shares the concerns of CUCA, CIGFUR and NCSEA that such approval would be based on speculative assessments and not on

Carolinas Clean Energy Business Association
811 Ninth Street, Suite 120-158 // Durham, NC // 27705
(919) 306-6906 – counsel@Carolinasceba.com

projects which “will be used and useful during the rate year” as required by N.C. Gen. Stat. § 62-133.16(c).

On this question, CCEBA notes that the timeline of recent projects would not be compatible with their inclusion in MYRPs where CPCNs have not yet been obtained. Several CCEBA members have recently been notified that they are successful bidders for Tranche 2 projects through the Competitive Procurement of Renewable Energy (“CPRE”) process but have also been informed that the in-service dates for those projects will be significantly delayed, sometimes by years, due to necessary network upgrades. These delays are expected to continue with projects in the Transitional Cluster as well. While CCEBA and its members continue to work with Duke Energy in shortening these timelines and resolving difficulties with individual projects, it is difficult to see how such endemic delays could reasonably allow projects without a CPCN and with an uncertain in-service date to be included in a MYRP that requires a capital project to be “used and useful during the rate year.”

On Question II – *If a capital project is approved for cost recovery in an approved PBR application and a CPCN has not been granted, whether the approval of the project in the PBR application be considered in the CPCN approval process* – CCEBA shares the perspective of CIGFUR, CUCA and NCSEA that the CPCN process and the analysis of cost-recovery in a PBR application are separate and distinct processes which should not be conflated.

Finally, CCEBA in particular agrees with NCSEA that Question III - *whether a PBR Application could request cost recovery for capital projects for which a party other than the utility would be applying for the CPCN* – is not ripe yet, for the reasons set forth in NCSEA’s comments. CCEBA looks forward to working with all stakeholders as the procurement process under the Carbon Plan is developed and believes the Commission’s question is best addressed in context once the process by which the utility will purchase third-party-developed projects is more defined.

CCEBA respectfully reserves the right to file reply comments in this docket upon review of additional comments filed by other parties. A copy of this letter is being served upon all parties to this docket via email.

Respectfully submitted,

/s/John D. Burns
General Counsel
Carolinas Clean Energy Business Association
NC Bar No. 24152

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811 Ninth Street, Suite 120-158 // Durham, NC // 27705
(919) 306-6906 – counsel@Carolinasceba.com