

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 113
DOCKET NO. E-100, SUB 121

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 113)	
)	
In the Matter of)	
Rulemaking Proceeding to Implement)	ORDER PROPOSING RULES AND
Session Law 2007-397)	REQUESTING COMMENTS
)	
DOCKET NO. E-100, SUB 121)	
)	
In the Matter of)	
Implementing a Tracking System for)	
Renewable Energy Certificates Pursuant)	
to Session Law 2007-397)	

BY THE COMMISSION: On February 29, 2008, the Commission issued an Order Adopting Final Rules in Docket No. E-100, Sub 113, in which it, among other things, found and concluded that a third party renewable energy certificate (REC) tracking system would assist the Commission in tracking the creation, retirement and ownership of RECs for compliance with Session Law 2007-397 (Senate Bill 3). On September 4, 2008, the Commission issued an Order Establishing Process for Defining REC Tracking System Requirements and Selecting a Provider in Docket No. E-100, Sub 121. On October 19, 2009, the Commission issued a Request for Proposals (RFP) for the North Carolina Renewable Energy Tracking System (NC-RETS). Two proposals were timely received by the December 15, 2009 deadline established in the Commission's RFP. The Commission anticipates that it will select a vendor to develop, implement and operate NC-RETS by approximately February 1, 2010, and that NC-RETS will be operational by July 1, 2010.

The Commission finds that, in order for NC-RETS to accurately track compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) established by Senate Bill 3, it is imperative that all electric power suppliers and renewable energy facility owners participate by providing compliance-related data to NC-RETS. Therefore, the Commission finds good cause to propose new rules that establish requirements for participating in and paying for NC-RETS. Lastly, the Commission intends to continue the NC-RETS stakeholder group to consider the on-going needs of users and future system upgrades or enhancements, and invites future NC-RETS users and other interested entities to participate.

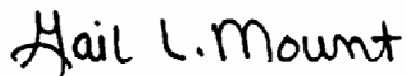
IT IS, THEREFORE, ORDERED as follows:

1. That parties may file comments regarding the proposed renewable energy certificate tracking system rules, attached as Appendix A, on or before February 19, 2010;
2. That future NC-RETS users and other interested entities may participate in the NC-RETS stakeholder group by contacting Commission staff member Kimberly Jones at kjones@ncuc.net; and
3. That the Chief Clerk shall mail a copy of this Order to all electric power suppliers, renewable energy facilities and new renewable energy facilities.

ISSUED BY ORDER OF THE COMMISSION.

This the 27th day of January, 2010.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink that reads "Gail L. Mount". The signature is written in a cursive, slightly stylized font.

Gail L. Mount, Deputy Clerk

Commissioner William T. Culpepper, III, did not participate in this decision.

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Commission Rule R8-67. Renewable Energy and Energy Efficiency Portfolio Standard (REPS)

...

(h) Renewable Energy Certificate Tracking System

- (1) Each electric power supplier shall participate in the REC tracking system established by the Commission and shall provide REPS compliance data to the system, which data may be audited by the Public Staff and the Commission to verify REPS compliance. Municipalities and electric membership corporations may elect to have their compliance data reported by a third party.
- (2) Each renewable energy facility and new renewable energy facility shall participate in a REC tracking system and facilitate the transfer of production data to such tracking system for the creation, tracking, and retirement of RECs. Multi-fuel facilities shall calculate on a monthly basis the percentage of their energy output that is attributable to qualifying fuels. Such facilities shall retain documentation verifying those calculations for audit by the Public Staff. Multi-fuel facilities shall monthly provide the results of the calculations to the REC tracking system. The REC tracking system shall create appropriate RECs only for the qualifying portion of the multi-fuel facility's energy output.
- (3) Each balancing area operator shall provide, at least monthly, electric generation production data to the REC tracking system for renewable and new renewable energy facilities that are interconnected to the operator's electric transmission system. Such balancing area operator shall retain documentation verifying the production data for audit by the Public Staff.
- (4) Each electric power supplier that has renewable energy facilities and new renewable energy facilities interconnected with its electric distribution system, and that routinely reads the electric generation production meters for those facilities, shall provide, at least monthly, the facilities' production data to the REC tracking system. Such electric power supplier shall retain documentation verifying the production data for audit by the Public Staff.
- (5) A renewable energy facility or new renewable energy facility that produces thermal energy that qualifies for RECs shall self-report to the REC tracking system the facility's qualifying thermal output at least once a year. Such facilities shall retain documentation verifying the production data for audit by the Public Staff.

- (6) A renewable energy facility or new renewable energy facility that self-reports its production data pursuant to Commission Rule R8-67(g)(3) shall self-report its output to the REC tracking system at least once a year. Such facilities shall retain documentation verifying the production data for audit by the Public Staff.
- (7) The owner of an inverter-based solar photovoltaic system with a nameplate capacity of 10 kW or less may estimate its output using generally accepted analytical tools pursuant to Commission Rule R8-67(g)(2). Such a facility shall self-report its output to the REC tracking system at least once a year. Such facilities shall retain documentation verifying their production data for audit by the Public Staff.
- (8) All energy production and fuel data provided to the tracking system, including underlying calculations and estimates, shall be retained by the facility's owner and made available to the Public Staff for audit for at least ten (10) years.
- (9) Each electric power supplier that complies with REPS by implementing energy efficiency and/or demand side management programs shall use the REC tracking system to track the forecasted and verified energy savings of those programs.
- (10) Each participant in the REC tracking system established by the Commission shall pay the REC tracking system administrator for REC tracking system services according to the following fee schedule:
 - a. \$0.01 for each REC exported to an account residing in a different REC tracking system.
 - b. \$0.01 for each REC retired for reasons other than compliance with North Carolina's REPS.
 - c. All other Commission-approved costs of developing and operating the REC tracking system shall be allocated among all electric power suppliers based upon their relative megawatt-hours of electricity sales in North Carolina in the previous calendar year.