

McGuireWoods LLP
501 Fayetteville St.
Suite 500
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

E. Brett Breitschwerdt
Direct: 919.755.6563

McGUIREWOODS

bbreitschwerdt@mcguirewoods.com

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Aug 17 2021

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VIA Electronic Filing

Ms. Antonia Dunston, Interim Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

*Re: Petition for Approval of Revisions to Generator Interconnection Standards
Docket No. E-100, Sub 101*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding is *Duke Energy Carolinas, LLC and Duke Energy Progress, LLC Petition for Approval of Limited Modifications to the North Carolina Interconnection Procedures to Expand Transitional Cluster Study Eligibility.*

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/E. Brett Breitschwerdt

EBB:kjg

Enclosure

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition for Approval of Revisions to Generator Interconnection Standards) DUKE ENERGY CAROLINAS, LLC
) AND DUKE ENERGY PROGRESS, LLC
) PETITION FOR APPROVAL OF
) LIMITED MODIFICATIONS TO THE
) NORTH CAROLINA
) INTERCONNECTION PROCEDURES
) TO EXPAND TRANSITIONAL
) CLUSTER STUDY ELIGIBILITY

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”, together with DEC the “Companies”), and hereby respectfully petition the North Carolina Utilities Commission (“Commission”) for approval of limited modifications to North Carolina Interconnection Procedures (“NCIP”) § 1.10.2.1(d), as presented in Attachment 1 to this Petition. The proposed modifications would allow an Interconnection Customer that is in the current interconnection queue as of the Effective Date of the queue reform revisions of the NCIP to be eligible to enter the Section 1.10.2 Transitional Cluster Study process if the Interconnection Customer has been issued a certificate of public convenience and necessity (“CPCN”) or has submitted an offer into a new Resource Solicitation Process prior to the close of the 60-day Transitional Cluster enrollment window.

The Companies have contacted the parties of record to this docket and have been authorized to represent that the North Carolina Sustainable Energy Association does not

object to the requested modifications described above and as set forth herein. Strata Solar takes no position on the requested modifications. Carolinas Clean Energy Business Association and the Public Staff have advised that they plan to file comments on the proposed modifications in the near future.

In light of the planned opening of the queue reform transition process on September 1, 2021, the Companies respectfully request a Commission order on this Petition on or before September 1, 2021, if feasible, and, if not feasible, as early as practicable within the 60-day Transitional Cluster enrollment window.

In support of this Petition, the Companies respectfully show the Commission the following:

BACKGROUND

1. The Commission has jurisdiction over the physical interconnection of generating facilities to the Companies' systems pursuant to North Carolina law and certain federal regulations, *see* N.C. Gen. Stat. § 62-133.8(i)(4); 18 C.F.R. §§ 292.306, 292.308, and has established the NCIP and its associated forms and agreements through the above-captioned proceeding to govern state-jurisdictional generator interconnections. On June 14, 2019, the Commission issued an order significantly revising the NCIP.¹

2. On October 15, 2020, the Commission issued its *Order Approving Queue Reform*. The *Order Approving Queue Reform* recognized that both the Public Service Commission of South Carolina ("PSCSC") and the Federal Energy Regulatory Commission ("FERC") must approve queue reform in order for cluster studies to be implemented in the Carolinas. The Commission advised that it would issue an order

¹ *Order Approving Revised Interconnection Standard and Requiring Reports and Testimony*, Docket No. E-100, Sub 101 (June 14, 2019).

subsequent to the approval of the queue reform proposal in the other jurisdictions establishing the effective date of the new revised NCIP.

3. The Companies have now obtained PSCSC and FERC approval of complementary queue reform procedures, and, on August 11, 2021, the Companies filed a motion to implement queue reform effective August 20, 2021. That motion is pending before the Commission.

REQUEST FOR LIMITED MODIFICATIONS

4. Subsequent to the *Order Approving Queue Reform*, the Companies have continued to engage with stakeholders as part of the South Carolina and FERC queue reform approval proceedings. These regulatory approval processes have delayed queue reform implementation in North Carolina. This delay has created concerns for some newer Interconnection Customer-stakeholders that they would not be able to meet the Transitional Cluster Study eligibility requirements. Due to the passage of time and the need to initiate a new competitive procurement of renewable energy (“CPRE”) Tranche 3 in the near future, the Companies have also determined that the Transitional Cluster Study process may be needed to accomplish the CPRE Tranche 3 generator interconnection studies depending on the timing of issuance and certain other factors. Accordingly, to address these concerns, the Companies have determined that two additional revisions to the NCIP are necessary to equitably expand eligibility for Interconnection Customers seeking to enter into the Section 1.10.2 Transitional Cluster Study.

5. The first limited amendment expands Transitional Cluster Study eligibility in Section 1.10.2.1(d) to allow an Interconnection Customer that is in the queue as of the

effective date of the revised NCIPs to enter Transitional Cluster if it receives a CPCN issued by the Commission on or before the close of the 60-day transitional process enrollment window under Section 1.1.3. Attachment 1 to this Petition includes a redline of Section 1.10.2.1 of the revised NCIP to add new subsection, 1.10.2.1(d)(iv), which provides this fourth avenue for Interconnection Customers to meet the eligibility requirements to enter into the Transitional Cluster Study. The Companies believe that an approved CPCN reasonably demonstrates initial readiness for purposes of the Transitional Cluster Study even in the absence of a legally enforceable obligation. The Companies also believe this requirement reasonably addresses the impediment that some Interconnection Customers have raised with Section 1.10.2.1(d)(i) regarding the inability of certain more recent Interconnection Customers to execute a Commission-approved notice of commitment form, as a result of interdependencies and delays experienced in the interconnection queue, impeding them from proceeding into System Impact Study.

6. The second proposed revision to the revised NCIP would also expand eligibility for participation in the Transitional Cluster Study by revising NCIP § 1.10.2.1(d)(ii) to enable a new Resource Solicitation Process to potentially be implemented as part of the Transitional Cluster Study. Currently, NCIP § 1.10.2.1(d)(ii) allows an Interconnection Customer to be eligible for the Transitional Cluster Study if the Interconnection Customer “has received a contract award in a Resource Solicitation Process.” The proposed revision would allow an Interconnection Customer that is “offering to sell its output through a Resource Solicitation Process” to meet the eligibility requirements for participation in the Transitional Cluster Study. This proposed revised language is also included in Attachment 1.

7. This revision aligns Transitional Cluster eligibility with the Readiness Milestone 1 and Readiness Milestone 2 at NCIP § 4.4.10.1 and NCIP § 4.4.10.2, respectively, for the Definitive Interconnection System Impact Study process, as those Milestones allow an Interconnection Customer “offering to sell its output through a Resource Solicitation Process” to meet these early Readiness Milestones. Allowing a future overlapping Resource Solicitation Cluster to be incorporated into the Transitional Cluster study process may be beneficial depending upon the timing of CPRE Tranche 3.

8. The Companies believe that this expanded Transitional Cluster Study eligibility is balanced and equitable because all Interconnection Customers will be required to provide a supplemental deposit and become subject to a withdrawal penalty to enter Phase 2 (NCIP § 1.10.2.3) and also demonstrate definitive readiness by the end of Phase 2 to proceed to Facilities Study (NCIP § 1.10.2.5). These requirements help ensure that all projects that are ultimately proceeding in the Transitional Cluster Study beyond the initial Phase 1 study are fully committed.

UPDATE ON TRANSITION PROCESS AND REQUEST FOR APPROVAL

9. On August 13, 2021, five business days after receiving FERC approval of queue reform, the Companies held a stakeholder meeting to update queue reform stakeholders and Interconnections Customers on the planned transition process. At that meeting, the Companies explained the two proposed, limited modifications to NCIP § 1.10.2.1(d) that would expand Transitional Cluster eligibility. The Companies also explained that they are tentatively planning to send written notice to Interconnection Customers on September 1, 2021, to initiate the transition, as required under NCIP § 1.1.3. The written notice would trigger the 60-day transition period for all North

Carolina interconnection customers to commit to the readiness, security and other requirements to proceed, as applicable, in the Transitional Serial or Transitional Cluster Study process or to withdraw their Interconnection Request.²

10. Based on the foregoing, the Companies respectfully request Commission approval of the limited modifications to NCIP § 1.10.2.1(d) by September 1, 2021, if feasible, in order to provide all Interconnection Customers certainty of the Transitional Cluster eligibility requirements for the entirety of the 60-day transition period. If Commission approval by September 1, 2021, is not feasible, then Commission approval of the modifications would be required in advance of the close of the 60-day transition period to allow Interconnection Customers to make business decisions regarding eligibility for Transitional Cluster, and the Companies respectfully request the Commission approve the Petition as early as practicable within the 60-day Transitional Cluster enrollment window.

WHEREFORE, based upon the foregoing, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request the Commission authorize the limited modifications to NCIP § 1.10.2.1(d) as proposed in Attachment 1.

² The Companies will provide written notice and implement the transition process on the same timeframe for FERC and South Carolina Interconnection Customers.

Respectfully submitted, this the 17th day of August, 2021.

/s/E. Brett Breitschwerdt

Jack E. Jirak
Deputy General Counsel
Duke Energy Corporation
P.O. Box 1551/NCRH 20
Raleigh, North Carolina 27602
(919) 546-3257
Jack.Jirak@duke-energy.com

E. Brett Breitschwerdt
Nicholas A. Dantonio
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
EBB Telephone: (919) 755-6563
NAD Telephone: (919) 755-6605
bbreitschwerdt@mcguirewoods.com
ndantonio@mcguirewoods.com

*Counsel for Duke Energy Carolinas,
LLC and Duke Energy Progress, LLC*

1.10.2 Transitional Cluster Study Process.

An Interconnection Customer with an assigned Queue Position prior to the effective date of the Revised Standard, may opt to enter the Transitional Cluster Study if the Interconnection Customer meets the requirements in Section 1.10.2.1 and provides written notice to the Utility pursuant to the process established in Section 1.1.3. All Interconnection Customers who enter the Transitional Cluster Study process shall be considered to have an equal Queue Position, and their identified Upgrade costs shall be allocated according to Section 4.4.4 of this Revised Standard. The Transitional Cluster Study costs shall be allocated according to the method described in Section 4.4.3.

1.10.2.1 A Transitional Cluster Study general informational meeting open to all eligible Interconnection Customers shall be held within thirty (30) calendar days of the effective date of Revised Standard. To join the Transitional Cluster Study, an Interconnection Customer must meet all of the following requirements within the timeframe prescribed in Section 1.1.3:

- a) Execute a Transitional Cluster Study Agreement;
- b) Make a supplemental Interconnection Request study deposit, if necessary, to increase the Interconnection Customer's total study deposit to equal the amount required under Section 1.5.1.2 of the Revised Standard;
- c) Affirm that it has exclusive site control for the entire Generating Facility and all required Interconnection Facilities to the Point of Interconnection to the Utility's System; and
- d) Provide one of the following:
 - i. A contract, binding upon the parties to the contract, or reasonable evidence that the Interconnection Customer has established a legally enforceable obligation binding upon the Interconnection Customer, for sale of the Generating Facility's energy to the Utility, where the term of sale is not less than five (5) years; or
 - ii. Reasonable evidence that the Generating Facility is included in a Utility's Resource Plan or has received a contract award in contract is offering to sell its output through a Resource Solicitation Process; or
 - iii. Reasonable evidence that the Interconnection Customer's Interconnection Request was accepted by the Utility and its Queue Position was initially established at least 365 days prior to the Utility's initiation of the Transitional Cluster Study pursuant to Section 1.1.3; or
 - iv. Reasonable evidence that the Interconnection Customer has received a certificate of public convenience and necessity, if required, for the construction of its Generating Facility.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Duke Energy Carolinas, LLC and Duke Energy Progress, LLC Petition for Approval of Limited Modifications to the North Carolina Interconnection Procedures to Expand Transitional Cluster Study Eligibility, as filed in Docket No. E-100, Sub 101, was served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 17th day of August, 2021.

/s/E. Brett Breitschwerdt

E. Brett Breitschwerdt
McGuireWoods LLP
501 Fayetteville Street, Suite 500
PO Box 27507 (27611)
Raleigh, North Carolina 27601
Telephone: (919) 755-6563
bbreitschwerdt@mcguirewoods.com

*Attorney for Duke Energy Carolinas, LLC
and Duke Energy Progress, LLC*