Mount, Gail **OFFICIAL COPY**

From: Lexie Wolf [lexiewolf@yahoo.com]
Sent: Wednesday, October 30, 2013 2:04 PM
To: Statements
Subject: Intent of purpa - reduce reliance on fossil fuels

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Clerk's Office
N.C. Utilities Commission

E-100 SUB 136

To whom it may concern,

I am writing to ask that you support renewable energy industry and Qualifying Facilities. We want independent development of renewable energy, in addition to utility owned facilites.

We support a methodology for determining Avoided Cost Rate payments, that takes into account the value of water (all fossil fueled and nuke plants use water for both generation and cooling purposes, and are thus vulnerable to drought induced water shortages, whereas solar and wind qf's use no water in their generation process), emission free electricity, and elimination of fuel volatility risk, in addition to the currently adopted criteria. None of these three items are currently recognized as having financial value by using the only the peaking power plant, Combustion Turbine methodology, as put forth by Duke Energy testimony. We support the VOS (Value of Solar)methodology as put forth by RMI (Rocky Mountain Institute) as an industry acceptable method to account for the value that solar brings to the grid.

"....the objective of Purpa is clear - to encourage the development of the QF (qualifying facility, as defined by FERC-see above) in order to reduce the reliance on fossil fuels." the US Supreme Court has recognized this legislative intent. - testimony from John Morrison, COO Strata Solar

Duke ACR testimony puts forth nothing that focusses on fossil fuel reduction, either directly or indirectly.

There is a fundamental issue of fairness that we are asking the commission to address through the ACR hearing. Utilities can recover 100% of their capital costs associated with construction of renewable energy facilities and make a guaranteed profit of 10-12% as stipulated by the commission; these costs are covered in the base rate all consumers pay for all their electricity. Independent qf developers, however, can ONLY recover capital costs and profit thereon through the avoided cost rate payment schedule. We contend that a similar solar facility paid for through ACR reimbursements cannot be simultaneously burdensome to the rate payer, but not so if included in the rate payer's base rate.
Duke Energy is not contending their internally owned solar facilities are burdensome to the rate payer. Therefore, we do not believe ACR rates at least equal to those paid in the last two years to be burdensome to the rate payer.

We support raising the Performance Adjustment Factor to 2, from 1.2 for all solar and wind facilities, as it currently is for small hydro facilities.

We support fairness, financial viability, emission free generation, and independent development of Qualifying Facilities in NC.

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Thankyou,

Lexie Wolf