

STATE OF NORTH CAROLINA UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	SUPPLEMENTAL COMMENTS OF
Petition for Approval of Revisions)	CAROLINAS CLEAN ENERGY
to Generator Interconnection)	BUSINESS ASSOCIATION
Standards)	REGARDING DUKE ENERGY'S
)	PETITION FOR APPROVAL OF
)	LIMITED MODIFICIATIONS TO
)	NORTH CAROLINA
)	INTERCONNECTION PROCEDURES
)	

I. INTRODUCTION

Pursuant to its motion filed herewith, the Carolinas Clean Energy Business Association (“CCEBA”) files these Supplemental Comments addressing issues related to the Petition for Approval of Limited Modifications to North Carolina Interconnection Procedures (“NCIP”) filed on August 17, 2021 (“Petition”). CCEBA submits these comments in response to the series of stakeholder proceedings and ongoing negotiations with Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together “Duke” or “the Companies”) as well as the Public Staff and other stakeholders. Further, in CCEBA’s Petition to Initiate Resource Solicitation Cluster for CPRE Tranche 3, filed concurrently with this Motion in Dockets E-2, Sub 1159 and E-7, Sub 1157 (“RSC Petition”), CCEBA proposes an alternative structure for Competitive Procurement of Renewable Energy (“CPRE”) Tranche 3 (“Tranche 3”) that it submits will accomplish Duke Energy’s goals while maintaining fairness and equity for market participants and avoiding certain challenges inherent in the incorporation of Tranche 3 in the Transitional

Cluster Study process. CCEBA files these Supplemental Comments in order to explain the relationship between the CCEBA petition being filed in the CPRE dockets and Duke's Petition made in the present proceeding.

II. BACKGROUND

In its Petition, Duke stated that it planned to open the Queue Reform Transitional process on September 1, 2021. The Petition proposed limited modifications to the NCIP that would allow an Interconnection Customer that is in the current interconnection queue as of the August 20, 2021 effective date of the queue reform revisions 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, or is offering to sell its output through a Resource Solicitation Process before the close of the 60-day Transitional Cluster enrollment window. Duke asserted that the modifications requested in the Petition were required in order for Duke to conduct a new Tranche 3 request for proposal solicitation ("RFP") under the CPRE as part of the Transitional Cluster Study process.

Pursuant to the Commission's August 30, 2021 *Order Requesting Comments*, CCEBA filed its initial comments on September 8, 2021. Those comments were generally supportive of the concept of aligning CPRE Tranche 3 with the Transitional Cluster Study process. However, CCEBA requested that the eligibility window for Tranche 3 be held open for a brief period to allow for the participation of potential bidders that were not yet in the queue as of the August 20, 2021 date proposed by Duke. CCEBA also requested certain modifications to the timing and participation requirements of Duke's proposed process.

Subsequently, in Reply Comments filed on September 22, 2021, through direct conversations, and through stakeholder meetings held on September 17, 2021 and on September 24, 2021, Duke has not agreed to extend the eligibility window for Tranche 3 beyond August 20, 2021. CCEBA understands Duke's position to be that such an accommodation would require changes to filings already filed with the Federal Energy Regulatory Commission ("FERC") and this Commission. Duke has stated that such changes would disrupt the timing and application of the Transitional Cluster Study process applicable to North Carolina, South Carolina, and FERC-jurisdictional projects.

In response to CCEBA's comments and proposals, Duke has maintained that there are only two options available for implementation of Tranche 3 of CPRE: (1) through the Transitional Cluster Process changes proposed in its Petition, or (2) as part of the Definitive Interconnection System Impact Study ("DISIS") process scheduled to begin in the fourth quarter of 2022. CCEBA has identified a third potential solution in its RSC Petition which it files simultaneously with these Comments.

III. DISCUSSION

To address the concerns described above, and in a good faith effort to resolve the issues raised by Duke, the IA, and Public Staff, CCEBA has identified a third option, as presented in its RSC Petition. CCEBA proposes the commencement of Tranche 3 of CPRE through a dedicated Resource Solicitation Cluster, as authorized by NCIP Section 4.4.2. As outlined in CCEBA's Petition, this Resource Solicitation Cluster would be open to any interested potential bidder that had submitted an interconnection request prior to the close of the RFP bidding window, and would result in a CPRE Step 1 and 2 evaluation process substantially similar to the successful processes completed for prior

CPRE tranches, including PPA awards and execution prior to the beginning of the DISIS study process.

CCEBA's proposed process will expand the scope of CPRE participation, to the benefit of ratepayers, will resolve the difficulties presented to potential bidders by the increased financial security required for participation in Phase 2 of the Transition Cluster Study before knowing whether or not they have been awarded a CPRE PPA, and will not require any modification to the NCIP, the South Carolina General Interconnection Procedures, or FERC tariffs. In short, the Resource Solicitation Cluster proposal achieves the best attributes of Duke's Transitional Cluster process, which would meet CCEBA's prior expressed preference for CPRE's next tranche to proceed immediately and not be deferred, without the limitations and challenges presented by Duke's proposal.

CCEBA notes that Duke has not filed an analogous Petition for Modification with the SC PSC requesting expansion of the TCS eligibility requirements to accommodate Tranche 3. As a result, it appears that projects located in South Carolina would not be eligible for TCS, or for Tranche 3, unless they meet the existing eligibility requirements to enter TCS which, as Duke acknowledges in its Petition for Modification, will exclude potential Tranche 3 participants.¹ This exclusion of South Carolina projects would result in a diminished applicant pool for Tranche 3, to the likely detriment of ratepayers. Excluding South Carolina projects would also be contrary to structure of Tranches 1 and 2 and the reasonable expectations of potential CPRE bidders, particularly given that Duke's 2020 CPRE Update filed in Docket E-100 Sub 165 did not indicate that Duke

¹ Petition for Modification, p. 3.

planned to deviate from its prior practice of allowing both North Carolina and South Carolina projects to participate in CPRE.

As explained in the RSC Petition, CCEBA's proposal for the implementation of Tranche 3 via a Resource Solicitation Cluster may be carried out without any modification to the existing NCIP. Accordingly, CCEBA submits that its Petition, if granted, would moot the Petition for modification of the NCIP filed by Duke in this docket.

If the Commission ultimately denies CCEBA's Petition, however, CCEBA stresses that implementation of Tranche 3 via the Transitional Cluster, assuming that South Carolina projects are able to participate on equal terms, is far preferable to the significant delays that would result from implementing Tranche 3 through DISIS. CCEBA discusses the reasons for this preference in its Petition. So as between proceeding with Duke's proposed Transitional Cluster process or through a later inclusion in DISIS, CCEBA strongly supports the earlier and faster Transitional Cluster process as described in the RSC Petition.

Respectfully submitted, this 5th day of October, 2021.

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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing filing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 5th day of October, 2021.

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