

**BEFORE THE  
NORTH CAROLINA UTILITIES COMMISSION  
RALEIGH, NORTH CAROLINA**

**PITT SOLAR, LLC  
DOCKET NO. EMP-102, SUB 1**

**PRE-FILED REPLY TESTIMONY**

**OF**

**LINDA NWADIKE**

**IN RESPONSE TO SUPPLEMENTAL TESTIMONY  
OF PUBLIC STAFF WITNESS DUSTIN R. METZ  
FILED ON JULY 7, 2021**

**JULY 22, 2021**

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**INTRODUCTION**

**Q1. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS, AND WHETHER YOU HAVE PREVIOUSLY OFFERED TESTIMONY IN THIS DOCKET.**

A1. My name is Linda Nwadike. I am the Director of Permitting and Community Relations for SunEnergy1, LLC (“SunEnergy1” or the “Company”), the parent and an affiliate of the Applicant Pitt Solar, LLC (“Pitt Solar” or “Applicant”). I previously filed direct and supplemental testimony in this docket on behalf of the Applicant and in support of the issuance of the requested Certificate of Public Convenience and Necessity (a “CPCN”).

**Q2. What is the purpose of this round of your testimony?**

A2. The purpose of this testimony is to reply to the supplemental testimony of Public Staff Witness Dustin R. Metz (“Mr. Metz” or “Witness Metz”) which responds to the Commission’s May 7, 2021, order in this docket. In summary, through this reply testimony, the Applicant describes its previous efforts to address the evolving positions of the Public Staff before its most recent proposal to hold all EMP applications in abeyance indefinitely, and explains its most recent decision taken to further address the Public Staff’s concerns. It also urges the Commission to conclude that because CPCNs have been issued to other EMP applicants in the PJM queue cluster AC-1, the remaining EMP applicants in that cluster, including

1 the Applicant, should likewise be granted CPCNs on a timely basis, without  
2 discrimination, for the reasons given below.

3 **Q3. Witness Metz states on page 4 of his most recent testimony that he continues**  
4 **to believe that any certificate of public convenience and necessity, or**  
5 **“CPCN”, granted by the Commission should be subject to the specific**  
6 **conditions identified in his testimony filed on November 12, 2020. He later**  
7 **confirms on pages 13 of that testimony that the Applicant previously agreed**  
8 **to those conditions in a filing made on December 16, 2020. Does the**  
9 **Applicant still agree with the specific conditions included in the testimony of**  
10 **Witness Metz filed in November of 2020?**

11 **A3.** Yes, the Applicant agreed to those conditions, which at the time was a pre-  
12 condition to obtaining the recommendation of the Public Staff that the CPCN be  
13 issued. The Applicant is still willing to accept a CPCN issued by this  
14 Commission, subject to the conditions included in the testimony of Mr. Metz filed  
15 on November 12, 2020. The Applicant had previously acknowledged that under  
16 Duke's Affected Systems Business Procedure and PJM's OATT as currently in  
17 force, the Applicant, as the Interconnection Customer, is responsible for all  
18 affected system Network Upgrade costs assigned to the Applicant's proposed  
19 facility, if any, without reimbursement. However the Applicant does not want to  
20 obtain the CPCN and begin to construct the project site and then learn that its  
21 CPCN has been revoked based on future policy or business decisions made by

1 others over whom the Applicant has no control, such as other project developers,  
2 this Commission, or the Federal Energy Regulatory Commission.

3 Additionally, Witness Metz has stated in his testimony that “[t]he wide range of  
4 uncertainty and risk associated with unknown system impacts could affect  
5 reliability, costs, and who is ultimately responsible for paying for those costs for  
6 safe operation of the generation Facility. A purpose of the electric grid is to  
7 provide reliable and economic electric service to customers who have paid for it”.

8 The Public Staff’s recommendation to hold this application in abeyance due to the  
9 uncertainty surrounding affected system upgrades is inconsistent with the Public  
10 Staff’s prior position on PJM’s AC1 cluster. The staff recommended and the  
11 NCUC approved CPCNs for EMP-101 and EMP-107. PJM’s AC1 cluster of  
12 projects, that per DEP will each require DEP to rebuild the Battleboro – Rocky  
13 Mount 115kV transmission line, are:

- 14 • PJM Queue AC1-034 Edgecombe Solar (EMP-101)
- 15 • PJM Queue AC1-086 Cherry Solar (EMP-115)
- 16 • PJM Queue AC1-098/99 American Beech Solar (EMP-108)
- 17 • PJM Queue AC1-189 Pitt Solar (EMP-102)
- 18 • PJM Queue AC1-208 Halifax County Solar (EMP-107)

19  
20 PJM’s reanalysis of the AC1 cluster resulted in revised System Impact Studies  
21 being issued in June 2020, and the first project in the cluster (Edgecombe Solar)  
22 was identified as contributing to a previously identified overload on the  
23 Battleboro – Rocky Mount 115kV line, which at the time showed an initial

1 loading of 121.11%. This means that per PJM's analysis, the Battleboro – Rocky  
2 Mount 115kV line will need to be rebuilt, regardless of the individual business  
3 decisions of the members of the PJM AC1 cluster of projects whether to move  
4 forward. The reanalyzed DEP AC1 Cluster Affected System Study identified that  
5 the Battleboro – Rocky Mount 115kV transmission line would need to be rebuilt  
6 if any of the five identified projects moved forward. The NCUC has approved  
7 two of the five AC1 projects (EMP-101 and EMP-107), which means that there  
8 are no additional DEP Affected System Upgrades beyond what has already been  
9 accepted through the approval of CPCNs for these previous projects. If the  
10 projects in earlier study queues, in front of the Applicant's queue number AC1-  
11 189, were to drop out and withdraw from the queue, the Applicant will have to  
12 pay for all the affected system Network Upgrade costs, as it is the next in line, and  
13 the Applicant has contractual/financial obligations to construct and operate the  
14 project. However, if the projects in earlier study queues decided not to withdraw  
15 from the queue, the Applicant will pay its fair share of the affected system  
16 Network Upgrade costs.

17 Therefore, the uncertainty around who is to pay for the Battleboro – Rocky Mount  
18 line rebuild should be regarded for purposes of EMP CPCN proceedings for these  
19 AC1 cluster members as a moot point; the upgrade costs will not change if this  
20 Commission grants a CPCN to Pitt Solar, as both PJM and DEP analyses identify  
21 the same upgrade work to be required for already approved merchant power  
22 plants.

1 **Q4. On pages 13 and 14 of his July 2021 testimony, Mr. Metz notes that the**  
2 **Applicant has raised concerns about the potential addition of other**  
3 **conditions that could result in a future revocation of any CPCN granted by**  
4 **the Commission in your supplemental testimony filed on June 1, 2021. Do**  
5 **you believe that the Applicant has changed its position or is being**  
6 **inconsistent?**

7 **A4.** No, the applicant has not changed its position. All CPCN's are subject to  
8 revocation per Rule R8-63(e)(2) if "(a) any of the federal, state, or local licenses  
9 or permits required for construction and operation of the generating facility not  
10 obtained (sic) or, having been obtained, are revoked pursuant to a final, non-  
11 appealable order; (b) required reports or fees are not filed with or paid to the  
12 Commission; and/or (c) the Commission concludes that the certificate holder filed  
13 with the Commission information of a material nature that was inaccurate and/or  
14 misleading at the time it was filed". Generally speaking, these revocation  
15 "triggering" activities are based on conduct of the Applicant, or events that can be  
16 somewhat controlled by the Applicant. As stated previously, the Applicant does  
17 not want to incur substantial costs to construct the proposed project and then learn  
18 that its CPCN has been revoked based on future policy decisions made by others  
19 over whom the Applicant has no control.

20 **Q5. Could you please summarize the recommendation made by Witness Metz in**  
21 **his testimony filed in November 2020?**

1   **A5.**   Witness Metz’s November 2020 testimony recommended various conditions such  
2           as (i) notifying the Commission within 30 days of any revision to the cost  
3           estimate for the construction of the facility, interconnection facilities, network  
4           upgrades, or affected system costs; (ii) requiring the Applicant to file a copy of an  
5           executed Affected System Operating Agreement with the Commission at the same  
6           time such filing is made at FERC; (iii) requiring the Applicant to file a verified  
7           statement acknowledging that under Duke’s Affected Systems Business  
8           Procedure and PJM’s OATT, the Interconnection Customer is responsible for all  
9           affected system Network Upgrade Costs assigned to the Applicant’s facility, if  
10          any, without reimbursement; and, (iv) acknowledging that if the Applicant seeks  
11          to be reimbursed for any interconnection facilities, network upgrade costs,  
12          affected system costs, or other costs required to allow energization and operation  
13          of the facility, the Public Staff will recommend that the CPCN be denied or  
14          revoked. The Applicant still agrees to and accepts the conditions as expressly  
15          stated in the prior testimony of Mr. Metz.

16   **Q6.**   **On page 4 of his July 2021 testimony, Mr. Metz now recommends that the**  
17           **Commission hold the entire application in abeyance for an indefinite interval**  
18           **for two fundamental reasons. What is the response of the Applicant to the**  
19           **new proposal to indefinitely postpone the issuance of a CPCN for any portion**  
20           **of the proposed facility?**

21   **A6.**   The Applicant objects to Witness Metz’s recommendation to indefinitely  
22          postpone the issuance of a CPCN for any portion of the proposed facility. The

1 complaints regarding cost responsibility, which are the subject of an open  
2 proceeding at the Federal Energy Regulatory Commission (FERC) as described  
3 by Witness Metz, were not filed by the Applicant, and the Applicant is not part of  
4 that proceeding; that proceeding should have nothing to do with the Applicant's  
5 application for a CPCN for the reasons given in this testimony. The Applicant is  
6 not the sole cost causer for the affected system upgrades, and the Applicant will  
7 pay its fair share of the affected system impact cost, as the Applicant has  
8 previously stated in earlier testimonies and in this testimony.

9 Additionally, there is no practical system benefit to delaying issuance of a CPCN  
10 to the Applicant because the upgrade to the electrical transmission system is  
11 already required to maintain system reliability, to the extent PJM's initial loading  
12 assessment is accurate. Finally, EMP applications submitted under this  
13 Commission's rules, by definition, are limited to participants in a competitive  
14 wholesale market. Approving CPCN's for two of the five PJM AC1 cluster  
15 projects, and then putting this application or other AC1 CPCN applications in an  
16 indefinite abeyance condition does not treat this cluster of competitive generation  
17 projects consistently.

18 As stated in Witness Metz's testimony, "the Public Staff has recommended  
19 numerous EMP CPCN applications for approval subject to conditions and certain  
20 cost estimate". The Applicant respectfully suggests that this treatment of AC1  
21 cluster members' CPCN applications should be continued and performed in this  
22 proceeding. Additionally, Witness Metz seems to have overlooked that PJM



1           Tariff 212.5 Milestones requires the Applicant to obtain any necessary local,  
2           county and state site permits in order to proceed with an Interconnection Service  
3           Agreement, within 60 days after receipt of the Facilities Study (or, if no Facilities  
4           Study was required, after receipt of the System Impact Study). Putting this project  
5           in indefinite abeyance could prompt PJM to withdraw the current queue  
6           associated with this project.

7   **Q7. In his July testimony, Mr. Metz raises concerns about the uncertainty**  
8   **surrounding the current forecasts of the actual dollar amount of any**  
9   **transmission system upgrades, both on the Dominion Energy system to which**  
10   **the Applicant proposes to interconnect, and also on any “affected”**  
11   **transmission systems, in this case, the transmission system of Duke Energy**  
12   **Progress (“DEP”). As far as you know, were the projections of the potential**  
13   **future upgrade costs available to the Applicant as of November of last year**  
14   **more detailed or more reliable than those available to the Applicant today?**

15   A7. No. All cost estimates provided by PJM / Dominion and Duke Energy Progress  
16   are estimates, which by their nature contain a certain amount of uncertainty. The  
17   actual cost will ultimately be invoiced to the projects involved. The DEP  
18   estimates have been revised and likely will again be re-estimated as part of DEP’s  
19   detailed design process.

20   **Q8. When discussing the uncertainty surrounding the amount of future costs for**  
21   **such network upgrades, Mr. Metz states it would be reasonable for the**  
22   **Commission to delay making any decision on an application for an EMP**

1        **facility until an applicant can provide “total network costs”, which he defines**  
2        **as the sum of the upgrade costs for the interconnecting network, plus the**  
3        **upgrade costs for any “affected” systems. What is the response of the**  
4        **Applicant to that proposal?**

5        A8. PJM tariff section 215 requires the Interconnection Customer (Pitt Solar) to  
6        demonstrate that it has obtained state site permits (which includes a CPCN) in  
7        order to receive an ISA. If the permit has not been obtained by the execution of  
8        the ISA, then the transmission provider (PJM) may include this as a milestone in  
9        the ISA, but only in the event of delays not caused by the Interconnection  
10       Customer that could not be remedied by the Interconnection Customer through  
11       the exercise of due diligence.

12       The total network cost estimates are provided by PJM and DEP as part of their  
13       respective study processes. These initial estimated costs are refined as part of the  
14       on-going study process and can be further refined after an ISA is executed as part  
15       of PJM’s Scope Change process. This cost risk is born by Pitt Solar under the  
16       PJM tariff. Putting this project in indefinite abeyance could result in a PJM  
17       decision to withdraw the AC1 queue position associated with this project.

18       **Q9. Witness Metz testifies that the LCOT methodology you have used to make**  
19       **the calculations shown in exhibits to your earlier testimony was generally**  
20       **consistent with the methodology used by the Public Staff, but states that the**  
21       **present time, due to recalculations of the AC-2 PJM cluster and the lack of**  
22       **other studies. any project in the AF-2 cluster is too speculative to produce a**

1           **valuable benchmark for the reasonableness of the total transmission upgrade**  
2           **costs. What is the response of the Applicant?**

3    A9.    The applicant agrees that PJM’s AF2 cluster estimated costs are currently not a  
4           valuable benchmark, as PJM will rerun these studies after participants in earlier  
5           PJM queue clusters make decisions as to whether to move forward or not. If the  
6           network upgrade costs are too expensive, then Pitt Solar has the option under the  
7           PJM tariff to reduce the size of the project such that the network upgrade impact  
8           is less, or to not move forward with an ISA for the additional 70MW’s.

9           Additionally, Witness Metz believes that “interconnection cost estimates for any  
10          project within the AF2 cluster are too speculative at this time; therefore, any  
11          current LCOT calculation for projects in the AF2 cluster is of no value in  
12          providing the Commission with a level of certainty or a benchmark of  
13          reasonableness in evaluating the costs of the Facility or potential impact to  
14          ratepayers”. Given this concern, the Applicant previously confirmed that it is  
15          willing for the Commission, if it does not prefer the other option suggested in my  
16          June testimony, to remove the 70 MW portion of the project associated with the  
17          AF2 queue from the Applicant’s pending CPCN application. The Applicant is  
18          willing to proceed with the Commission’s approval and issuance of a conditioned  
19          CPCN for just the AC1 queue of the project, as the Applicant previously stated in  
20          my June 1, 2021 testimony. Selection of any of the alternatives proposed by the  
21          Applicant will eliminate or defer concerns about the uncertainties associated with  
22          the AF2 cluster.

1 **Q10. Public Staff witness Metz also discusses the uncertainty surrounding who**  
2 **will be responsible for paying for the upgrade costs on the interconnecting**  
3 **network and for the upgrades on the system of DEP, as an affected system.**  
4 **Can you please briefly describe the differences in methods used by PJM and**  
5 **DEP to assign cost recovery responsibility for transmission upgrade costs?**

6 A10. If projects in earlier study queue/ in front of the applicant queue number were to  
7 drop out and withdraw from the PJM AC1 queue, the Applicant will pay for all  
8 the affected system Network Upgrade costs because it is the next in line and the  
9 Applicant has contractual/financial obligations to construct its project. However,  
10 if the projects in earlier PJM study queues choose not to withdraw from their  
11 respective queues, the Applicant will pay its fair share of the affected system  
12 Network Upgrade costs.

13 **Q11. Can the Applicant directly control or effect any change in the cost-recovery**  
14 **methods used by the owners of either of these transmission systems?**

15 A11. No, the Applicant has no control over a system owner's cost-recovery methods,  
16 nor could the Applicant effect any change of those cost-recovery methods. The  
17 Applicant can only follow the process and procedures that are in place, and make  
18 decisions and commit resources in reliance on the published tariffs and rules of  
19 the owner/operators of these transmission systems, and those of the federal and  
20 state regulators.

1 **Q12. Does the Applicant anticipate seeking recovery from PJM for any network**  
2 **upgrade costs needed as a result of interconnecting the re-sized facility?**

3 **A12.** No, the Applicant is responsible for all costs identified in the PJM-issued ISA  
4 with no recovery.

5 **Q13. Does the Applicant anticipate seeking recovery from DEP for any affected**  
6 **system upgrade costs paid as a result of the interconnection of the re-sized**  
7 **facility on the Dominion transmission system?**

8 **A13.** No, the Applicant will not seek recovery from DEP for any affected system  
9 upgrade costs. And recall that the proposed CPCN conditions already accepted by  
10 the Applicant establish potential consequences in the event the Applicant were to  
11 do so.

12 **Q14. Given the express conditions to which the Applicant agreed in its filing on**  
13 **December 16, 2020, is it likely that the Applicant would risk revocation of the**  
14 **80 MW CPCN it is now requesting by seeking to recover from DEP the**  
15 **affected system costs caused by interconnecting that facility to the**  
16 **transmission system of Dominion?**

17 **A14.** No. The Applicant will not risk revocation by making such a request, nor will the  
18 Applicant seek to recover from DEP the affected system cost caused by  
19 interconnecting its facility to the transmission system, as the Applicant has  
20 financial and contractual obligations to construct this project. Additionally the  
21 conditions recommended by Witness Metz require the Applicant to file a verified

1 statement acknowledging that under Duke's Affected Systems Business  
2 Procedure and PJM's OATT, the Applicant is responsible for all affected system  
3 Network Upgrade Costs assigned to the Applicant's facility, if any, without  
4 reimbursement.

5 **Q15. If the applications in EMP-110 and EMP-111 remain on hold while the**  
6 **Edgecombe County proceeding remains pending before the Federal Energy**  
7 **Regulatory Commission, and this Commission in the interim grants a CPCN**  
8 **to the Applicant for the 80 MW portion of the proposed plant, such that the**  
9 **Applicant is the first operating Interconnection Customer in the AC1 queue,**  
10 **is the Applicant willing to agree to pay all of the affected system upgrade**  
11 **costs caused by that interconnection, subject to the conditions to which it**  
12 **already has agreed?**

13 A15. Yes, the Applicant needs to proceed with its construction of the project site and  
14 cannot wait on the decisions of other developers. If the CPCN for the 80 MW  
15 portion is timely issued with the agreed conditions, and it turns out that other  
16 queue members withdraw or are reassigned to another queue under the PJM tariff,  
17 the Applicant will pay all the affected system upgrade for the affected DEP line.

18 **Q16: Does that conclude this reply testimony in response to the testimony of Public**  
19 **Staff Witness Metz filed on July 7?**

20 A: Yes.

1 STATE OF NORTH CAROLINA  
2 COUNTY OF IREDELL

3 VERIFICATION

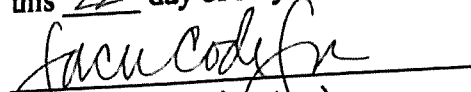
4 I, Linda Nwadike, being first duly sworn, depose and say that I am duly  
5 authorized to act on behalf of Pitt Solar, LLC as Director of Permitting and Community  
6 Relations for SunEnergy1, LLC, the parent and an affiliate of the Petitioner; that I have  
7 read the foregoing Pre-Filed Responsive Testimony and that the same is true and  
8 accurate to my personal knowledge and belief except where otherwise indicated, and in  
9 those instances, I believe my answers to be true.

10 This 22 day of July 2021.

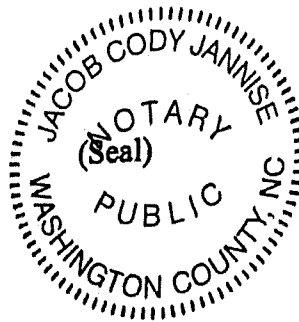
11 

12 Linda Nwadike  
13 SunEnergy1, LLC  
14  
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16 Sworn to and subscribed to before me  
17 this 22 day of July 2021.

18   
19  
20 Notary Public (Signature)  
21

22 Jacob Cody Jannise  
23 Notary Public (Printed)  
24  
25



26 My Commission Expires: March 16, 2024