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February 19, 2010

VIA HAND DELIVERY

Renne C. Vance, Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
5th Floor – Clerks Office
4325 Mail Service Center
Raleigh, NC 27699-4325

FILED
FEB 19 2010
Clerk's Office
N.C. Utilities Commission

Re: NCUC Docket E-100, Sub 113

Dear Ms. Vance:

We are legal counsel to ElectriCities of North Carolina, Inc. Enclosed for filing in the above referenced docket are an original and thirty (30) copies of the Comments of ElectriCities in Response to the Commission's Order Proposing Rules and Requesting Comments Issued January 27, 2010.

Also enclosed is an additional copy of the document to be stamped as "filed" and returned to me via my courier.

Thank you for your assistance in this matter.

Very truly yours,


W. Mark Griffith

WMG:dll
Enclosures

cc: Parties of Record

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 113

FILED
FEB 19 2010
Clerk's Office
N.C. Utilities Commission

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Rulemaking Proceeding to Implement
Session Law 2007-397

)
)
) **COMMENTS OF ELECTRICITIES**
) **IN RESPONSE TO THE COMMISSION'S**
) **ORDER PROPOSING RULES AND**
) **REQUESTING COMMENTS ISSUED**
) **JANUARY 27, 2010**
)

NOW COMES ElectriCities of North Carolina, Inc. ("ElectriCities"), through its attorneys, Poyner Spruill LLP, and, acting for and on behalf of the municipalities that sell electric power to retail electric power customers in the State of North Carolina, submits the comments below pursuant to the North Carolina Utility Commission's (the "Commission") *Order Proposing Rules and Requesting Comments*, issued January 27, 2010 (the "Order"), concerning the North Carolina Renewable Energy Tracking System ("NC-RETS").

ElectriCities' proposed modifications to the new subsection (h) to Commission Rule R8-67 proposed by the Commission are set forth in Attachment A. The proposed modifications to the new subsection (h) are self-explanatory, but, nonetheless, ElectriCities highlights the following modifications:

(i) that for efficiency, the REPs compliance data submitted to NC-RETS should be required contemporaneously with an electric power supplier's REPS Compliance Report, and the

compliance information required should be no more than that information required in the REPS Compliance Report; and

(ii) that all costs paid by an electric power supplier for REC tracking system services be deemed to be incremental costs pursuant to G.S. 62-133.8(h)(1).

ElectriCities also proposes that the Commission not issue a final order on this proposed new subsection (h), and consider extending the comment period, until the vendor selected by the Commission to build and administer NC-RETS has had sufficient time to consider and discuss with the NC-RETS stakeholder group and Commission Staff its suggestions for the structure and operation of NC-RETS in consideration of the desired functions of NC-RETS by the Commission, Public Staff, Commission Staff, stakeholder group, and other interested parties.

WHEREFORE, ElectriCities respectfully requests that the Commission make the requested modifications to proposed Rule R8-67(h) set forth in Attachment A, and consider extending the comment period concerning the same until the vendor selected by the Commission to build and administer NC-RETS has had sufficient time to consider and discuss with the NC-RETS stakeholder group and Commission Staff its suggestions for the structure and operation of NC-RETS.

Respectfully submitted this the 10th day of February, 2010.

POYNER SPRUILL LLP

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CERTIFICATE OF SERVICE

It is hereby certified that the foregoing document has been served upon all parties of record by depositing copies thereof in the United States mail, first class postage prepaid.

This the 1st day of February, 2010.

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ATTACHMENT A

(Proposed modifications to proposed Rule R8-67(h))

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, contemporaneously with the filing of its REPS Compliance Report, provide the same REPS -compliance data to the tracking system (consistent with the tracking system's requirements) as is provided in the REPS Compliance Report, 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 registered with the Commission pursuant to Rule R8-66 shall participate in thea REC tracking system and facilitate the transfer of production data to such tracking system for the creation, tracking, and retirement of RECs. On a monthly basis, registered mMulti-fuel renewable energy facilities shall calculate on a monthly basis the percentage of their energy output that is attributable to renewable energy resources qualifying fuels and provide such percentage to the tracking system. 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 that portione qualifying portion of the multi-fuel facility's energy output produced from renewable energy resources.
- (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 registered renewable encrgy 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 the ten (10) years immediately following the provision of such data to the tracking system.
- (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 in proportion to based upon their respective share of relative-megawatt-hours of retail electricity sales in North Carolina in the previous calendar year.
 - d. All costs paid by an electric power supplier for REC tracking system services shall be deemed to be incremental costs pursuant to G.S. 62-133.8(h)(1).