



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

May 24, 2017

M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: SP-5273, Sub 0 – Pecan Solar, LLC
74.9-MW_{AC} Solar Facility in Northampton County, North Carolina

Dear Ms. Jarvis:

On August 24, 2015, the North Carolina Utilities Commission issued an Order Issuing Amended Certificate and Accepting Registration of New Renewable Energy Facility, approving the amended application filed by Pecan Solar, LLC (Pecan Solar or “Applicant”) for a certificate of public convenience and necessity (CPCN) for construction of a 74.9 megawatt (MW_{AC}) solar photovoltaic electric generating facility to be located east and west of Bethel Church Road approximately 0.6 to 2 miles north of the intersection of Bethel Church Road and Highway 186 in an unincorporated area approximately two miles west of the town of Seaboard, Northampton County, North Carolina (the “Facility”). Pecan Solar plans to sell the electricity generated at the Facility to Virginia Electric and Power Company, d/b/a Dominion North Carolina Power (DNCP), to one or more

Executive Director
(919) 733-2435

Communications
(919) 733-2810

Economic Research
(919) 733-2902

Legal
(919) 733-6110

Transportation
(919) 733-7766

Accounting
(919) 733-4279

Consumer Services
(919) 733-9277

Electric
(919) 733-2267

Natural Gas
(919) 733-4326

Water
(919) 733-5610

wholesale or retail customers in deregulated states that allow for such sales, or to the PJM market.

On July 27, 2016, Pecan Solar filed an application seeking an amended CPCN for the Facility pursuant to G.S. 62-110.1(a). Pecan Solar stated that it has decided to add additional parcels of land to be used in the construction of the Facility and that the location has been assigned an E911 address of 289 Bethel Church Road, Pleasant Hill, Seaboard, North Carolina in Northampton County. Pecan Solar also filed a site plan map showing the additional parcels of land adjacent to the original project site and a proposed substation.

On July 28, 2016, the Commission issued a Second Amended Order Requiring Publication of Notice in response to the additional land added to the Facility site.

On August 25, 2016, Verlene Stephenson filed a letter of complaint in this docket.

On September 9, 2016, the State Clearinghouse filed comments relating to the amended application. On September 23, 2016, Pecan Solar filed another amendment to its application for CPCN, stating that Pecan Solar has decided to add additional parcels of land to be used in the construction of the Facility. Pecan Solar also filed a site plan map showing the additional parcels of land adjacent to the project site.

On October 4, 2016, in response to the additional land added to the Facility site, the Commission issued a Third Amended Order Requiring Publication of Notice requiring Pecan Solar (1) to publish notice of the application in the manner required G.S. 62-82(a) and file an affidavit of publication with the Commission, and (2) to mail a copy of the

application and notice to the electric utility to which Pecan Solar plans to sell and distribute the electricity and file a signed and verified certificate of service that the application and notice have been provided to the utility.

On October 19, 2016, Pecan Solar filed a verified certificate of service stating that copies of the application and notice were provided to DNCP on October 4, 2016.

On November 1, 2016, Pecan Solar filed an affidavit of publication from The Daily Herald stating that notice of the application had been published.

On November 2, 2016, based upon the complaint from Ms. Stephenson and the record herein, the Commission issued an Order Scheduling Hearing and Requiring Public Notice, setting this docket for hearing on December 7, 2016., at 6:00 p.m., in Wednesday, December 7, 2016, at 6:00 p.m., at the Northampton County Courthouse, 102 West Jefferson Street, Jackson, North Carolina, to receive evidence as to whether a CPCN should be issued to the Applicant.

On November 4, 2016, Pecan Solar filed a verified certificate of service stating that a copy of the notice of hearing was provided to DNCP on November 3, 2016.

On November 14, 2016, Pecan Solar filed an affidavit of publication from The Daily Herald stating that notice of the hearing had been published. Also on November 14, 2016, the State Clearinghouse filed comments relating to the amended application.

On November 18, 2016, Pecan Solar filed the direct testimony and exhibits of Doug Copeland.

On November 29, 2016, the State Clearinghouse filed additional comments and indicated that the North Carolina Department of Natural and Cultural Resources (NCDNCR) required additional information prior to its concurrence with the application.

The matter came on for hearing as scheduled on December 7, 2016. Pecan Solar presented the testimony of Mr. Copeland. Four public witnesses testified regarding the proposed Facility: Steve Garner, Verlene Stephenson, Lena Davis, and Tony Mumford. Mr. Garner expressed concerns over the loss of farmland and wetlands associated with the project, concerns over safety hazards in the area associated with the project fencing impacting the visibility on his driveway, and on potential impacts to property values. Ms. Stephenson and Ms. Davis also expressed concerns regarding the loss of farmland, the aesthetic impact of the project, and the intermittent nature of solar electricity generation and the potential increase in electricity costs. Mr. Mumford also expressed similar concerns about the visual impact and the value of farmland, but indicated that he had agreed to lease approximately 40 acres for the project.

Mr. Copeland testified on behalf of the Applicant. He testified that he is a Regional Project Development Manager for EDF Renewable Energy, of which the Applicant is a wholly-owned subsidiary. Mr. Copeland testified that the facility will be a 74.9-MW_{AC} ground-mounted solar PV system. Mr. Copeland noted that the Commission had already issued an Order Issuing Amended Certificate and Accepting Registration of New Renewable Energy Facility on August 24, 2015, and the amendment to the application was to add additional parcels of land to be used in the construction of the facility. Pecan Solar is leasing the additional real property from the current owners and currently owns 100% of

the project. Mr. Copeland indicated that based on further analysis of the project site, the Applicant determined that to design the project to most efficiently produce electricity, additional land was needed, while keeping the overall project nameplate capacity the same. He further indicated that the Applicant does not seek to impact any wetlands on the site, and that certain parcels of land indicated in the original CPCN would need to be avoided to minimize any water impacts. Lastly, he noted that the Applicant would not be building out all the project areas covered in the proposed CPCN.

Mr. Copeland further testified that the Commission in its original Order Issuing Certificate entered on June 17, 2015, granted the Applicant a waiver of the requirements of Commission Rule R8-64(b)(6)(i)(c), required Pecan Solar to submit a statement from the electric utility to which Pecan Solar plans to sell the electricity to be generated. As a condition of the waiver, the Commission directed Pecan Solar to make a supplemental filing providing this information upon determining the entity or entities to which the output of the Facility will be sold. Mr. Copeland indicated that Pecan Solar is currently engaged in confidential negotiations with potential buyers of the output of the Facility and will update the Commission in accordance with the Order once it has identified a buyer.

Mr. Copeland testified regarding the economic development benefits of the proposed facility, including the creation of an estimated 20-50 construction jobs over an approximately six month period, and will provide additional tax base to local governments resulting in approximately \$300,000 of additional property tax revenue annually.

Mr. Copeland testified regarding the consumer statement filed in this docket by Ms. Stephenson, the testimony presented at the public hearing, and responded to questions from the hearing examiner. Northampton County considers solar to be an approved and compatible use on farmland. Pecan Solar will work with the local jurisdiction to secure any and all land use approvals and permits necessary to construct the Facility on the parcels outlined in the amendments to the applications. The Facility will be constructed in strict accordance with all applicable laws and regulations, including any local and county zoning ordinances. With regard to the loss of farmland, Mr. Copeland testified that all of the land for the project will be leased and returned to the land owners at the end of the project. He further testified that Pecan Solar will use best practices in construction and maintenance of the Facility to ensure that the productive capabilities of the land for any future agricultural activity will be maintained and that the overall grading of the land will not be changed. He testified that the solar panels themselves are fully self-contained in glass and do not leak fluid or metals into the soil. With regard to weed control, the Applicant does not plan to perform any weed control beyond mowing, and that they typically plant groundcover grass or clover recommended by local landscaping companies and mow the site three times per year. Lastly, Mr. Copeland testified that at the end of the project lifespan, all material from the solar project will be removed from site, allowing the land to once again be farmed.

On February 6, 2017, Pecan Solar filed its proposed order.

On February 27, 2017, the Applicant filed additional information in response to the request from the NCDNCR for additional information.

On April 7, 2017, the State Clearinghouse filed comments relating to the amended application. Because of the nature of the comments, the cover letter indicated that no further State Clearinghouse review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

The Public Staff has reviewed the materials filed in this docket and the transcript of testimony heard on January 11, 2017. The Public Staff notes that with regard to the concerns raised by the complaints received and the public witness testimony regarding environmental impacts, stormwater runoff, and compatibility with existing land uses, the Public Staff believes that these concerns are more appropriately addressed through the local permitting process. In its April 24, 2008, Order in Docket No. SP-231, Sub 0, the Commission discussed local authority over the siting of facilities, stating that “such decisions are, in most instances, best left to the local community through the exercise of its zoning authority rather than made by the Commission.” Since the facility is subject to local zoning authority and the Applicant has stated that it will continue to comply with all local requirements, the Public Staff believes that in this case the siting decision continues to be best left to the local government jurisdictions. However, the Public Staff notes that the Commission has previously indicated it will address such concerns on a case-by-case basis and this would not preclude it from considering similar issues regarding the appropriateness of a site in future proceedings and making a different conclusion.

Based on its review of the materials filed in this docket and the transcript of testimony heard on January 11, 2017, the Public Staff recommends that the Commission approve the application and issue the requested certificate of public convenience and

necessity, subject to the conditions required in Commission Rule R8-64 and that the Applicant make a supplemental filing with the Commission identifying the entity or entities to which the output of the facility will be sold, once that determination is made, consistent with the Commission's original June 17, 2015 Order Issuing Certificate.

I certify that a copy of this letter has been served on the Applicant and other parties listed below by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery. If necessary, please contact me at (919) 733-0978 or at tim.dodge@psncuc.nc.gov.

Regards,

/s/ Tim R. Dodge
Tim R. Dodge
Staff Attorney

cc: Pecan Solar, LLC
Verlene Stephenson
Molly McIntosh Jagannathan, Troutman Sanders LLP