

NORTH CAROLINA PUBLIC STAFF UTILITIES COMMISSION

September 2, 2022

Ms. A. Shonta Dunston, Chief Clerk North Carolina Utilities Commission 4325 Mail Service Center Raleigh, North Carolina 27699-4000

Re: Docket Nos. EMP-110, Sub 0; EMP-111, Sub 0; and EMP-119, Sub 0

Dear Ms. Dunston:

The Public Staff – North Carolina Utilities Commission (Public Staff), with consent of counsel for Sumac Solar LLC (Sumac), Sweetleaf Solar LLC (Sweetleaf), and Macadamia Solar, LLC (Macadamia), (together, the Applicants), submits this letter to inform the Commission of an agreement between the parties in the above captioned dockets.

Geenex Solar, LLC (Geenex) has primary responsibility for the development of all three projects. Sumac and Sweetleaf were formerly owned by Geenex but were subsequently acquired by EDF Renewables Development, Inc. (EDF). Geenex owns Macadamia, but EDF is partnering with Geenex in the development of that project and has an option to acquire the facility.

The Applicants are in the PJM AD1 cluster and triggered an affected system network upgrade on the Greenville-Everetts 230 kV transmission line (Greenville-Everetts line) in Duke Energy Progress, LLC (DEP) territory.

The pertinent procedural history for the dockets is as follows. On June 14, 2022, in EMP-119, Sub 0, the Commission issued an Order Scheduling Hearing and Filing of Testimony, setting the hearing for Macadamia's application for a Certificate of Public Convenience and Necessity (CPCN) for September 6, 2022. The Public Staff filed the Supplemental Testimony of Jay B. Lucas in EMP-119, Subs 0 and 1, recommending approval of Macadamia Solar's CPCN and CECPCN requests, subject to conditions, on

June 29, 2022. On July 13, 2022, Macadamia filed the Reply Testimony of Donna Robichaud.

On July 25, 2022, the Public Staff filed a Consent Motion for Procedural Order in Docket Nos. EMP-110, Sub 0, EMP-111, Sub 0, and EMP-119, Subs 0 and 1, requesting that Sumac's and Sweetleaf's CPCN application hearings be set on the same day as Macadamia's CPCN hearing due to similarities of the issues and witnesses in each docket.

On July 28, 2022, counsel for the Applicants sent a letter to the Public Staff, stating that Macadamia was negotiating an Affected Systems Operating Agreement (ASOA) with DEP, in which DEP would perform the required upgrades to the Greenville-Everetts line. The Applicants stated that due to the federal Investment Tax Credit (ITC) reduction to 10% for projects that do not reach commercial operation by the end of 2025, the ASOA would also include a cost to expedite construction of the network upgrades at an additional cost of approximately \$1.6 million. The Applicants also stated that the ASOA would not seek reimbursement of the costs for the incremental network upgrades or the expedited construction.

On July 29, 2022, the Public Staff filed the Second Supplemental Testimony of Evan D. Lawrence in EMP-110, Sub 0 and the Second Supplemental Testimony of Jay B. Lucas in EMP-111, Sub 0. The Public Staff witnesses each recommended approval with conditions of Sumac and Sweetleaf's respective CPCN applications given the specific set of circumstances, including DEP's decision to rebuild the Greenville-Everetts line, regardless of the affected system needs; the cost efficiencies in constructing the incremental upgrades required to interconnect the Applicants' facilities; and the cost of the incremental network upgrades assigned to the Applicants.

On August 5, 2022, the Commission issued its Order Accepting Testimony, Requiring Further Testimony, and Scheduling Hearings in Docket Nos. EMP-110, Sub 0 and EMP-111, Sub 0, accepting the Public Staff's July 29, 2022, testimony in both dockets; allowing Sumac and Sweetleaf to file Second Supplemental Reply Testimony; and setting the hearing in each docket for September 6, 2022, immediately following the hearing in Docket No. EMP-119, Subs 0 and 1.

Sumac and Sweetleaf individually filed the Second Supplemental Reply Testimony of Donna Robichaud in each's respective docket on August 12, 2022.

On August 15, 2022, Macadamia filed a Letter Providing Update Regarding Affected System Operating Agreement, stating that Macadamia was seeking to execute an ASOA with DEP providing for the construction of the incremental network upgrades, which were now estimated at \$150,000, and expediting costs of \$1,615,000 to complete the construction of the network upgrades a year early, but that Macadamia would not seek reimbursement for either cost.

On August 30, 2022, the Public Staff filed, in all three dockets, a motion for Leave to File Joint Supplemental Testimony and the Joint Supplemental Testimony of Jay B. Lucas and Evan D. Lawrence, stating its concern over the possibility of DEP ratepayers ultimately being responsible for the cost of expediting the construction in light of the Federal Energy Regulatory Commission's (FERC) decision on the DEP/American Beech ASOA. With that concern in mind, the Public Staff recommended that the Commission withhold issuing the CPCNs for each applicant until FERC issued a decision on the ASOA between Macadamia and DEP. The Public Staff further stated that, should FERC rule that the expedited construction cost is reimbursable to Macadamia, this Commission should deny the Applicants' individual CPCN applications. On the day of filing this letter, the Commission granted Public Staff's August 30, 2022 motion for leave to file additional testimony and further noticed the parties to appear at the hearing prepared to answer certain questions.

Since the filing of the Public Staff's Motion for Leave to File Joint Supplemental Testimony and its Joint Supplemental Testimony, the Public Staff and counsel for the Applicants have engaged in discussions and come to an agreement in these dockets. The Applicants have agreed not to seek expedited construction of the network upgrades on the Greenville-Everetts line. In return, the Public Staff recommends the Commission accept the Public Staff's Joint Supplemental Testimony and approve the CPCN applications for each of the Applicants, consistent with the Public Staff's recommendations in its Supplemental Testimony in EMP-119, Sub 0¹ and its Second Supplemental testimonies filed in EMP-110, Sub 0² and EMP-111, Sub 0.³ The Public Staff further recommends the Commission forego any conditions on the CPCNs that may

prevent the Applicants and DEP from executing an ASOA that provides for reimbursement of the estimated \$150,000 to construct the incremental network upgrades on the Greenville-Everetts line. Affidavits of representatives for the Applicants affirming that the Applicants will not seek expedited construction of the network upgrades are attached to this letter.

Therefore, the Public Staff recommends approval of the applications for CPCN by each of the Applicants in their respective docket, subject to the agreement above.

By copy of this letter, I am forwarding a copy of this letter and the attachments to all parties of record.

Sincerely yours,

/s/ Robert B. Josey
Staff Attorney
robert.josey@psncuc.nc.gov

¹ Filed June 29, 2022.

² Filed July 29, 2022.

³ Filed July 29, 2022.

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. EMP-110, SUB 0

In the Matter of Application of Sumac Solar LLC for a Certificate of Public Convenience and Necessity to Construct an 80-MW Solar Facility in Bertie County, North Carolina

DOCKET NO. EMP-111, SUB 0

In the Matter of Application of Sweetleaf Solar LLC for a Certificate of Public Convenience and Necessity to Construct a 94-MW Solar Facility in Halifax County, North Carolina AFFIDAVIT OF APPLICANTS

STATE OF COLORADO (COUNTY OF DOUGLAS)

I, Amanda Mack, first being duly sworn, do depose and say as follows. I am Project Development Manager with EDF Renewables Development, Inc. (USA) ("EDF"). EDF acquired applicants Sumac Solar LLC and Sweetleaf Solar LLC (collectively, "Applicants"). I am authorized to state on behalf of Applicants in this matter that neither Applicants, nor any entity on their behalf, will seek expediated construction of the Network Upgrades on Duke Energy Progress LLC's portion of the Greenville-Everetts 230-kV transmission line.

This completes my affidavit.

Sworn to and subscribed before me this the 2nd day of September 2022.

APPLICANTS SUMAC SOLAR LLC AND SWEETLEAF SOLAR LLC

Notary **P**ublic

My Commission Expires:

Amanda Mack, as Project Development Manager of EDF Renewables

Development, Inc.

10/04/2023

NICHOLAS AINSWORTH NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20194038192 MY COMMISSION EXPIRES OCT 4, 2023

STATE OF NORTH CAROLINA **UTILITIES COMMISSION RALEIGH**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. EMP-119, SUB 0

In the Matter of Application of Macadamia Solar LLC for a Certificate of Public Convenience and Necessity to Construct a 484-MW Solar Facility in Washington County, North Carolina

DOCKET NO. EMP-119, SUB 1

In the Matter of Application of Macadamia Solar LLC for Environmental Certificate of Compatibility and Public Convenience and Necessity to Construct 6.53 Miles of Transmission Line in Washington County, North Carolina

AFFIDAVIT OF APPLICANT

STATE OF NORTH CAROLINA) COUNTY OF WAKE MICHIGHNILL)

I, Donna Robichaud, first being duly sworn, do depose and say as follows. I am Senior Vice President of Development Strategy for Geenex Solar LLC ("Geenex). Geenex is the owner-developer of applicant Macadamia Solar LLC ("Applicant"). I am authorized to state on behalf of Applicant in this matter that neither Applicant, nor any entity on its behalf, will seek expediated construction of the Network Upgrades on Duke Energy Progress LLC's portion of the Greenville-Everetts 230kV transmission line.

This completes my affidavit.

MULL O.COU

Sworn to and subscribed before me this the 2nd day of September 2022.

APPLICANT MACADAMIA SOLAR LLC

Commission Expires: 9/24/2024

Donna Robichaud, as Senior Vice President of Development Strategy for

Geenex Solar LLC