

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1185

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of<br>Application of Duke Energy Progress, LLC, )<br>for a Certificate of Public Convenience and )<br>Necessity to Construct a Microgrid Solar and )<br>Battery Storage Facility in Madison County, )<br>North Carolina ) | ORDER REJECTING<br>PROGRESS REPORT AND<br>REQUIRING REVISED REPORT |
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BY THE PRESIDING COMMISSIONER: On May 10, 2019, the Commission issued an Order Granting Certificate of Public Convenience and Necessity with Conditions (CPCN Order) in the above-captioned docket. In the CPCN Order, the Commission approved an application by Duke Energy Progress, LLC (DEP), to construct the solar generation-related components of the Hot Springs Microgrid Project. The CPCN Order stated in part:

Though it is undisputed that the Hot Springs Microgrid should improve reliability in the Hot Springs area, based on the testimony of the Public Staff, it is not clear that it is the most cost-effective way of doing so. However, the Commission finds and concludes that there are additional system benefits from the Hot Springs Microgrid that are material. The ancillary service benefits associated with the battery storage system — frequency and voltage regulation and ramping support — cannot be accurately quantified without actual operational data gained from experience and meticulous data collection analysis. Operation of the Hot Springs Microgrid will provide valuable operational experience as battery storage and solar technologies continue to develop and evolve.

For these reasons, and to ensure that the benefits of the Hot Springs Microgrid may be fully realized and measured, approval of the CPCN for the solar facility of the Hot Springs Microgrid should be granted, subject to the following requirements:

- . . .
1. Within six months of Commission approval of this Application, [DEP shall] formalize and provide its operational and learning goals in a transparent and comprehensive plan, showing how

it will achieve such goals and what operational data from the Hot Springs Microgrid will be measured and recorded.

CPCN Order at 13.

In addition, the CPCN Order details at length the information that DEP is required to provide on an annual basis, once the Hot Springs Microgrid is operational. CPCN Order at 13-14.

On November 19, 2019, DEP filed the required project progress report. The report states that DEP has moved back the commercial operation date for the Hot Springs Microgrid by nine months, from January 2020 to September 2020, but provides no explanation for the schedule change.

Further, the report does not provide the “transparent and comprehensive plan” required by the Commission’s CPCN Order. The Presiding Commissioner expected DEP to file a plan for actual facility operations that included goals such as: (1) the facility’s operations profile during various months of the year; (2) the amount of energy, capacity, and ancillary services the facility will provide to the grid during typical days during each season; and (3) DEP’s plan for maintaining a state of charge that will allow the microgrid to serve the Hot Springs community during a night-time power outage. The report provides no such operational goals nor a plan for collecting data relative to such goals.

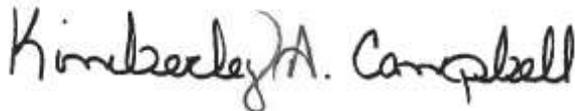
For these reasons the Presiding Commissioner finds DEP’s November 19, 2019 Hot Springs Microgrid Progress Report to be deficient and, therefore, rejects it. Further, the Presiding Commissioner finds good cause to require DEP to file a revised report, consistent with the Commission’s CPCN Order and this Order, by January 15, 2020. In addition the revised report should include a thorough explanation of the reason(s) for the project’s revised commercial operation date.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 6<sup>th</sup> day of December, 2019.

NORTH CAROLINA UTILITIES COMMISSION



Kimberley A. Campbell, Chief Clerk