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Dec 10 2021

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VIA Electronic Filing

Ms. Shonta Dunston, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

*Re: Petition for Approval of Revisions to Generator Interconnection Standards
Docket No. E-100, Sub 101*

Dear Ms. Dunston:

Enclosed for filing in the above-referenced proceeding on behalf of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC is their *Petition for Limited Waiver of North Carolina Interconnection Procedures to Complete Queue Reform Transition Final Accounting Reports.*

Please do not hesitate to contact me should you have any questions. Thank you for your assistance with this matter.

Very truly yours,

/s/E. Brett Breitschwerdt

EBB:kjg

Enclosure

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	PETITION FOR LIMITED WAIVER OF
Petition for Approval of Revisions to)	NORTH CAROLINA INTERCONNECTION
Generator Interconnection Standards)	PROCEDURES TO COMPLETE QUEUE
)	REFORM TRANSITION FINAL
)	ACCOUNTING REPORTS

NOW COME Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP,” and together with DEC, “Duke Energy” or the “Companies”), pursuant to Rule R1-7 of the Rules and Regulations of the North Carolina Utilities Commission (“Commission”), and petition the Commission for a limited waiver of the North Carolina Interconnection Procedures (“NCIP”) to allow for additional time under NCIP Section 6.3.3 to issue a final accounting report (“FAR”) to North Carolina state-jurisdictional Interconnection Customers that either voluntarily withdrew their Interconnection Requests or had their Interconnection Requests deemed withdrawn from the Companies’ interconnection queues as a result of failing to provide required readiness during the 60-day queue reform transition period which occurred from September 1, 2021, through October 31, 2021.

Due to the significant volume of North Carolina-jurisdictional (as well as South Carolina- and Federal Energy Regulatory Commission (“FERC”)-jurisdictional) Interconnection Requests that have exited the Companies’ interconnection queues as part of the recent queue reform transition, the Companies are now being significantly challenged to process the high volume of FARs that need to be issued to withdrawn

Interconnection Requests. As further addressed herein, Duke Energy requests that the Commission provide a limited, temporary waiver of NCIP Section 6.3.3's requirement to issue a FAR to an Interconnection Customer within 60 business days of withdrawal and instead allow the Companies 120 business days from withdrawal to issue a FAR. Specifically, the limited waiver of the NCIP requested in this petition will apply to all North Carolina state-jurisdictional Interconnection Requests that (1) were eligible for either or both the Transition Serial and Transitional Cluster Study Processes; (2) did not establish required readiness during the 60-day queue reform transition period which occurred from September 1, 2021, through October 31, 2021; and (3) either voluntarily withdrew or were deemed withdrawn from DEC and DEP interconnection queues as part of the queue reform transition process.

In support of the foregoing, Duke Energy shows the Commission the following:

1. On October 15, 2020, the Commission issued its *Order Approving Queue Reform*. The *Order Approving Queue Reform* recognized that both the Public Service Commission of South Carolina ("PSCSC") and FERC must approve queue reform in order for cluster studies to be implemented in the Carolinas. The Commission advised that it would issue an order subsequent to the approval of the queue reform proposal in other jurisdictions establishing the effective date of the new revised NCIP.

2. On August 11, 2021, after obtaining approvals from the PSCSC and FERC of complementary queue reform procedures, the Companies filed a motion to implement queue reform effective August 20, 2021. On August 19, 2021, the Commission issued its *Order Implementing Queue Reform*, making the revised NCIP as filed with Duke's August 11, 2021 Petition effective as of August 20, 2021.

3. On September 1, 2021, the Companies commenced the queue reform transition process and provided written notice to all existing Interconnection Customers under NCIP Sections 1.1.3 and 1.10 that Interconnection Customers would have 60 Calendar Days from the notice to demonstrate financial and project readiness and commit to proceed under the Transitional Study process or to withdraw their Interconnection Requests from the queue with the opportunity to re-enter the queue as part a future Definitive Interconnection System Impact Study (“DISIS”) Cluster. Similar provisions exist in the South Carolina Generator Interconnection Procedures and in the FERC Large Generator Interconnection Procedures, providing for the queue reform transition, which DEC and DEP administered consistently for all Interconnection Requests.

4. On October 29, 2021, the Companies filed the updated NCIP, which included the Commission-approved Transitional Cluster Study eligibility provision in NCIP Section 1.10.2.1.

5. Pursuant to the Commission-approved queue reform process, Interconnection Customers had from September 1, 2021, through October 31, 2021, to establish the Transitional Serial Study or Transitional Cluster Study readiness requirements as detailed at NCIP Sections 1.10.1 and 1.10.2 (“Eligibility Window”) or to withdraw their Interconnection Request from the queue.

6. After the close of the Eligibility Window, 171 of the 268 eligible NC-, SC-, and FERC-jurisdictional DEC and DEP Interconnection Requests did not establish the necessary readiness requirements for either Transitional Serial Study or Transitional Cluster Study and voluntarily withdrew or were deemed withdrawn. Included in these withdrawal totals are 56 North Carolina-jurisdictional Interconnection Requests.

7. The Companies believe that the queue reform transition process was a success. Interconnection Customers' decisions to withdraw this significant volume of non-viable projects will allow the remaining projects now progressing through either the Transitional Serial Study or Transitional Cluster Study procedures to complete the study process more efficiently and to ultimately interconnect with the Companies' system. These withdrawals represent a significant step in "unclogging" the Companies' interconnection queues, consistent with the objectives of queue reform.¹ As a result of this successful queue reform transition process, however, the Companies now must process an unprecedented number of FARs for withdrawing Interconnection Requests under NCIP Section 6.3.3.

REQUEST FOR LIMITED WAIVER

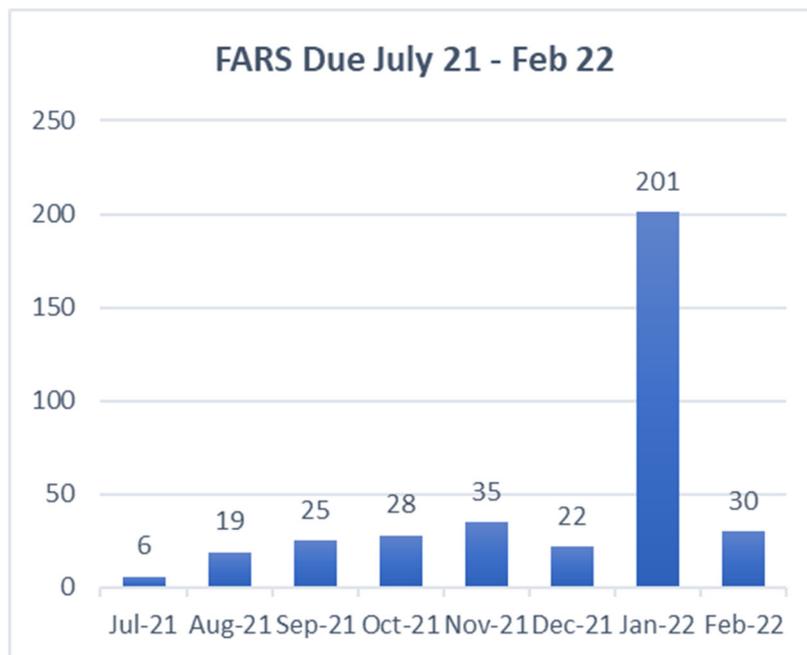
8. Under Section 6.3.3 of the NCIP, the Companies have 60 business days from a voluntary or deemed withdrawal to provide an Interconnection Request with a FAR. In November 2021, for example, the Companies had to issue approximately 35 FARs for NC-, SC-, and FERC-jurisdictional Interconnection Requests. This month, December 2021, the Companies will have to issue approximately 22 FARs. As a result of the significant number of projects that withdrew or were deemed withdrawn after the close of the queue reform transition Eligibility Window, however, the Companies anticipate having to issue over 200 FARs in January 2022². The number of FARs due in January 2022 represents an almost tenfold increase when compared to the number of FARs due in the

¹ See *Order Approving Revised Interconnection Standard*, at 11, Docket No. E-100, Sub 101 (May 15, 2015) (discussing reasonable measures to "address[] the clogged queue issue in North Carolina and that applying the [measures] to existing as well as new interconnection requests will promote efficiency and clear the clogged queue by providing an incentive for developers to withdraw projects that they do not intend to pursue").

² Approximately 30-40 of FARs that are due in January 2022 result from events that are unrelated to DEC and DEP's commencement of the 60-day queue reform transition period that occurred from September 1, 2021 through October 31, 2021.

prior month and the average number of FARs due each month since July 2021 (on average, 22.5 FARs due per month). Figure 1 illustrates this relatively high volume of FARs that the Companies would need to process and issue in January 2022 when compared to the number of FARs due each month for the past six months.

Figure 1



9. The Companies are diligently working to process the FARs for all withdrawing NC-, SC-, and FERC-jurisdictional Interconnection Requests in a reasonable and efficient manner that best complies with the respective interconnection procedures. The Companies recently hired two contractors to support these efforts. However, despite their best efforts, and even with the additional support of two contractors, the Companies will still be significantly challenged to process the FARs for North Carolina Interconnection Requests within 60 business days with its current resources due to (1) the number of FARs that require issuance in January 2022 under the applicable NCIP Section

6.3.3 deadline, and (2) the additional level of financial analysis and reconciliation within the Companies' accounting systems that will be required for FARs due to older projects in this grouping (some of which entered the queue as early as 2014).

10. As a result, the Companies are requesting that the Commission provide a limited waiver of NCIP § 6.3.3 and allow DEC and DEP to issue a FAR within 120 business days from the date a North Carolina state-jurisdictional Interconnection Customer either voluntarily withdrew its Interconnection Request or had its Interconnection Request deemed withdrawn from the Companies' interconnection queues as a result of failing to provide required readiness during the Eligibility Window.

11. The limited waiver of the NCIP requested in this petition will apply only to North Carolina state-jurisdictional Interconnection Customers that (1) were eligible for either or both of the Transition Serial and Transitional Cluster Study Processes, and (2) did not establish required readiness during the 60-day queue reform transition period which occurred from September 1, 2021, through October 31, 2021. Such Interconnection Requests were either voluntarily withdrawn or were deemed withdrawn from DEC and DEP interconnection queues as part of the queue reform transition process.

12. The Companies have shared this Petition with counsel for the Carolinas Clean Energy Business Association ("CCEBA"), the North Carolina Sustainable Energy Association ("NCSEA"), and the Public Staff—North Carolina Utilities Commission ("Public Staff"). CCEBA, NCSEA, and the Public Staff have authorized the Companies to state that they do not oppose the relief requested by the Companies in this Petition.

WHEREFORE, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC respectfully request that the Commission grant this Petition for limited waiver of the NCIP

to allow for a total of 120 business days to issue a FAR for North Carolina state-jurisdictional Interconnection Customers that either voluntarily withdrew their Interconnection Request or had their Interconnection Request deemed withdrawn from the Companies' interconnection queues as a result of failing to provide required readiness during the 60-day queue reform transition period which occurred from September 1, 2021, through October 31, 2021.

Respectfully submitted, this the 10th day of December, 2021.

/s/E. Brett Breitschwerdt

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition for Limited Waiver of North Carolina Interconnection Procedures to Complete Queue Reform Transition Final Accounting Reports, as filed in Docket No. E-100, Sub 101, was served via electronic delivery or mailed, first-class, postage prepaid, upon all parties of record.

This, the 10th day of December, 2021.

/s/E. Brett Breitschwerdt

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