



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

May 14, 2021

Ms. Kimberley A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. EMP-114, Sub 0 – CPCN and Registration Statement for 100MW Solar Located South of S. Mills Road, on the east/west sides of Puddin Ridge Road, and on the north/south sides of Cooper Garrett Road, near Moyock, NC

Dear Ms. Campbell:

In connection with the above-referenced docket, I transmit herewith for filing on behalf of the Public Staff the testimony changes and summary of Evan Lawrence.

I am also including two pages from Mr. Lawrence's prefiled testimony that require revision as a reference for the court reporter.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s Reita D. Coxton  
Staff Attorney  
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Attachments

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## Summary of Testimony of Evan Lawrence

### Docket No. EMP-114, Sub 0

The purpose of my testimony is to provide the Public Staff's recommendations to the Commission on the application for a certificate of public convenience and necessity filed by Oak Trail Solar, LLC, (Applicant) for its proposed 100-megawatt merchant electric generating facility in Currituck County, North Carolina.

The proposed facility will interconnect with PJM. The Applicant has complied with all of the Commission's filing requirements to date.

However, the Public Staff has concerns regarding the cost responsibility for potential affected system upgrades in Duke Energy Progress (DEP) territory.

I recommend that the Commission approve the application subject to the following conditions: (1) the Applicant shall file a copy of its Affected System Operating Agreement, (2) the Applicant shall file a verified statement that it is responsible for its portion of any affected system upgrade costs, (3) the Applicant shall notify the Commission of any significant changes in cost estimates, and (4) the Commission shall consider any costs to be borne by DEP's customers if the Applicant seeks reimbursement.

This completes my summary.

- 1 conforms to or varies from the purchasing  
2 distribution utility's long-range resource plan.
- 3 7. If the Applicant proposes to sell energy and  
4 capacity from the facility to a purchaser who is  
5 subject to a statutory or regulatory mandate with  
6 respect to its energy sourcing (e.g., a REPS  
7 requirement or Virginia's new statutory mandate  
8 for renewables), explain how, if at all, the facility  
9 will assist or enable compliance with that  
10 mandate. Provide any contracts that support  
11 that compliance.
- 12 8. Provide any Power Purchase Agreements,  
13 Renewable Energy Credit (REC) sale contracts,  
14 or contracts for compensation for environmental  
15 attributes for the output of the facility.

16 **Q. DID THE APPLICANT PROVIDE LCOT CALCULATIONS FOR**  
17 **NETWORK UPGRADES?**

- 18 A. Yes. Confidential Supplemental Application Addendum 1 of Matt  
19 Crook's Prefiled Supplemental Testimony included LCOT  
20 calculations for the Facility. The LCOT for the Facility is \$1.94/MWh,  
21 with anticipated network upgrade costs of **[BEGIN CONFIDENTIAL]**  
22 **\$10,002,324 [END CONFIDENTIAL]**.

23 **Q. DID THE APPLICANT PROVIDE ANY AFFECTED SYSTEM**  
24 **STUDIES OR COSTS RELATED TO THE FACILITY?**

- 25 A. No. The Applicant is not aware of any impacts to affected systems at  
26 this time. The completed interconnection studies also do not reflect  
27 the need for affected system studies or upgrades. However, Duke  
28 Energy Progress, LLC (DEP), has recently completed an affected  
29 system study for the AD2 PJM interconnection cluster. The Facility  
30 is part of PJM's AD2 and AE2 interconnection clusters.

1 **Q. DO YOU HAVE ANY CONCERNS RELATED TO THE USE OF THE**  
2 **LCOT?**

3 A. Yes. The Public Staff does not disagree with the LCOT calculation,  
4 but, because of the tentative nature of projects in the queue, costs  
5 can be shifted from one cluster to another. The Public Staff has  
6 highlighted this concern in previous testimony for multiple other  
7 applications for CPCNs by merchant generating facilities.

8 **Q. IS THE POTENTIAL FOR SYSTEM UPGRADE COST RECOVERY**  
9 **DIFFERENT FOR THIS FACILITY THAN FOR OTHER FACILITIES**  
10 **IN PJM'S NORTH CAROLINA TERRITORY?**

11 A. Yes. In previous cases that required affected system upgrades on  
12 the DEP transmission system, the contract between DEP and the  
13 generator allowed the generator to recover the costs paid to DEP. In  
14 Docket No. E-100, Sub 170 (Sub 170 Proceeding), DEP and Duke  
15 Energy Carolinas, LLC (DEC), filed comments on October 7, 2020  
16 regarding their affected system study process and cost allocation. In  
17 this filing, DEC and DEP noted that, effective October 1, 2020,  
18 Section 6.1 of the DEP, DEC, and Duke Energy Florida "Affected  
19 System Operating Agreement Template" states that, "[t]he Affected  
20 System Network Upgrades shall be solely funded by Customer." The  
21 Public Staff agrees with this change. Further, the Public Staff  
22 believes that if at any point in the future, costs for affected system  
23 network upgrades are not completely borne by the Applicant, the