

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. EMP-110, SUB 0  
DOCKET NO. EMP-111, SUB 0  
DOCKET NO.EMP-119, SUB 0 AND SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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 )

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 )

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 )

In the Matter of )  
Application of Macadamia Solar, LLC for a )  
Certificate of Environmental Compatibility )  
And Public Convenience and Necessity to )  
Construct a 6.53-mile 230 kV Transmission )  
Line in Washington County, North Carolina )

ORDER ACCEPTING  
SUPPLEMENTAL TESTIMONY AND  
PROVIDING QUESTIONS TO BE  
ANSWERED AT HEARINGS

BY THE PRESIDING COMMISSIONERS: On April 16, 2020, Sumac Solar, LLC (Sumac or Applicant) filed an application for a certificate of public convenience and necessity (CPCN) to construct a solar energy facility with a capacity of 120 MW in Bertie County, North Carolina.<sup>1</sup>

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<sup>1</sup> In prefiled supplemental testimony of witnesses Donna Robichaud and Amanda Mack filed on June 1 and June 2, 2022, the Applicant stated that Sumac had downsized its proposed Facility from 120 MW to 80 MW.

On June 2, 2020, Sweetleaf Solar, LLC (Sweetleaf or Applicant) filed an application for a CPCN to construct a solar energy facility with a capacity of 94 MW in Halifax County, North Carolina.

On May 27, 2021, Sumac and Sweetleaf jointly filed a Motion for Stay of Proceedings pending further order of the Commission so that the parties and the Commission could have the benefit of additional interconnection-related information regarding the Applicants' projects before the filing of additional testimony or the conducting of evidentiary hearings. The Applicants stated that their motion was necessitated by further delays in the delivery of interconnection studies by PJM Interconnection (PJM). The Applicants were anticipating retooled PJM studies for the PJM AD1 cluster, which includes both Sumac and Sweetleaf, in the fall of 2021. Further, the Applicants expected that PJM's retooled studies would require Duke Energy Progress, LLC (DEP) to revise its Affected System Study Report based on the results of the retooled PJM studies, and the Applicants had no timeline for the expected delivery of a revised Affected System Study Report.

On June 3, 2021, the Commission issued an Order Granting Request for Stay of Proceedings in each docket, Docket No. EMP-110, Sub 0 and Docket No. EMP-111, Sub 0.

In Docket No. EMP-110, Sub 0, Sumac filed supplemental testimony on June 1 and June 2, 2022, and additional interconnection studies on July 22, 2022.

In Docket No. EMP-111, Sub 0, Sweetleaf filed a System Impact Study Report on January 3, 2022, and supplemental testimony on June 24, 2022.

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, Sub 0 and Sub 1. Docket No. EMP-119, Sub 0 and Sub 1 involve applications filed by Macadamia Solar, LLC (Macadamia or Applicant) for a CPCN to construct a 484 MW solar facility in Washington County, North Carolina (Sub 0) and for a Certificate of Environmental Compatibility and Public Convenience and Necessity (CECPCN) to construct a transmission line in Washington County, North Carolina. On June 14, 2022, the Commission issued an Order Scheduling Hearing and the Filing of Testimony, scheduling an expert witness hearing in Docket No. EMP-119, Sub 0 and Sub 1 for September 6, 2022, at 1:00 p.m. in Commission Hearing Room 2115.

The Public Staff noted that all three projects referenced in its motion: (1) are in the PJM AD1 cluster; (2) trigger the same Affected System Upgrade on the Everetts-Greenville transmission line in DEP territory; and (3) are owned by or being developed primarily by Geenex Solar, LLC (Geenex). The Public Staff further noted that there is overlap of expert witnesses filing testimony in all three CPCN dockets. For these reasons, the Public Staff moved to hold all three CPCN hearings and the CECPCN hearing on the same day, September 6, 2022, the date already chosen for the hearing for EMP-119, Sub 0 and Sub 1. The Public Staff also proposed a schedule for the filing of supplemental testimony and reply testimony.

On August 5, 2022, the Commission issued an Order Accepting Testimony, Requiring Further Testimony, and Scheduling Hearings (August 5 Order). The August 5 Order accepted supplemental testimony filed in Docket Nos. EMP-110, Sub 0 and EMP-111, Sub 0; set a date for the filing of supplemental reply testimony in those dockets; scheduled the expert witness hearing in Docket No. EMP-110, Sub 0 to immediately follow the expert witness hearing in Docket No. EMP-119, Sub 0 and Sub 1 on September 6, 2022; and scheduled the expert witness hearing in EMP-111, to immediately follow the hearing for Docket No. EMP-110, Sub 0.

In Docket No. EMP-119, Sub 0 and Sub 1, Macadamia filed a letter on August 15, 2022, providing an update on developments related to a potential Affected System Operating Agreement (ASOA) with DEP pursuant to which DEP will perform the upgrades to the Everetts-Greenville 230 kV transmission line that are required for any of these Applicants' facilities to interconnect (the DEP Upgrade). Macadamia stated that DEP plans to rebuild the Everetts-Greenville 230 kV line for reliability reasons due to the age and condition of the line but has indicated that the work will not be completed until 2026 or 2027, unless the interconnection customer pays to expedite the work. Because an in-service date of 2026 or later would adversely impact the projects in the AD1 cluster that are dependent on the DEP Upgrade, Macadamia is negotiating an ASOA with DEP that would expedite the work to 2025. The cost for expediting the work would be approximately \$1.6 million.

Macadamia states that DEP has provided Macadamia with an executable ASOA providing for the completion of the DEP Upgrade by December 31, 2025. It estimates an incremental cost of \$150,000 for the reconductoring of the Everetts-Greenville 230 kV line and expediting costs of \$1,615,000 for a total cost of \$1,765,000. The draft ASOA does not provide for reimbursement of those costs to Macadamia and, according to Macadamia, would not impose any costs on DEP ratepayers. DEP will file the final ASOA with the Federal Energy Regulatory Commission (FERC) for approval, and Macadamia intends to make a filing in support. Macadamia is optimistic that FERC will find the ASOA not providing for reimbursement just and reasonable under the circumstances.

In Docket Nos. EMP-110, Sub 0, and EMP-111, Sub 0, the Applicants each filed second supplemental reply testimony of witness Donna Robichaud on August 12, 2022, in accordance with the schedule established in the August 5 Order. Those filings also contained the information regarding the DEP Upgrade, the costs to expedite that work, and the planned Macadamia/DEP ASOA.

On August 30, 2022, the Public Staff filed a Motion for Leave to File Joint Supplemental Testimony and the Joint Supplemental Testimony of Public Staff witnesses Jay B. Lucas and Evan D. Lawrence in Docket Nos. EMP-110, Sub 0; EMP-111, Sub 0; and EMP 119, Sub 0 and Sub 1. In summary, witnesses Lucas and Lawrence argue that if FERC does not approve the ASOA between Macadamia and DEP because it does not provide for reimbursement, DEP's ratepayers would ultimately pay for the DEP Upgrade. The Public Staff is particularly concerned about DEP's ratepayers having to pay for the fees to expedite the work, since expediting is not necessary for the facilities to interconnect. The Public Staff recommends that the Commission not issue CPCNs for any of the facilities until FERC has

decided whether to approve the ASOA. If the Applicants want to expedite the DEP Upgrade and FERC determines that the fee is reimbursable by DEP's customers, the Public Staff argues that the Commission should deny the CPCNs. If the Applicants do not expedite the work, or if FERC approves the ASOA as described by Macadamia, the Public Staff maintains its earlier recommendations that the Commission grant the CPCNs subject to certain conditions.

Considering the foregoing, the Commission finds good cause to grant the Public Staff's motion and accept the joint supplemental testimony of witnesses Lucas and Lawrence into each respective docket. Based on the supplemental testimony of the Public Staff and the record as a whole, the Commission finds good cause to direct the Applicants and the Public Staff to produce witnesses at the hearings on September 6, 2022 to provide testimony in each respective docket addressing the following questions:

For the Public Staff:

1. Has the upgrade to the Everetts-Greenville 230 kV transmission line that is required for these three facilities to interconnect been added to the list of reliability projects maintained by the North Carolina Transmission Planning Collaborative? Why or why not?

2. Public Staff witness Lawrence's second supplemental testimony, filed in EMP-110, Sub 0 on July 29, 2022, explains that the reconductoring of the Everetts-Greenville line, identified in the first revision to the AD1 Affected System Study dated September 9, 2021, at a cost of \$10 million to the Applicant, was removed as an Affected System Upgrade attributable to the Applicant in the second revision to the Affected System Study dated June 8, 2022. Specifically, Public Staff Witness Lawrence testifies that "[b]etween the release of revision 1 and revision 2 of the affected system studies, DEP determined that this section of line needed to be replaced due to aging components nearing the end of their useful life. This rebuild is expected to cost a total of \$19 million and be completed in 2027." Applicant Witness Robichaud explained in her second supplemental testimony filed in EMP-110, Sub 0 on August 12, 2022, that the second revised study revised the cost of the DEP Upgrade to \$350,000 based on DEP's conclusion that the impacted section of the Everetts-Greenville 230 kV line needed to be replaced for reliability reasons and not due to the interconnection of new generation.

At what point was the Public Staff informed that DEP intended to replace the impacted section of the Everetts-Greenville 230 kV line for "reliability reasons"? Has the Public Staff investigated or communicated with DEP regarding the decision to replace the impacted section of the Everetts-Greenville 230 kV line for "reliability reasons"? If not, why not? If yes, explain what the Public Staff learned during such investigation. Provide at the hearing as an exhibit any study, report, or analysis that DEP provided to the Public Staff pursuant to these communications.

3. The Public Staff witnesses have testified that PJM can make transmission upgrades that reduce the need for DEP to make Affected System Upgrades but that the Public Staff and the Commission cannot be assured that PJM will construct this type of

upgrade and cannot be assured that this type of upgrade will reduce Affected System costs to a negligible level. Are there specific examples of instances where such upgrades were possible, and PJM did not make them? If so, what were the resulting financial implications?

For the Applicants:

1. Under what circumstances will the \$1.6 million in Affected System Costs outlined in your testimony will increase, decrease, or otherwise change? How confident are the Applicants (Sumac, Sweetleaf, and Macadamia) that the \$1.6 million figure is the final amount of the Affected Systems Costs?

2. If the Affected Systems Costs were to change, what would be the magnitude of the change, and who do the Applicants (Sumac, Sweetleaf, and Macadamia) anticipate would pay any amount over the predicted \$1.6 million?

IT IS, THEREFORE SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 2nd day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk