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FILED

OCT 04 2010

Clerk's Office
N.C. Utilities Commission

October 4, 2010

OFFICIAL COPY

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

RE: Docket No. E-100, Sub 113
Docket No. E-100, Sub 121

Dear Ms. Vance:

Enclosed for filing are the original and thirty (30) copies of Duke Energy Carolinas, LLC's Comments in the above referenced docket.

Sincerely,

Robert W. Kaylor

Robert W. Kaylor

Enclosures

cc: Parties of Record

(ST)
AG
7-Comm
K

Kirby
Watson
Foster
Hawner
Sessoms
Kite
Ericson

Gruber
3-PS Legal
3-PS Acctg
2-PS Ec/Res
3-PS Elect
1-Hilburn

*Bennink
Jules*

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 113
DOCKET NO. E-100, SUB 121

FILED

OCT 04 2010

Clerk's Office
N.C. Utilities Commission

DOCKET NO. E-100, SUB 113)
In the Matter of)
Rulemaking Proceeding to)
Implement Session Law 2007-397)

And)

**COMMENTS OF DUKE ENERGY
CAROLINAS, LLC**

DOCKET NO. E-100, SUB 121)
In the Matter of)
Implementing a Tracking System for)
Renewable Energy Certificates Pursuant to)
Session Law 2007-397)

Duke Energy Carolinas, LLC (hereinafter "Duke Energy Carolinas" or "the Company") hereby submits its comments in response to the North Carolina Utilities Commission's (hereinafter "NCUC" or "the Commission") *Order Requesting Comments on Proposed Modifications to Rules R8-64 Through R8-69 And Interim Operating Procedures for NC-RETS* ("the Order"), issued in these dockets on August 3, 2010. The Company has joined in the comments submitted by Progress Energy Carolinas, Inc. ("PEC") on behalf of PEC, Duke Energy Carolinas, LLC, GreenCo Solutions, Inc., and Dominion North Carolina Power ("Joint Comments") in response to the Order and Duke Energy Carolinas hereby incorporates by reference the proposed revisions and modifications recommended in the Joint Comments with respect to Rules R8-64 through R8-69. Duke Energy Carolinas' comments set forth below address additional proposed modifications to Rule R8-68 and the Interim Operating Procedures for NC-RETS.

DUKE ENERGY CAROLINAS' COMMENTS

Duke Energy Carolinas appreciates the opportunity to comment and to provide input on the Commission's proposed modifications to the procedural aspects of the rules implementing Senate Bill 3. Based on its review of the proposed modifications to the rules, as well as its practical experience to date with respect to the operation of such rules, the Company submits the following comments as to specific proposed amendments to Rule R8-68 and the Interim Operating Procedures for NC-RETS.

(1) R8-68(c)(3)(ii)d. – THE COMPANY RECOMMENDS MODIFYING THE LANGUAGE OF THIS SECTION BASED ON PRACTICAL REALITIES OF MEASUREMENT AND VERIFICATION PROCESS

In Appendix A to the Order, the Commission proposed the following modification to the revised Rule R8-68(c)(3)(ii):

(ii) Measurement and Verification Reporting Plan for New Demand-Side Management and Energy Efficiency Measures. — The electric public utility shall be responsible for the measurement and verification of energy and peak demand savings and may use the services of an independent third party for such purposes. The costs of implementing the measurement and verification process may be considered as operating costs for purposes of Commission Rule R8-69. In addition, the electric public utility shall:

* * *

d. identify any third party and include all of the costs of that third party, if the electric public utility plans to utilize an independent third party for purposes of measurement and verification.

Duke Energy Carolinas submits that the proposed modification to Rule R8-68 would place compliance requirements on the utilities that are inconsistent with the standard practices of the measurement and verification ("M&V") process. Very simply, the Company does not

generally have individualized M&V costs that are identifiable with any single new measure or program. Duke Energy Carolinas' M&V plan operates on a portfolio basis, so to report on costs of M&V for a single new measure may be overstating actual M&V costs for that measure, as such M&V costs are managed at the portfolio level. In the filings Duke Energy Carolinas has made to date relating to the approval of new programs pursuant to Rule R8-68, the Company has estimated its M&V costs associated with the particular program based on a general percentage of the program's costs. Duke Energy Carolinas believes that attempting to assign specific M&V costs to particular programs will not provide accurate information to the Commission related to the process and is not consistent with the operation of its M&V plan. As such, the Company requests that the modified rule include flexible language to accommodate both program-based and portfolio-based M&V plans. Duke Energy Carolinas recommends that the proposed rule R8-68(c)(3)(ii) be modified as follows:

d. identify any third party and include all of an estimate of the costs of that third party, attributable to the specific program or related portfolio of programs, if the electric public utility plans to utilize an independent third party for purposes of measurement and verification.

(2) NC-RETS INTERIM OPERATING PROCEDURES – CORRECTION TO SECTION 5.1 REQUIREMENTS

Duke Energy Carolinas submits that the following minor change in Paragraph 5 of Section 5.1 should be made to reconcile with the corrected information technology ("IT") specifications with which the Company has complied:

~~NC-RETS~~PROJECTID,REPORTINGENTITYID,VINTAGE,FROMDATE,TODATE,TOTALMWH
114,2A58A68,08/2010,08/01/2010,08/31/2010,100

The fields are as described in the following table:

Field Name	Data Type	Description
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NCRETSPROJECTID	Integer	Unique NC-RETS identifier for the Project assigned by NC-RETS upon Project approval.
REPORTINGENTITYID	Integer and Character(50)	Unique identifier for the Project assigned by its QRE from the QRE's internal systems.
VINTAGE	Numeric Character(7)	Month and year of production, formatted as MM/YYYY for any month in the current reporting period
FROMDATE	Numeric Character(10)	Begin month-day-year of production output period formatted as MM/DD/YYYY
TODATE	Numeric Character(10)	End month-day-year of production output period formatted as MM/DD/YYYY
TOTALMWH	Floating decimal	Total MWhs for reporting period, with three spaces beyond the decimal

(3) NC-RETS INTERIM OPERATING PROCEDURES – APPENDIX D SHOULD INCLUDE AN ADDITIONAL FUEL TYPE DESIGNATION FOR UNMETERED SOLAR THERMAL FACILITIES

Duke Energy Carolinas further requests that the list of fuel types within Appendix D of the Interim Operating Procedures should be amended to include an additional fuel type designation for unmetered solar thermal facilities. The proposed change is set forth in blackline format within the chart from Appendix D below.

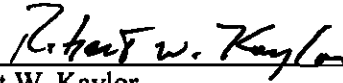
FUEL/PROJECT TYPE (SHORT DESCRIPTION)	FUEL/PROJECT TYPE (LONG DESCRIPTION)	RENEWABLE
BAW	Biomass - Agricultural Solid Waste	Yes
BA3	Biomass - Animal Waste - Other Animal Waste, Solid or Gas	Yes
BA2	Biomass - Animal Waste - Poultry Waste, Solid or Gas	Yes
BA1	Biomass - Animal Waste - Swine Waste, Solid or Gas	Yes
BML	Biomass - Combustible Liquids - Other	Yes

BBL	Biomass - Combustible Liquids - Spent Pulp Pulping Liquors	Yes
BMC	Biomass - Energy Crop	Yes
BLF	Biomass - Landfill Methane	Yes
BMO	Biomass - Other Biomass, including Combustible Residues	Yes
BIM	Biomass - Other Combustible Gas	Yes
BWW	Biomass - Wood Waste	Yes
CO1	Coal	No
DI1	Diesel	No
GE1	Geothermal	Yes
HYD	Hydropower - Non-SEPA	Yes
H2O	Hydropower - SEPA	Yes
JET	Jet Fuel	No
MSW	Municipal Solid Waste - Non-Renewable	No
NG1	Natural Gas	No
OC1	Ocean/Wave/Current	Yes
OIL	Oil	No
OTH	Other non-renewable fuel	No
SO1	Solar - Photovoltaic	Yes
STH	Solar - Thermal	Yes
STU	<u>Solar – Thermal Unmetered</u>	<u>Yes</u>
WND	Wind	Yes

CONCLUSION

Duke Energy Carolinas thanks the Commission for this opportunity to offer its comments with respect to proposed modifications to the Commission's rules implementing Session Law 2007-497.

Respectfully submitted this 4th day of October, 2010.



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CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Comments in Docket No. E-100, Sub 113 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the 4th day of October, 2010.



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