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STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

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

FILED
FEB 19 2010
Clerk's Office
N.C. Utilities Commission

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100 SUB 113)	
)	
In the Matter of)	
Rulemaking Proceeding to Implement Session Law)	
2007-397)	PUBLIC STAFF'S COMMENTS
DOCKET NO. E-100, SUB 121)	
)	
In the Matter of)	
Implementing a Tracking System for Renewable)	
Energy Certificates Pursuant to Session Law 2007-)	
397)	

NOW COMES the Public Staff, North Carolina Utilities Commission, by and through its Executive Director, Robert P. Gruber, and submits its Comments regarding the Commission's proposed renewable energy certificate (REC) tracking system rules.

On January 27, 2010, the Commission issued an Order Proposing Rules and Requesting Comments. In that order, the Commission described the process undertaken to date to establish a REC tracking system that would assist the Commission in tracking the creation, retirement and ownership of RECs for compliance with Session Law 2007-397 (Senate Bill 3). This system will be known as the North Carolina Renewable Energy Tracking System (NC-RETS). The Commission anticipated that it will select a vendor to develop, implement and operate NC-RETS by approximately February 1, 2010 and that NC-RETS will be operational by July 1, 2010.

In connection with the development of NC-RETS, the Commission has found that in order for NC-RETS to accurately track compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) established in Senate Bill 3, it is imperative that all electric power suppliers and renewable energy facility owners participate by providing compliance-related data to NC-RETS. Therefore, the Commission has proposed new rules to establish requirements for participating in and paying for NC-RETS and has requested comments from interested parties regarding the proposed rules.

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1. The Public Staff would like to commend the Commission Staff and the various stakeholders in this docket for their work in bringing NC-RETS to this point in the process. The Public Staff recognizes that this process has been complicated and difficult and has involved a number of stakeholders with varied and sometimes conflicting interests. As a result of the Commission Staff's leadership and the active participation of stakeholders, NC-RETS can be expected to provide the Commission, the Public Staff, participants, and the public with valuable assistance in tracking compliance with REPS.

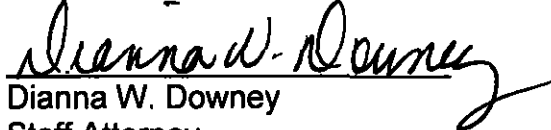
2. Although the Public Staff believes that the proposed rule in large part reflects its understanding as to how NC-RETS should work, the Public Staff does have some suggestions for the Commission's consideration. Attached is a copy of the proposed rule with the Public Staff's suggested changes, along with a clean version that incorporates those changes. It may appear that the suggestions are extensive, but basically the suggested changes would do the following:

- a. New subdivision (1) would establish NC-RETS and give the third party vendor authority to administer the system and to make it clear that only RECs created or imported in NC-RETS are eligible for meeting REPS compliance.
- b. Replace the phrase "the REC tracking system" and similar phrases with the shorter "NC-RETS", the name of the system.
- c. In subdivision (3), clarify what a "multi-fuel facility" is and how energy output of those facilities would be calculated and reported.
- d. Change the phrase "production data" to "energy output" so that the phrase is consistent throughout the rule.
- e. Combine subdivisions (3) and (4) and clarify who is responsible for reporting under the circumstances in that subdivision.
- f. Combine all of the record retention provision in one subdivision.
- g. Make other drafting technical changes.

Respectfully submitted this the 19th day of February, 2010.

PUBLIC STAFF
Robert P. Gruber
Executive Director

Antoinette R. Wike
Chief Counsel

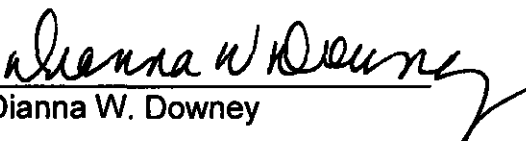

Dianna W. Downey
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CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing Comments upon each of the parties of record in this proceeding or their attorneys of record by depositing a copy of same in the United States Mail, postage prepaid, properly addressed to each.

This the 19th day of February, 2010.


Dianna W. Downey

Commission Rule R8-67. Renewable Energy and Energy Efficiency Portfolio Standard (REPS)

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(h) North Carolina Renewable Energy Certificate Tracking System (NC-RETS)

- (1) A renewable energy certificate (REC) tracking system, to be known as NC-RETS, is established by the Commission to track the creation, transfer and retirement of RECs used to comply with G.S. 62-133.8. NC-RETS shall be administered by a third party vendor selected by the Commission. The NC-RETS administrator shall have the authority to administer NC-RETS and prescribe the specific types of and manner in which information shall be reported to NC-RETS. Only RECs created by or imported into NC-RETS are eligible RECs under G.S. 62-133.8(b)(2)e. or G.S. 62-133.8(c)(2)d.
- ~~(1)(2)~~ Each electric power supplier shall participate in the REC tracking system established by the Commission NC-RETS and shall provide REPS compliance data to the system, which data may be audited by the Public Staff and the Commission to verify REPS compliance information to NC-RETS demonstrating compliance with G.S. 62-133.8. Municipalities and electric membership corporations may elect to have their compliance data information reported by a third party.
- ~~(2)(3)~~ Each renewable energy facility and new renewable energy facility shall participate in a REC tracking system NC-RETS and facilitate the transfer of production data energy output to such tracking system for the creation, tracking, and retirement of RECs NC-RETS. Multi-fuel facilities that generate power using both a renewable energy resource and another resource shall calculate on a monthly basis the percentage of their energy output that is attributable to qualifying fuel the renewable energy resource and. Such facilities shall retain documentation verifying these calculations for audit by the Public Staff. Multi-fuel facilities shall monthly provide the results of the calculations to the REC tracking system NC-RETS. The REC tracking system NC-RETS shall create appropriate RECs only for the qualifying portion of the multi-fuel the facility's energy output attributable to the renewable energy resource.
- ~~(3)~~ Each balancing area operator shall provide, at least monthly, electric generation production data to the REC tracking system for renewable and new renewable energy facilities that are interconnected to the operator's electric transmission system. Such balancing area operator shall retain documentation verifying the production data for audit by the Public Staff.
- (4)

- (4) Each electric power supplier that has renewable energy facilities and new renewable energy facilities interconnected with its electric distribution or transmission system, and that routinely reads the electric generation production meters for those facilities, shall provide, at least monthly, the facilities' production data energy output to the REC tracking system NC-RETS. Such electric power supplier shall retain documentation verifying the production data for audit by the Public Staff. If an electric power supplier's transmission system is administered on a regional basis, electric generation energy output for renewable and new renewable energy facilities connected to the transmission system shall be provided by the balancing authority.
- (5) A renewable energy facility or new renewable energy facility that produces thermal energy that qualifies for RECs shall self-report to the REC tracking system the facility's qualifying thermal energy output to NC-RETS at least once a year. Such facilities shall retain documentation verifying the production data for audit by the Public Staff.
- A renewable energy facility or new renewable energy facility that self-reports its production data pursuant to Commission Rule R8-67(g)(3) shall self-report its energy output to the REC tracking system NC-RETS at least once a year. Such facilities shall retain documentation verifying the production data for audit by the Public Staff.
- (6) (7) The owner of an inverter-based solar photovoltaic system with a nameplate capacity of 10 kW or less may estimate its energy output using generally accepted analytical tools pursuant to Commission Rule R8-67(g)(2). Such a An owner of this type of facility shall self-report its energy output to the REC tracking system NC-RETS at least once a year. Such facilities shall retain documentation verifying their production data for audit by the Public Staff.
- (8) All energy production output and fuel data provided to the tracking system NC-RETS, including underlying calculations and estimates, shall be retained by the facility's owner/reporter of that information for at least ten years and made available to the Public Staff upon request for audit for at least ten (10) years.
- (8)(9) Each electric power supplier that complies with REPSG.S. 62-133.8 by implementing energy efficiency and/or demand side management programs shall use the REC tracking system NC-RETS to track both the forecasted/estimated and verified energy savings of those programs.
- (9)(10) Each participant in the REC tracking system established by the Commission NC RETS shall pay the REC tracking system NC-RETS administrator for REC tracking system services according to the following fee schedule:
- \$0.01 for each REC exported to an account residing in a different REC tracking system.

- b. \$0.01 for each REC retired for reasons other than compliance with North Carolina's REPS.

All other Commission-approved costs of developing and operating the ~~REC tracking system~~ NC-RETS shall be allocated among all electric power suppliers based upon their relative megawatt-hours of electricity sales in North Carolina in the previous calendar year.

Commission Rule R8-67. Renewable Energy and Energy Efficiency Portfolio Standard (REPS)

...

(h) North Carolina Renewable Energy Certificate Tracking System (NC-RETS)

- (1) A renewable energy certificate (REC) tracking system, to be known as NC-RETS, is established by the Commission to track the creation, transfer and retirement of RECs used to comply with G.S. 62-133.8. NC-RETS shall be administered by a third party vendor selected by the Commission. The NC-RETS administrator shall have the authority to administer NC-RETS and prescribe the specific types of and manner in which information shall be reported to NC-RETS. Only RECs created by or imported into NC-RETS are eligible RECs under G.S. 62-133.8(b)(2)e. or G.S. 62-133.8(c)(2)d.
- (2) Each electric power supplier shall participate in NC-RETS and shall provide information to NC-RETS demonstrating compliance with G.S. 62-133.8. Municipalities and electric membership corporations may elect to have their information reported by a third party.
- (3) Each renewable energy facility and new renewable energy facility shall participate in NC-RETS and facilitate the transfer of energy output to NC-RETS. Facilities that generate power using both a renewable energy resource and another resource shall calculate on a monthly basis the percentage of their energy output that is attributable to the renewable energy resource and shall monthly provide the results of the calculations to NC-RETS. NC-RETS shall create RECs only for the portion of the facility's energy output attributable to the renewable energy resource.
- (4) Each electric power supplier that has renewable energy facilities and new renewable energy facilities interconnected with its electric distribution or transmission system and that reads the electric generation production meters for those facilities, shall provide, at least monthly, the facilities' energy output to NC-RETS. If an electric power supplier's transmission system is administered on a regional basis, electric generation energy output for renewable and new renewable energy facilities connected to the transmission system shall be provided by the balancing authority. A renewable energy facility or new renewable energy facility that produces thermal energy that qualifies for RECs shall report the facility's qualifying thermal energy output to NC-RETS at least once a year.

- (5) A renewable energy facility or new renewable energy facility that reports its data pursuant to Commission Rule R8-67(g)(3) shall report its energy output to NC-RETS at least once a year.
- (6) The owner of an inverter-based solar photovoltaic system with a nameplate capacity of 10 kW or less may estimate its energy output using generally accepted analytical tools pursuant to Commission Rule R8-67(g)(2). An owner of this type of facility shall report its energy output to NC-RETS at least once a year.
- (7) All energy output and fuel data provided to NC-RETS, including underlying calculations and estimates, shall be retained by the reporter of that information for at least ten years and made available to the Public Staff upon request.
- (8) Each electric power supplier that complies with G.S. 62-133.8 by implementing energy efficiency or demand side management programs shall use NC-RETS to track both the estimated and verified energy savings of those programs.
- (9) Each participant in NC RETS shall pay the NC-RETS administrator for services according to the following fee schedule:
 - a. \$0.01 for each REC exported to an account residing in a different REC tracking system.
 - b. \$0.01 for each REC retired for reasons other than compliance with North Carolina's REPS.

All other Commission-approved costs of developing and operating NC-RETS shall be allocated among all electric power suppliers based upon their relative megawatt-hours of electricity sales in North Carolina in the previous calendar year.