

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

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| In the Matter of Petition for Approval of Revisions to Generator) Interconnection Standards) | ORDER APPROVING QUEUE REFORM |
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BY THE COMMISSION: On June 14, 2019, the Commission issued its Order Approving Revised Interconnection Standard and Requiring Reports and Testimony in this docket. Among other things, that Order required:

That the Duke Utilities shall establish a stakeholder process within the first quarter of 2019 to discuss the process of transitioning their North Carolina queues to a grouping study process and that the Duke Utilities shall report to the Commission no later than July 31, 2019, as to the status of that stakeholder process.

On July 31, 2019, Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC (together, Duke), filed an update as to the three stakeholder meetings already hosted and plans to host additional such meetings. Duke noted that there “are substantial hurdles to implementing a fundamental change to the interconnection process.” Duke also noted that a “substantial degree of consensus” would be needed in order to secure the approvals needed not only in North Carolina but also in South Carolina and from the federal government.

On August 27, 2019, the Commission issued its Order Requiring Queue Reform Proposal and Comments in which it required Duke to file a queue reform proposal on or before October 15, 2019, and established deadlines for parties to file comments and for the utilities to file responsive comments.

On May 15, 2020, after a series of requests for extensions of time were granted, Duke filed its queue reform proposal. On June 15 and 16, 2020, comments were filed by the Public Staff, jointly by the North Carolina Clean Energy Business Alliance (NCCEBA) and the North Carolina Sustainable Energy Association (NCSEA), and GreenGo Energy US, Inc. Subsequently, on July 8, 2020, Duke filed a motion for extension of time to file reply comments in which it requested additional time to determine whether additional consensus could be reached among the parties. The Commission granted that request on July 13, 2020, and a second such request on August 13, 2020.

On August 31, 2020, Duke filed reply comments and a revised queue reform proposal that reflected further negotiations of the parties. Also on August 31, 2020, comments were filed by the Public Staff and Dominion Energy North Carolina (DENC), and joint comments were filed by NCCEBA and NCSEA.

In its comments on the revised proposal the Public Staff expresses support for the revised queue reform proposal as a “reasonable initial approach to improve and reform the interconnection process” Additionally, the Public Staff recommends that Duke: 1) file reports after the completion of the transitional cluster study process and the initial “DISIS¹ Cluster,” describing the outcomes of those initial group studies, and 2) engage stakeholders at that time regarding whether additional queue reform efforts are needed.

Similarly, NCCEBA and NCSEA express support for the revised queue reform proposal.

Finally, DENC expresses support for the revised queue reform proposal and notes that it provides DENC with the option not to implement the cluster study process but rather continue to implement the serial study process.

As has been noted in this and other dockets, the current serial approach to studying and processing Interconnection Requests has become problematic. In large parts of North Carolina it is not possible to add generation without the construction of expensive transmission upgrades. The current serial process assigns these upgrades to one generator, and the costs of these upgrades are typically too expensive for any one generator to absorb. The Commission agrees with parties who have stated that moving to a grouping study process is necessary in order to share the transmission upgrade costs among the multiple generation projects that contribute to the need for the transmission upgrades. The Commission determines that the revised queue reform proposal is structured to accomplish the objective of transitioning to a grouping study process. In addition, the proposal has substantial support from the stakeholders involved, and the Commission commends all parties for their efforts to reach consensus. For these reasons the Commission approves Duke’s queue reform proposal as filed on August 31, 2020. As suggested by the Public Staff, the Commission directs Duke to report to the Commission on the results of the transitional cluster study as well as the results of the first DISIS.

In its petition Duke notes that in addition to the Commission, both the South Carolina Public Service Commission and the Federal Energy Regulatory Commission must approve its proposal. The Commission shall issue an order subsequent to the approval of the queue reform proposal in the other jurisdictions establishing the effective date of the new revised NCIP

¹ Definitive Interconnection System Impact Study.

IT IS, THEREFORE, ORDERED as follows:

1. That Duke's queue reform proposal as filed on August 31, 2020, is hereby approved;
2. That on or before November 13, 2020, Duke shall file a complete and correct redline of changes to the NCIP, compared to the current NCIP, required by Duke's queue reform proposal. That redline shall incorporate Attachment 2 (Transitional Cluster Study Agreement) and Attachment 3 (Conditions for Acceptance of Surety Bond as Financial Security for M4 Readiness Milestone) from Duke's August 31, 2020 filing;
3. That Duke shall provide an explanation of any changes to the NCIP included in the complete and correct redline that were not already described fully in Duke's earlier filings;
4. That Duke shall keep the Commission informed of its progress in securing approvals of its queue reform proposal from the South Carolina Public Service Commission and the Federal Energy Regulatory Commission and any required adjustments to its proposed transition schedule; and
5. That Duke shall file reports with the Commission regarding the outcome of the transitional cluster study and the initial DISIS cluster study as recommended by the Public Staff.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of October, 2020.

NORTH CAROLINA UTILITIES COMMISSION

Handwritten signature of Kimberley A. Campbell in black ink.

Kimberley A. Campbell, Chief Clerk