



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

March 29, 2021

Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4000

Re: Docket No. E-100, Sub 101

Dear Ms. Campbell:

The Public Staff – North Carolina Utilities Commission (Public Staff) respectfully submits this letter in lieu of comments in response to the North Carolina Utilities Commission’s March 9, 2021 Order Seeking Comments Regarding Generator Inspection Provisions of the North Carolina Generator Interconnection Standards issued in response to Duke Energy Carolinas, LLC’s and Duke Energy Progress, LLC’s (together, Duke or the Company) Interconnection Fee-Related Work and Post-Commercial Operation Inspection Report filed on March 1, 2021 (2021 Report). The Public Staff has reviewed Duke’s 2021 Report and is in agreement with the Commission in commending the parties for their attempts to collaborate in finding efficient processes to inspect all facilities interconnected to the grid. The Public Staff would encourage the parties to continue collaborating in order to find a solution to the inspection issues raised in Duke’s Report.

The Public Staff does have concerns about the safety and reliability issues raised by Duke in its Report and recognizes that Duke has a regulatory responsibility to operate the grid in a safe and reliable manner. The Public Staff is particularly interested in how these non-utility owned facilities install and maintain on-site equipment to ensure they do not present a threat to the operation and maintenance of the grid. Duke’s February 28, 2020 Fee-Related Work and Post-Commercial Inspection Report includes an Advanced Energy Presentation describing a pilot inspection program that uncovered several issues with participating facilities. According to the presentation, all the facilities inspected had construction issues involving “safety and reliability.” Further, a majority of the facilities failed to meet standards regarding “expected equipment vs. installed equipment” and “inverter setting.” These issues included instances of incorrect or complete lack of

Executive Director
(919) 733-2435

Accounting
(919) 733-4279

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(919) 733-9277

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(919) 733-2267

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(919) 733-2267

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(919) 733-6110

Transportation
(919) 733-7766

Water/Telephone
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grounding of wires, creating an electrical hazard, as well as clearance issues where an energized wire may make contact to other conductive material. These types of issues described in the pilot inspection program, if found at other uninspected facilities, present electrical hazards, that if not corrected, could lead to equipment damage, fire, or electrocution. Moreover, a failure to meet the appropriate installation and maintenance codes and standards could affect the reliability of a facility and the electrical system to which it is interconnected.

According to Duke's 2021 Report, there are approximately 300 of these uninspected facilities connected to Duke's transmission and distribution systems. Unlike Duke, which must file an outage report in its subsidiaries' annual fuel riders, these non-utility owned facilities are under no obligation to report outages, and therefore, neither the Public Staff nor the Commission know how many outage events occur, the magnitude of the events, or the cause of the outages. The Public Staff is not advocating for a reporting requirement of these facilities at this time, but it is of concern to the Public Staff that so many of the facilities go uninspected and outages can occur, which may or may not affect the safety and reliability of the grid, especially when the grid is increasingly relying on these facilities to provide electricity to Duke's customers.

The Public Staff reserves its right to file reply comments on or before April 12, 2021. The Public Staff recommends that Duke include in its reply comments a score card or risk matrix that quantifies or otherwise describes safety and reliability issues identified for facilities that have undergone inspections in the time since the 2019 NCIP Order was issued and release of the NESC and Duke Service guidelines regarding grounding for devices outside the fence that are applicable to these types of interconnections.

By copy of this letter, I am forwarding a copy of the above to all parties of record.

Sincerely yours,

/s/ Robert B. Josey
Staff Attorney
robert.josey@psncuc.nc.gov

cc: Jack Jirak, Duke Energy, LLC
John Burns, Carolinas Clean Energy Business Association
Parties of Record