

BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
RALEIGH, NORTH CAROLINA

SHAWBORO EAST RIDGE SOLAR, LLC
DOCKET NO. EMP-117 Sub 0

REPLY TESTIMONY
OF
LINDA NWADIKE

November 4, 2021

INTRODUCTION

Q. WHAT IS THE PURPOSE OF THE REPLY TESTIMONY YOU ARE SUBMITTING TODAY IN THIS DOCKET?

A. The purpose of my Reply testimony is to respond on behalf of the Applicant Shawboro East Ridge Solar, LLC ("the Applicant") to the direct testimony submitted by Public Staff witness Mr. Jay Lucas (Lucas) in this docket on October 19, 2021.

Q. WHAT IS YOUR REPOSENSE TO WITNESS LUCAS STATEMENT, STARTING ON PAGE 6 OF HIS FILING, THAT ".....THE FACILITY WILL NOT CAUSE THE NEED FOR AFFECTED SYSTEM UPGRADES AS LONG AS DEP COMPLETES THE UPGRADES FROM AN EARLIER QUEUED PROJECT, SUMAC SOLAR, LLC WHICH IS ASSIGNED PJM QUEUE NUMBER AD1-023.... THE COMMISSION GRANTED STAYS IN THE APPLICATIONS OF SUMAC SOLAR, LLC AND SWEETLEAF SOLAR, LLC WHICH IS ALSO IN PJM'S AD1 CLUSTER. IF DEP DOES NOT BUILD THE UPGRADES NEEDED FOR AD1-023, THE FACILITY WILL CAUSE APPROIXMATELY \$10 MILLION OF AFFECTED SYSTEM UPGRADES ON THE EVERETTS-GREENVILLE 230KV-LINE...."?

A. The statement overlooks other projects that are ahead of the Applicant in the relevant PJM queue. The facility of Sumac Solar, LLC is PJM Queue AD1-022 / AD1-023, and the facility of Sweetleaf Solar, LLC, is PJM Queue AD1-056 / AD1-057. If both of these projects were to withdraw and drop out of the PJM queue, the next project that is forecast to cause the \$10 million upgrades to the DEP portion of the Everetts – Greenville 230kV line would be the facility of Macadamia Solar, LLC, as described in docket EMP-119 (PJM

1 Queue AD1-074 / AD1-075 / AD1-076); that project is still going through its CPCN
2 application process. In addition to the facility of Macadamia Solar, LLC, there is another
3 project in the relevant PJM queue in front of the facility of Shawboro East Ridge Solar.
4 Therefore, all four of the above-mentioned projects will have to drop out of the PJM
5 queue for the Shawboro East Ridge Solar Facility to cause the approximately \$10 million
6 of affected system upgrade costs on the Everetts-Greenville 230KV line.
7

8 Q. THE PUBLIC STAFF, THROUGH WITNESS LUCAS, ALSO EXPRESSES CONCERNS ABOUT
9 DEP'S REIMBURSEMENT OF DEVELOPERS FOR AFFECTED SYSTEM COSTS, AND ON PAGE
10 13 OF HIS TESTIMONY, QUOTES FROM A CONCURRING OPINION IN THIS COMMISSION'S
11 ORDER OF SEPTEMBER, 2020, ENTERED IN EMP-107, SUB 0. THE STATEMENT QUOTED IS
12 THAT "WHEN THE COMMISSISON ADOPTED RULE R8-63 AND OPENDED THE DOOR FOR
13 THE CONSTRUCTION OF MERCHANT GENERATING FACILITIES, IT WAS ASSUMED THAT
14 THE DEVELOPER OF A FACILITY WOULD BEAR ALL OF THE FINAICIAL RISK AND THAT NO
15 COST WOULD BE IMPOSED UPON RETAIL RATEPAYERS OTHER THAN THOSE COSTS THAT
16 WOULD FLOW FROM THE PURCHASE OF POWER FROM THE FACILITY BY A UTILITY
17 UNDER LEAST COST PRINCIPLES.... WHEN THAT IS NOT THE CASE, IT IS THE
18 COMMISSION'S ROLE AND OBLIGATION TO PROTECT RETAIL RATEPAYERS FROM
19 UNREASONABLE COSTS." WHAT IS THE RESPONSE OF THE APPLICANT TO THE QUOTED
20 STATEMENT?
21

22 A. The Applicant acknowledges, as the Interconnection Customer, that it is responsible for
23 all affected system Network Upgrade costs assigned to the Applicant's proposed facility,

1 if any, without reimbursement, and that the ratepayers should not bear the cost of the
2 Applicant's proposed facility.

3 The Applicant is willing to pay its fair share of the affected system Network Upgrade costs
4 if the projects in earlier study queues, in front of the applicant queue number, were to
5 drop out and withdraw from the queue, such that the Applicant became the first in line.

6 Additionally, we understand that the Public Staff has concerns following the decision of
7 the FERC on October 1, 2021, in the FERC proceeding involving DEP and American Beech
8 Solar Affected System Operating Agreement ("ASOA"). The Public Staff appears to believe
9 that the FERC's ruling indicates a strong likelihood that affected system costs paid by
10 interconnecting merchant plant generators will have to be reimbursed by DEP, and
11 therefore by its intrastate ratepayers.

12 However, the FERC ruling was a single decision based on a single generation resource,
13 and was based on the record that DEP compiled to support its new ASOA. In its recent
14 ruling the FERC acknowledged that the decision of whether to approve a non-conforming
15 ASOA was subject to a fact-specific analysis. Additionally, although DEP did not meet its
16 burden under Section 205 of the Federal Power Act in that American Beech case, that
17 does not mean that DEP cannot make such a showing in a future FERC proceeding.

18 Therefore, if an Applicant is willing to pay its fair share of applicable affected system
19 network upgrade costs without regard to whether there will be any reimbursement, the
20 concerns raised by Public Staff are no longer applicable.

21

22

1 Q. WHAT IS THE RESPONSE OF THE APPLICANT TO THE RECOMMENDATIONS EXPRESSED BY
2 WITNESS LUCAS THAT THE COMMISSION SHOULD HOLD THE RECORD IN THIS DOCKET
3 OPEN UNTIL AFTER (1), PJM RELEASES ITS RETOOLING OF PJM CLUSTER AE1, WHICH IS
4 SCHEDULED FOR NOVEMBER OR DECEMBER OF 2021, AND AFTER (2), DEP COMPLETES
5 ITS STUDY OF THE RETOOLING AND DEVELOPS A REVISED AFFECTED SYSTEM STUDY AS
6 NECESSARY?

7

8 A. The Applicant believes that the Commission should not hold this docket in abeyance until
9 both conditions are met. Mr. Lucas may not be aware that at a recent PJM Planning
10 Committee meeting it was announced that the AE1 queue retool is now scheduled to be
11 completed sometime from November through January, 2022, as shown in Exhibit 1 to
12 this testimony. PJM issued the current AE1-072 System Impact Study in August 2019, so
13 Shawboro East Ridge Solar expects the PJM retool to provide updated study results based
14 on PJM Queue activity over the past 2 plus years.

15 The Applicant has no objection to waiting until the PJM retooling is performed in
16 November- January 2022. However the Applicant expects that PJM will have more
17 retooling to perform in the future on the AE1 queues, because PJM still has a few earlier-
18 queued North Carolina projects in the study phase which may decide to reduce the
19 proposed capacity of a project or to withdraw from the queue entirely. Therefore, the
20 retooling slated for November- January, 2022, is unlikely to be the final PJM AE1
21 retooling.

22 While the Applicant consents to waiting for the retooling slated for the period from
23 November- January, 2022, it believes it would be unreasonable for its application to be

1 suspended indefinitely while waiting for any further future retooling of PJM Cluster AE1.

2 A complex study or forecast can be modified or updated or “retooled” in an essentially
3 endless iterative process, but that does not mean that every such modification or update
4 must be made before a decision-maker can use the results of an earlier study.

5 Additionally, Shawboro Solar does not believe this docket should remain open pending a
6 revised DEP affected system study, as the timeline to complete that study is unknown
7 and a study may not be necessary. Therefore, the Applicant respectfully suggests that
8 after PJM completes and releases its retool of the AE1 queue System Impact Study that is
9 due in November- January 2022, the Applicant’s application should be reviewed and
10 ruled upon by this Commission. The Applicant will provide any revised or updated studies
11 promptly to the Commission as additional information., but in the view of the Applicant,
12 supplemental testimony should not be required for the Applicant nor the Public Staff
13 unless there are major changes to the results of the studies.

14
15 **Q. DOES THE APPLICANT ACCEPT THE FOUR CONDITIONS RECOMMENDED BY WITNESS**
16 **LUCAS AT PAGES 16 AND 17 OF HIS TESTIMONY AS AN ALTERNATIVE RECOMMENDATION**
17 **IN THE EVENT THAT THE COMMSISION APPROVES THE APPLICANT’S CPCN APPLICATION?**

18 **A.** Yes, the Applicant is willing to accept a CPCN issued by the Commission subject to the
19 four conditions stated on page 17 in the pre-filed testimony of public staff Witness Lucas
20 on October 19, 2021.

21
22 **Q. DOES THAT CONCLUDE YOUR REPLY TESTIMONY?**

23 **A.** Yes.

EXHIBIT 1

Interconnection Queue Status Update

Jason Shoemaker
Manager
Interconnection Projects

- Retool schedule is general and may vary slightly between Transmission Owner zones
- Availability of retool results does not always mean that a project is ready to move to final agreements
 - Earlier projects may yet need to make their decision
 - Other studies may need to be completed or retooled

Queue	Retool Timeframe
AD1/AD2	October (handful will push into Nov)
AE1/AE2	November – January 2022
AF1/AF2	February – April 2022
AG1	May – July 2022

ComEd Zone Schedule

Queue	Retool Timeframe
Backlogged System Impact Studies	October – December 2021
AD1/AD2	January – February 2022
AE1/AE2	March – April 2022
AF1/AF2	May – July 2022
AG1	August 2022

Presenter:

Jason Shoemaker, Manager,
Interconnection Projects

Jason.shoemaker@pjm.com



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

STATE OF NORTH CAROLINA

COUNTY OF IREDELL

VERIFICATION

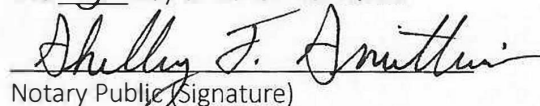
I, Linda Nwadike, being first duly sworn, depose and say that I am duly authorized to act on behalf of Shawboro East Ridge Solar, LLC as Director of Permitting and Community Relations for SunEnergy1, LLC, the parent, and an affiliate of the Petitioner; that I have read the foregoing Pre-Filed Reply Testimony, and that the same is true and accurate to my personal knowledge and belief except where otherwise indicated, and in those instances, I believe my answers to be true.

This 3 day of November 2021.



Linda Nwadike
SunEnergy1, LLC

Sworn to and subscribed to before me
this 3 day of November 2021.


Notary Public (Signature)

Shelby F. Smithwick
Notary Public (Printed)

My Commission Expires: 3/27/23

