

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 101
DOCKET NO. E-100, SUB 158

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 101)	
)	
In the Matter of)	
Petition for Approval of Revisions to)	
Generator Interconnection Standards)	ORDER REQUIRING
)	ADDITIONAL INFORMATION
DOCKET NO. E-100, SUB 158)	
)	
In the Matter of)	
Biennial Determination of Avoided Cost)	
Rates for Electric Utility Purchases from)	
Qualifying Facilities -- 2018)	

BY THE COMMISSION: On October 17, 2019, the Commission issued a Supplemental Notice of Decision in Docket No. E-100, Sub 158 in which it, among other things, determined that Duke Energy Carolinas, LLC, or Duke Energy Progress, LLC (jointly, Duke) should be required to account for increased ancillary services costs when calculating each utility’s avoided energy costs, through the imposition of a Solar Integration Services Charge (SISC) for certain solar qualifying facilities (QFs). The order also directed Duke to file with the Commission proposed guidelines for QFs to become “controlled solar generators” and thereby avoid the SISC.

On November 18, 2019, Duke filed its requirements for the avoidance of SISC.

On April 15, 2020, the Commission issued an Order Establishing Standard Rates and Contract Terms for Qualifying Facilities (Avoided Cost Order) in Docket No. E-100, Sub 158 in which it found, among other things, that it is appropriate for Duke to impose the SISC prospectively to all new uncontrolled solar generators that commit to sell and deliver power into a Duke system on or after November 1, 2018. The Avoided Cost Order also: 1) found that the output of an energy storage system that is added to an existing QF should be paid at the then-current avoided cost rate; and 2) required Duke to organize a virtual stakeholder process to address other issues related to the addition of energy storage systems at existing QFs.

On June 14, 2019, the Commission issued an Order Approving Revised Interconnection Standard and Requiring Reports and Testimony in Docket No. E-100, Sub 101, which, among other things, directed Duke to develop, in a stakeholder process,

a streamlined process for interconnecting energy storage systems to existing generation sites. In the months that followed, Duke and its stakeholders worked to develop such a process. On May 27, 2020, the Commission issued an Order Suspending Enrollment Window of ESS Retrofit Study Process in Docket No. E-100, Sub 101, as requested by the parties, in order to provide time for issues related to the addition of energy storage systems (ESS) to existing QFs to be addressed in the on-going stakeholder process in the avoided cost docket.

On July 10, 2020, in Docket No. E-100, Sub 158, the Public Staff filed initial comments on Duke's proposed requirements for the avoidance of the SISC, and on July 13, 2020, the Carolinas Clean Energy Business Alliance (formerly the North Carolina Clean Energy Business Alliance) (CCEBA), the North Carolina Sustainable Energy Association (NCSEA) and the Southern Alliance for Clean Energy also filed initial comments. On July 31, 2020, Duke filed reply comments.

On August 14, 2020, Duke filed an update on the ESS Retrofit Interconnection Study Process in Docket No. E-100, Sub 101. Duke explained that the parties were discussing "certain technical metering constraints" in the stakeholder process on-going in the avoided cost docket. Duke further stated that there is a need to "focus in the short term on AC-connected ESS retrofits," rather than DC-connected retrofits as originally envisioned in the ESS process. Duke stated that following resolution of the open power purchase agreement issues, "there will likely be additional modifications needed to the ESS Retrofit study process."

On September 16, 2020, in Docket No. E-100, Sub 158, Duke and Dominion Energy North Carolina (DENC) filed a joint report (Report) on the stakeholder meetings related to the addition of energy storage at existing QFs. On November 5, 2020, the Commission issued an Order Allowing Comments on Storage Retrofit Stakeholder Meetings Report (November 5 Order) allowing initial comments by November 20, 2020, and reply comments by December 8, 2020. CCEBA, NCSEA, and the Southern Alliance for Clean Energy (SACE) filed joint comments on November 20, 2020. Duke and DENC filed joint reply comments on December 16, 2020, as did the Public Staff.

The Commission appreciates the effort that the utilities, the Public Staff, and the stakeholders have expended in working to address issues related to the addition of energy storage systems at existing solar QFs. The Commission has reviewed the filings made by the parties to date and determines that additional information is necessary in order for the Commission to resolve certain issues. Therefore, the Commission directs Duke to respond to the following questions on or before April 13, 2021. Other parties may provide responses to the questions by April 13, 2021. All parties may reply to responses provided on or before April 27, 2021.

1. Explain how Duke derived the six-percent and 12-percent volatility thresholds for SISC reduction.

2. In their July 31, 2020 Reply Comments, Duke states that they “agree that they will install a second meter as needed at no expense to QFs and will study the meter for a two-year period and report back to the Commission on the results of the study.” Explain exactly what facilities will be eligible to receive these meters, where they will be placed, what they will be measuring, and how this metering arrangement will be addressed contractually. Also explain what Duke intends to study, and when, if ever, Duke plans to charge QFs for these meters.

IT IS, THEREFORE, ORDERED as follows:

1. That Duke shall respond to the above questions on or before April 13, 2021;
2. That other parties may respond to the above questions on or before April 13, 2021; and
3. That all parties may reply on or before April 27, 2021.

ISSUED BY ORDER OF THE COMMISSION.

This the 29th day of March, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Joann R. Snyder".

Joann R. Snyder, Deputy Clerk