

North Carolina Sustainable Energy Association

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VIA HAND DELIVERY

December 2, 2008

Ms. Renne C. Vance Chief Clerk The NC Utilities Commission 4325 Mail Service Center Raleigh, NC 27699-4325

RE: Docket No. E-100, Sub 121

Enclosed please find the original and thirty (30) copies of the North Carolina Sustainable Energy Association's Comments in the above captioned docket. All parties of record have been served.

Thank you for your attention to this matter.

Kurt (

Attachment

cc: Service List

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www.energync.org

BEFORE THE STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH, NC

DOCKET E-100, SUB 121

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N.C. Utilities Coffice Commission

In the Matter of Implementing a Tracking System for Renewable Energy Certificates Pursuant to Session Law 2007-397 COMMENTS BY THE NORTH CAROLINA . SUSTAINABLE ENERGY ASSOCIATION

In accordance with the North Carolina Utility Commission's ("Commission's") September 4, 2008 Order in NCUC Docket No. E-100, Sub 121 and November 10, 2008 Order granting an extended time to file, the North Carolina Sustainable Energy Association ("NCSEA") hereby submits the following comments regarding the process and criteria that should be used by the Commission in evaluating applications submitted by renewable energy certificate ("REC") tracking system providers.

BACKGROUND

Pursuant to N.C. Gen. Stat. §§ 62-30 and 62-31 and NCUC Rules 1-4(2) and 1-5, NCSEA petitioned the Commission on July 17, 2008 to open a docket and commence all necessary formal proceedings to investigate, evaluate and identify the requisite elements and criteria of an appropriate Renewable Energy Certificates Tracking System ("REC Tracking System"). Attached to that petition, NCSEA submitted the conceptual elements and baseline criteria necessary for a functional tracking system to facilitate compliance with North Carolina's Renewable Energy Portfolio Standard ("REPS"). The Commission opened a docket on September 4,

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2008, established a schedule and now conducts stakeholder meetings to gather input for implementing a REC Tracking System pursuant to Session Law 2007-397.

RECOMMENDATION

NCSEA urges the Commission to find that any tracking system must, at a minimum, incorporate the functionalities set forth in NCSEA's Petition filed on July 17, 2008 and further detailed in the stakeholder process. In addition, essential design and operating criteria should include: scalability; accommodation for energy efficiency REC-equivalents capturing minimal program information and vintage; and a flexible, reliable approach to REC tracking system seams issues. The latter two criteria support the ease of auditing and transparency for determining REPS compliance.

NCSEA recommends that the Commission employ a stakeholder evaluation process through which stakeholders analyze system proposals and make a vendor selection recommendation to the Commission. We propose a 5-member stakeholder evaluation group representing the interests of (1) consumers (Public Staff), (2) electric cooperatives, (3) investor owned utilities, (4) municipal electric providers, and (5) renewable energy generators, respectively. Each stakeholder class would designate a single member to participate in the evaluation group. The Commission Staff would then schedule meetings and facilitate the evaluation process for the initial vender selection recommendation. This group will remain established for input as needed through the roll-out of the RECs tracking system.

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Respectfully submitted, the 2^{nd} day of December, 2008.

Kurt Olsor, Esq. Staff Counsel for NCSEA Bar # 22657 P.O. Box 6465 Raleigh, NC 27628

CERTIFICATE OF SERVICE

I hereby certify that the following persons on the docket mailing list have been served a copy of the North Carolina Sustainable Energy Association's Comments in NCUC Docket No. E-100, Sub 121 by deposit in the U.S. Mail, postage prepaid, or by email transmission (as consented to):

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Jane Lewis-Raymond Vice President & General Counsel Piedmont Natural Gas Company, Inc. P.O. Box 33068 Charlotte, NC 28233 This is the 2^{nd} day of December, 2008.

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