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July 31, 2020

Via Electronic Filing

Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building
Raleigh, NC 27603-5918

RE: Biennial Determination of Avoided Cost Rates for Electric Utility
Purchases from Qualifying Facilities - 2018
Reply Comments of Southern Alliance for Clean Energy Regarding
Proposed Requirements for Avoidance of SISC
Docket No. E-100, Sub 158

Dear Chief Clerk:

Enclosed for filing in the referenced docket are the reply comments of Southern Alliance for Clean Energy. By copy of this letter, I am serving all parties of record on the service list.

Please let me know if you have any questions about this filing.

Sincerely,

/s/ Nick Jimenez

NJ/lgf
Enclosures
cc: Parties of Record

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-100, SUB 158

In the Matter of)	REPLY COMMENTS OF
Biennial Determination of Avoided)	SOUTHERN ALLIANCE FOR
Cost Rates for Electric Utility)	CLEAN ENERGY ON PROPOSED
Purchases from Qualifying Facilities –)	REQUIREMENTS
2018)	FOR AVOIDANCE OF SISC
)	
)	

Pursuant to the North Carolina Utilities Commission’s (“Commission”) *Order Requesting Comments on Proposed Requirements for Avoidance of SISC and Order Granting Extension of Time for Filing Initial and Reply Comments* in the above-referenced dockets, the Southern Alliance for Clean Energy (“SACE”) respectfully submits the following comments in reply to the initial comments filed by several parties in response to the proposed Avoidance of SISC Requirements filed jointly by Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (collectively, “Duke”).

Duke’s initial comments reinforce SACE’s concern that the proposed requirements for avoidance of the Solar Integration Services Charge (“SISC”) are unnecessarily burdensome. In response to a question from the Public Staff, Duke commits to “review sub-hourly data to assess compliance.” Duke’s Initial Comments on Avoidance of SISC Requirements 3. The Public Staff’s initial comments further make clear that this review may be automated. Initial Comments of the Public Staff on Proposed Requirements for Avoidance of SISC 4. This commitment was already evident in Duke’s proposal, but its initial comments make it more explicit. As discussed in SACE’s initial comments, Duke’s commitment to review this information as collected by

the new “SISC Meter” independently of a separate monthly attestation submitted by the qualifying facility (“QF”) renders the spreadsheet-and-attestation process unnecessary.

The Commission should not be tempted to undervalue comments on the present proposal for avoidance of the SISC simply because the proposal is identical to Duke’s earlier filing in Tranche 2 of the Competitive Procurement of Renewable Energy (“CPRE”) program. In its initial comments, Duke points out that the requirements are identical and that in the CPRE proceeding it made “a few limited changes” in response to the “very few comments submitted in that process by CPRE market participants.” Duke’s Initial Comments on Avoidance of SISC Requirements 2. This indicates that the proposal might not have received full critical attention from all stakeholders, possibly because its effect is limited to the CPRE program. By contrast, the present proposal will apply to all QFs. Accordingly, the Commission should give even greater weight to the comments submitted in this proceeding, and if anything it should consider whether these comments raise concerns about the requirements that apply to projects participating in the CPRE program.

Finally, SACE shares the concerns about transparency expressed by the North Carolina Sustainable Energy Association (“NCSEA”) and the North Carolina Clean Energy Business Alliance (“NCCEBA”) in their joint initial comments. *See* Initial Comments of NCCEBA and NCSEA in Regard to Duke’s Proposed Requirements for Avoidance of SISC 4. The Commission should require Duke to file a full description of the methodology that it used to develop the six- and twelve-percent volatility thresholds in this docket, and to show how and to what degree compliance with those thresholds resolves the issues identified in the Astrapé Study. In addition, over time it may become

clear that QFs may operate with greater volatility than the thresholds that Duke has proposed without incurring significant ancillary-services costs. Accordingly, the Commission should require Duke to update its thresholds (and possibly its methodology) at regular intervals, and SACE supports NCSEA and NCCEBA's proposal for a biennial update.¹

Thank you for considering these comments.

Respectfully submitted this the 31st day of July, 2020.

s/Nick Jimenez
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¹ In its initial comments, Duke points out that the Commission has “scrutinized the justification and methodology for establishing the SISC and the SISC amounts” and it does not wish to re-litigate the “SISCs established in this docket.” Initial Comments on Avoidance of SISC Requirements 3. SACE interprets Duke to be referring to the amount of the charges and not to the thresholds at which they apply. In addition, the forthcoming review of the Astrapé Study’s methodology does not address the need to update the volatility thresholds in the future.

CERTIFICATE OF SERVICE

I certify that all parties of record on the service list have been served with the foregoing reply comments either by electronic mail or by deposit in the U.S. Mail, postage prepaid.

This the 31st day of July, 2020.

s/Nicholas Jimenez