

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
November 1, 2021**

***IMPORTANT NOTE: STAFF CONFERENCE
WILL BE CONDUCTED VIA WEBEX.
INSTRUCTIONS FOR PARTICIPATION AND A LINK TO
VIEW THE MEETING WILL BE POSTED ON THE
COMMISSION'S WEBSITE, NCUC.NET***

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

- P1. [DOCKET NOS. E-7, SUB 1169 AND E-2, SUB 1170 – DUKE ENERGY CAROLINAS, LLC'S AND DUKE ENERGY PROGRESS, LLC'S MOTION TO MODIFY GREEN SOURCE ADVANTAGE PROGRAM EXHIBIT NO. P-1](#)

- P2. [DOCKET NO. E-2, SUB 1187 – DUKE ENERGY PROGRESS, LLC – APPLICATION FOR APPROVAL OF NON-PROFIT LOW-INCOME WEATHERIZATION PAY FOR PERFORMANCE PILOT PROGRAM EXHIBIT NO. P-2](#)

- P3. [APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITY](#)

TO: Agenda – Commission Conference – November 1, 2021

FROM: PUBLIC STAFF – North Carolina Utilities Commission

D. ELECTRIC

P1. DOCKET NOS. E-7, SUB 1169 AND E-2, SUB 1170 – DUKE ENERGY CAROLINAS, LLC'S AND DUKE ENERGY PROGRESS, LLC'S MOTION TO MODIFY GREEN SOURCE ADVANTAGE PROGRAM

EXPLANATION: On September 17, 2021, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), (collectively, Duke), filed a motion in Docket Nos. E-7, Sub 1169 and E-2, Sub 1170 to modify the Green Source Advantage (GSA) program to align the GSA Facility eligibility criteria with the recently approved North Carolina Interconnection Procedures (NCIP) Definitive Interconnection Study (Queue Reform). Under current GSA Facility eligibility criteria, a potential GSA Facility must have a completed System Impact Study Report prior to a prospective GSA Customer being allowed to submit a GSA Program Application with that facility. Queue Reform introduces a new Definitive Interconnection System Impact Study (DISIS) process, which requires significantly more financial security and project readiness demonstrations at the outset of the study process.

Duke requests to revise the GSA Facility eligibility requirements to align with Queue Reform; specifically, that potential GSA Facilities that have executed a DISIS Agreement and met all Readiness Milestone 1 requirements (either a demonstration of readiness or an additional security deposit) be allowed to enter the DISIS Phase I study process prior to proceeding to a GSA term sheet. The GSA term sheet would then be sufficient to satisfy Readiness Milestone 2.

Duke notes that projects proceeding through the Transitional Serial study process have already met the pre-existing requirements of the existing GSA Program, and such projects are definitively ready to interconnect and are currently eligible for the GSA Program. Projects eligible for the Transitional Cluster Study process would satisfy GSA Facility eligibility requirements by committing to enter the Transitional Cluster Study by meeting all NCIP Section 1.10.2.1 readiness requirements. Such projects would become eligible for the GSA Program as of the close of the 60-day eligibility window on October 31, 2021.

Duke states that it has shared the request with the Carolinas Clean Energy Business Association (CCEBA), and that CCEBA has authorized Duke to state that it does not object to the proposed GSA Program modifications.

The Public Staff has reviewed the request to modify the program and determined that it complies with the requirements of N.C. Gen. Stat. § 62-159.2. The Public Staff acknowledges Duke's statement that projects seeking to enter the GSA program through the Transitional Cluster Study process may be at an increased risk of withdrawal due to the lower level of project readiness and upfront financial security relative to DISIS. However, the Public Staff agrees that this Transitional Cluster Study eligibility criteria is non-discriminatory and appropriate for the one-time Transitional Cluster process in order to encourage participation in the GSA Program.

The Public Staff recommends the Commission enter an order modifying the GSA Program eligibility requirements for prospective GSA Facilities by (i) aligning the GSA Program with readiness commitments under the future Definitive Interconnection Study Process by allowing Interconnection Customers that have met the Readiness Milestone 1 requirements and entered DISIS Phase 1 to be eligible GSA Facilities and (ii) during the initial transition period, allowing Interconnection Customers that have entered either the Transitional Serial process or Transitional Cluster Phase 1 study process to be eligible GSA Facilities.

EXHIBIT: A proposed order is attached as [Exhibit No. P-1](#).

RECOMMENDATION: (Thomas) That the Commission issue the Public Staff's proposed order approving the proposed modifications to the GSA program.

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P2. DOCKET NO. E-2, SUB 1187 – DUKE ENERGY PROGRESS, LLC – APPLICATION FOR APPROVAL OF NON-PROFIT LOW-INCOME WEATHERIZATION PAY FOR PERFORMANCE PILOT PROGRAM

EXPLANATION: On October 15, 2021, Duke Energy Progress, LLC (DEP or the Company), filed a request to extend the Non-Profit Low-Income Weatherization Pay for Performance Pilot Program (Pilot) through June 30, 2022. The Pilot was originally approved November 27, 2018, for a three-year term from January 1, 2019, through December 31, 2021, as an energy efficiency program to provide monetary incentives to local non-profit weatherization assistance organizations involved in weatherizing residential low income households in the Buncombe County area.

DEP states that the evaluation of the Pilot is an important element in determining whether to commercialize or terminate the Pilot. The evaluation is scheduled to begin January 1, 2022, and the report is expected no later than June 2022. If granted, DEP's request would allow the Company to continue offering the Pilot until the evaluation is completed and a decision can be made to continue or terminate the Pilot.

The Public Staff has reviewed the request and recommends that the Commission extend approval of the Pilot through June 30, 2022.

EXHIBIT: The Public Staff's proposed order is attached as [Exhibit No. P-2](#).

RECOMMENDATION: (Floyd) That the Commission issue the Public Staff's proposed order approving the extension of the Non-Profit Low-Income Weatherization Pay for Performance Pilot Program as requested by DEP.

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P3. APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITY

EXPLANATION: The following application seeks to renew a certificate of public convenience and necessity for construction of a solar photovoltaic (PV) generating facility pursuant to N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

Dominion Energy North Carolina:

- Docket No. SP-8284, Sub 0 – Application of Perquimans Solar, LLC, to renew the certificate of public convenience and necessity to construct a 5-MW solar PV facility in Perquimans County, North Carolina (registration statement issued previously).

The Public Staff has reviewed the application and determined that it complies with the requirements of N.C.G.S. § 62-110.1 and Commission Rule R8-64.

RECOMMENDATION: (T. Williamson) That the Commission issue an order approving the application and issuing the requested renewed certificate. The Public Staff has provided a proposed order to the Commission Staff.

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION**

RALEIGH

DOCKET NO. E-2, SUB 1169
DOCKET NO. E-7, SUB 1170

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Petition of Duke Energy Progress, LLC,)
and Duke Energy Carolinas, LLC,)
Requesting Approval of Green Source)
Advantage Program and Rider GSA to)
Implement N.C.G.S. § 62-159.2)
ORDER GRANTING MOTION TO
MODIFY GSA PROGRAM

BY THE COMMISSION: On September 17, 2021, Duke Energy Carolinas, LLC (DEC), and Duke Energy Progress, LLC (DEP), (collectively, the Companies or Duke), filed a motion to modify the Green Source Advantage Program (GSA Program) (Motion). As background, and as explained in the Motion, on February 1, 2019, the Commission issued its Order Modifying and Approving Green Source Advantage Program, Requiring Compliance Filing, and Allowing Comments (GSA Program Order) in the above-captioned dockets approving DEC and DEP's GSA Program. The GSA Program is a customer-directed renewable energy procurement program established by Session Law 2017-192 (House Bill 589) and implemented pursuant to N.C. Gen. Stat. § 62-159.2. The GSA Program offers large business customers, major military installations, and public universities (GSA Customer) an option to work with DEC and DEP to directly procure new renewable energy resources and allows the GSA Customer to select and negotiate price terms directly with a prospective renewable energy supplier of their choice (GSA Facility). The GSA Program is available to eligible participants on a first-come, first-served basis (subject to allocated capacity reserved for military and university customers) until the 600 MW of program capacity is fully subscribed. Unreserved GSA Program capacity remains available.

As directed by the GSA Program Order, the Companies jointly submitted their GSA Program Compliance Filing on March 18, 2019 (Compliance Filing). The Compliance Filing proposed that potential GSA Facilities be required to have completed the System Impact Study under the North Carolina Interconnection Procedures (NCIP) and obtained a System Impact Study Report in order to be eligible to participate in the GSA Program. The Compliance Filing explained that this requirement was designed to ensure that any potential GSA Facility has made sufficient progress in the interconnection process to be aware of potential System Upgrades required to interconnect the GSA Facility and to be

able to achieve commercial operation in a timely manner. Absent this requirement, there would be a risk that speculative projects early in the development process could consume available GSA Program capacity even though substantial and perhaps insurmountable interconnection cost hurdles exist to successful project completion.

On August 5, 2019, the Commission issued its Order Approving Compliance Filing, finding the Companies' Compliance Filing to be consistent with the GSA Program Order and directing the Companies to open the GSA Program to eligible customers within 60 days of the date of the order. The Order Approving Compliance Filing also approved the Companies' proposal to require prospective GSA Facilities to have a completed System Impact Study Report to be eligible to participate in the GSA Program, accepting the Companies' explanation that the cost of Interconnection Facilities and any applicable distribution and transmission System Upgrades can only be meaningfully estimated through the GSA Facility's completion of a System Impact Study, as required under the then-current NCIP.

On May 15, 2020, after a robust stakeholder process, the Companies filed a Queue Reform Proposal in Docket No. E-100, Sub 101, which proposed to transition to a Definitive Interconnection Study Process for all Section 4 Generating Facility Interconnection Requests versus the then-existing serial interconnection study process. The Definitive Interconnection Study Process imposes more significant financial security and project readiness demonstrations at the outset of the interconnection study process to incentivize submission of ready projects into the queue (and to disincentivize speculative, or non-ready projects) and implements a Cluster Study process that groups projects together for System Impact Study to share System Upgrade costs. Duke's Queue Reform Proposal further explained that the Companies also planned to seek approval of the Proposal before the Federal Energy Regulatory Commission (FERC) and the Public Service Commission of South Carolina (PSCSC) to implement the Definitive Interconnection Study Process for all federal and state jurisdictional interconnections within DEC and DEP's territories.

On October 15, 2020, the Commission issued its Order Approving Queue Reform, approving the Companies' Definitive Interconnection Study Process modifications to the NCIP. The Order further explained that once the FERC and the PSCSC similarly approved Duke's Queue Reform Proposal, the Commission would issue an order establishing the effective date of the newly revised NCIP implementing the Definitive Interconnection Study Process.

On August 11, 2021, the Companies notified the Commission that complementary PSCSC and FERC approvals of Queue Reform had been obtained, and moved the Commission for authorization to implement queue reform effective August 20, 2021. On August 19, 2021, the Commission issued its Order Implementing Queue Reform establishing August 20, 2021, as the effective date for the updated NCIP implementing Duke's Definitive Interconnection Study Process.

Duke now requests the Commission modify the GSA Program and GSA Facility eligibility criteria to align with the Companies' generator interconnection Definitive Interconnection Study Process and Transitional Cluster process under the currently effective NCIP. As explained in the Motion, pursuant to the Order Approving Compliance Filing, the GSA Program currently requires a prospective GSA Facility to have a completed System Impact Study Report prior to a prospective GSA Customer being allowed to submit a GSA Program Application identifying that GSA Facility as the renewable energy project that will participate in the Program. However, now that queue reform has been approved and the updated NCIP is effective, the requirement for a prospective GSA Facility to have completed System Impact Study is no longer necessary or congruent with the new Definitive Interconnection Study Process where the Definitive Interconnection System Impact Study (DISIS) is a multi-phased study process requiring more significant financial security and project readiness demonstrations at the outset of the interconnection study process and where preliminary interconnection cost information is provided after each phase of the DISIS.

To align the GSA Program with the Definitive Interconnection Study Process, the Companies' Motion requests that the Commission modify the GSA Program to allow potential GSA Facilities that have signed a DISIS Agreement and met all Readiness Milestone 1 requirements to enter the DISIS Cluster Phase I study process to be eligible to proceed to a GSA term sheet and to allow a prospective GSA Customer to submit a GSA Program Application identifying that prospective GSA Facility to participate in the GSA Program. More specifically, and pursuant to the updated NCIP, a potential GSA Facility must have executed a DISIS Agreement and have either paid the initial security deposit and/or made the Readiness Milestone 1 commitment pursuant to Sections 4.4.1 and 4.4.5 of the NCIP to enter Phase I of DISIS. The Companies' Motion explains that by requiring potential GSA Facilities to have entered DISIS under the Definitive Interconnection Study Process, the Companies achieve the same result as requiring potential GSA Facilities to have a completed System Impact Study Report under the serial process and help ensure that potential GSA Facilities will achieve commercial operation.

As to the new NCIP Section 1.10 Transitional Study process, the Companies' Motion requests approval to modify the GSA Program by requiring a prospective GSA Facility to commit to enter the Transitional Cluster Phase I process by meeting all NCIP Section 1.10.2.1 readiness requirements. The Companies' Motion states that Duke recognizes that the initial Transitional Cluster study Phase 1 process does not require the same level of project readiness and upfront significant financial security as DISIS Phase 1 and identify for interested parties that there is an increased risk of withdrawal by projects during Transitional Cluster Phase 1. However, the Companies state that to continue to encourage participation in the GSA Program, Duke supports this Transitional Cluster eligibility criteria as non-discriminatory and appropriate for the one-time Transitional Cluster process.

Duke's Motion concludes by stating that Carolinas Clean Energy Business Association has authorized the Companies to state that it does not object to the GSA Program modifications proposed by the Companies.

No other parties to the above-captioned GSA Program dockets have filed comments on Duke's motion.

The Public Staff presented this matter at the Commission's November 1, 2021 Staff Conference. The Public Staff stated that it had reviewed the Companies' Motion and recommended it be granted. Specifically, the Public Staff recommended the Commission enter an order modifying the GSA Program eligibility requirements for prospective GSA Facilities by (i) aligning the GSA Program with readiness commitments under the future Definitive Interconnection Study Process by allowing Interconnection Customers that have met the Readiness Milestone 1 requirements and entered DISIS Phase 1 to be eligible GSA Facilities and (ii) during the initial transition period, allow Interconnection Customers that have entered either the Transitional Serial process or Transitional Cluster Phase 1 study process to be eligible GSA Facilities.

After careful consideration, the Commission finds good cause to grant Duke's motion to modify the GSA Program eligibility requirements for prospective GSA Facilities by (i) aligning the GSA Program with readiness commitments under the future Definitive Interconnection Study Process by allowing Interconnection Customers that have met the Readiness Milestone 1 requirements and entered DISIS Phase 1 to be eligible GSA Facilities and (ii) during the initial transition period, allowing Interconnection Customers that have entered either the Transitional Serial process or the Transitional Cluster Phase 1 study process to be eligible GSA Facilities.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1187

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by Duke Energy Progress,)	ORDER EXTENDING
LLC, for Approval of Non-Profit Low-)	APPROVAL OF PILOT
Income Weatherization Pay for)	PROGRAM
Performance Pilot Program)	

BY THE COMMISSION: On October 15, 2021, Duke Energy Progress, LLC (DEP or the Company), filed a request to extend the Non-Profit Low-Income Weatherization Pay for Performance Pilot Program (Pilot) through June 30, 2022. The Pilot was originally approved November 27, 2018, for a three-year term from January 1, 2019, through December 31, 2021, as an energy efficiency program to provide monetary incentives to local non-profit weatherization assistance organizations involved in weatherizing residential low income households in the Buncombe County area.

DEP states that the evaluation of the Pilot is an important element in determining whether to commercialize or terminate the Pilot. The evaluation is scheduled to begin January 1, 2022, and the report is expected no later than June 2022. If granted, DEP's request will allow the Company to continue offering the Pilot until the evaluation is completed and a decision can be made to continue or terminate the Pilot.

The Public Staff presented this matter at the Commission's November 1, 2021 Staff Conference and recommended that the Commission approve an extension of the Pilot through June 30, 2022.

Based on the foregoing, IT IS, THEREFORE, ORDERED that DEP's request to continue to operate the Non-Profit Low-Income Weatherization Pay for Performance Pilot Program through June 30, 2022, is hereby approved.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

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