

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	COMMENTS OF
Petition for Approval of Revisions to	)	CAROLINAS CLEAN
Generator Interconnection Standards	)	ENERGY BUSINESS
	)	ASSOCIATION
	)	CONCERNING DUKE
	)	ENERGY CAROLINAS, LLC
	)	AND DUKE ENERGY
	)	PROGRESS, LLC PETITION
	)	FOR APPROVAL OF
	)	LIMITED MODIFICATIONS
	)	TO EXPAND
	)	TRANSITIONAL CLUSTER
	)	ELIGIBILITY

I. INTRODUCTION

The Carolinas Clean Energy Business Association (“CCEBA”) hereby files these Comments, pursuant to the *Order Requesting Comments on Petition* issued by the Commission on August 30, 2021 (“Order Requesting Comments”). CCEBA’s comments respond to the Petition for Approval of Limited Modifications to Expand Transitional Cluster Eligibility (“Petition for Approval”), as filed on August 17, 2021.

After Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC, (“DEP”) (collectively “Duke” or “the Companies”) submitted their Petition on August 17, the Companies issued their 2021 Update to the 2020 Short-Term Action Plan, NC REPS and CPRE Plan (“CPRE Update”) in Docket No. E-100, Sub 165 on September 1, 2021. The CPRE Update confirmed that the Companies “anticipate a need to conduct a procurement of 300 MW in Tranche 3” and “are considering creative solutions to

integrate Tranche 3 into the Transitional Cluster Study to allow for an earlier procurement.” (CPRE Update at 58,59.)

II. DISCUSSION

CCEBA generally supports the Petition for Approval as well as the integration of Tranche 3 into the Transitional Cluster forecast in the CPRE Update. CCEBA believes it is important to ensure that CPRE Tranche 3 proceeds expeditiously and is concerned about the prospect of Tranche 3 getting substantially delayed if it is not integrated into the Transitional Cluster, particularly given that nearly 18 months have now passed since the release of the last CPRE RFP.

Nevertheless, CCEBA requests the following modifications to Transitional Cluster eligibility to more smoothly integrate Tranche 3 and the Transitional Cluster in a fair and equitable manner:

- (1) Transitional Cluster Eligibility should be modified to allow a statement of commitment to enter Tranche 3 to suffice to show readiness for entry into the Transitional Cluster, rather than a completed application;
- (2) Should the Companies proceed with integrating Tranche 3 into the Transitional Cluster, then Transitional Cluster eligibility should be open not only “based on interconnection queue status as of August 20, 2021” but also to those projects that submit a statement of intention to participate in CPRE Tranche 3 and an Interconnection Request within a grace period after the decision to combine Tranche 3 and the Transition Cluster is approved;

- (3) Tranche 3 CPRE award decisions should be made concurrently with the Transitional Cluster Phase 1 reports, so that applicants will know that they will have offtake before entering into the financial guarantees required in Phase 2;
- (4) Contracts should be awarded under Tranche 3 before the end of Phase 2 so that Power Purchase Agreements can be executed before moving past Phase 2.

CCEBA agrees with the Companies that, under the circumstances outlined in the CPRE Update, integration of Tranche 3 with the Transitional Cluster is the most prudent and efficient approach. The modifications proposed above are consistent with those the Companies set forth in the Petition for Approval, and will not unduly delay the completion of either the Transitional Cluster or Tranche 3. Rather, they provide a clearer framework for participation in the Transitional Cluster by those projects that would otherwise submit Interconnection Requests to participate in Tranche 3 independently of the Transitional Cluster.

The first proposed modification would allow for projects to show readiness for entry by stating their intent to participate in Tranche 3. Based on CCEBA's understanding of Duke's schedule for Tranche 3 and the planned bid submittal date, it does not appear that it will be possible for bids into Tranche 3 to have been made before the deadline by which readiness for Transitional Cluster Study must be demonstrated. Thus, Duke's proposed change regarding readiness criteria is not sufficient to accomplish its stated goal of allowing Tranche 3 bidders to participate in the Transitional Cluster Study. CCEBA's alternative proposal would solve that problem.

CCEBA proposes the second modification to allow Tranche 3 projects to participate in the Transitional Cluster even if they were not in the interconnection queue as of August 20, 2021, which is currently a requirement for Transitional Cluster Study. With prior tranches, all projects in the queue as of the bid deadline date were eligible to participate in CPRE. An undesirable and unfair consequence of syncing CPRE Tranche 3 with Transitional Cluster Study would be to limit Tranche 3 eligibility to projects in the queue as of August 20. This would not only defeat the reasonable expectations of prospective Tranche 3 bidders but would also unnecessarily limit participation in Tranche 3 and thereby reduce the benefits of competitive procurement for ratepayers. CCEBA requests that any interconnection customer submitting a statement of commitment to participate in Tranche 3 be required, by the time of such submittal, to have submitted an interconnection request and that such request be deemed to be timely for the purposes of Transitional Cluster Study eligibility.

The third and fourth proposed modifications would allow projects to be informed that they have not had a successful bid prior to undertaking the substantial financial commitments of Phase 2, and for projects that wish to withdraw or otherwise fail to reach a PPA to do so before undertaking the financial requirements beyond Phase 2 of the Transitional Cluster process. By scheduling the decisions in such a manner, the Companies and CPRE participants will be assured of their mutual commitment at each stage of the process without imposing burdens on projects that otherwise would not be subject to such burdens.

In addition to these proposed modifications to Transitional Cluster eligibility, CCEBA looks forward to addressing issues related to the details of integration of Tranche

3 through the Independent Administrator and stakeholder participation described in the CPRE Update. These issues include, without limitation, determination of the share of Tranche 3 procurement volume that will be in the DEC and DEP territories, respectively, and whether CPRE projects will be subject to performance security for interconnection costs not required by their individual projects. CCEBA commits to participating in the stakeholder process to resolve these and any other concerns as quickly and fairly as possible.

III. CONCLUSION

With the inclusion of these proposed modifications and the settlement of any outstanding timeline and eligibility issues through an efficient stakeholder process, CCEBA looks forward to its members' participation in an integrated Transitional Cluster and CPRE Tranche 3 process.

Respectfully submitted, this 8th day of September, 2021.

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CERTIFICATE OF SERVICE

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing filing by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 8th day of September, 2021.

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