

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-100, SUB 101**

In the Matter of:)	
Petition for Approval of Generator)	NCSEA’S POST-HEARING
Interconnection Standard)	BRIEF
)	

NCSEA’S POST-HEARING BRIEF

NOW COMES the North Carolina Sustainable Energy Association (“NCSEA”) pursuant to the *Order Granting Extension of Time* issued by the North Carolina Utilities Commission (“Commission”) on March 15, 2019 in the above-captioned proceeding, to provide this post-hearing brief.

PROCEDURAL HISTORY

On May 15, 2015, in the above-captioned docket, the Commission issued its *Order Approving Revised Interconnection Standard* (“2015 Order”). In Ordering Paragraph 3, the Commission directed:

That the Public Staff shall convene a workgroup of interested parties not later than two years after the date of this Order to determine if this NC Interconnection Standard needs revising or whether the NC Interconnection Standard should remain unchanged, and to report such recommendations from the stakeholder group within four months from the first meeting of the group which shall not be later than two years after the date of this Order.

Pursuant to the *2015 Order*, in May of 2017, the North Carolina Utilities Commission – Public Staff (“Public Staff”) convened interested stakeholders to discuss revisions to the North Carolina Interconnection Procedures (“NCIP”). Subsequently, on December 15, 2017, the Public Staff filed its *Redline of Working Group Recommendations*. On December 20, 2017, the Commission issued its *Order Requesting Comments*. Following the Commission’s *Order Granting Extension of Time* issued on January 22, 2018, on January

29, 2018, initial comments were filed by the Interstate Renewable Energy Council, Inc. (“IREC”), the North Carolina Pork Council (“Pork Council”), and NCSEA, and joint initial comments were filed by Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”) (DEC and DEP collectively, “Duke”), and Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“DENC”) (Duke and DENC collectively, “the Utilities”). Following the Commission’s March 1, 2018 *Order Granting Extension of Time*, reply comments were filed on March 12, 2018 by IREC, the North Carolina Clean Energy Business Alliance (“NCCEBA”), NCSEA, and the Utilities. Duke also filed additional reply comments.

On July 30, 2018, Duke filed its *Motion for Approval of CPRE-Related Modifications to North Carolina Interconnection Procedures* requesting expedited approval of changes to the NCIP to implement the Competitive Procurement of Renewable Energy (“CPRE”) pursuant to N.C. Gen. Stat. § 62-110.8. On August 10, 2018, the Commission issued its *Order Scheduling Hearing, Requesting Comments, and Extending Tranche 1 CPRE RFP Solicitation Deadline*, effectively bifurcating the CPRE-related modifications to the NCIP from all other modifications to the NCIP. Subsequently, the Commission issued its August 30, 2018 *Order Rescheduling Hearing and Setting New Filing Deadlines*. Pursuant to this order, on November 19, 2018, DENC filed the direct testimony of Michael Nester, Duke filed the direct testimonies of Gary Freeman, John Gajda, and Jeff Riggins, IREC filed the direct testimonies of Sara Baldwin Auck and Brian Lydic, NCCEBA filed the direct testimonies of Robert Duke and Christopher Norqual, NCSEA filed the direct testimony of Paul Brucke, the Pork Council filed the direct testimony of Angie Maier, and the Public Staff filed the direct testimonies of Jay Lucas

and Tommy Williamson. Following the Commission’s December 7, 2018 *Order Granting Extension of Time*, on January 8, 2019 DENC filed the rebuttal testimony of Michael Nester, Duke filed the rebuttal testimonies of Gary Freeman, John Gajda, and Jeff Riggins, IREC filed the rebuttal testimonies of Sara Baldwin Auck and Brian Lydic, NCCEBA filed the rebuttal testimonies of Christopher Norqual, Luke O’Dea, and Michael Wallace, and the Public Staff filed the rebuttal testimony of Jay Lucas. On January 25, 2019, the *Agreement and Stipulation of Partial Settlement by and between Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, Dominion Energy North Carolina, North Carolina Pork Council and the Public Staff* was filed.

As noted by Chairman Finley during the hearing, “the Commission by and large does encourage settlements and we have -- sometimes we have settlements after the hearing even closes, and so I would encourage parties to -- if you would all settle that would be fine with me.”¹ Following the end of the hearing in this proceeding, NCSEA reached out to counsel for Duke regarding the possibility of settlement on a number of issues in dispute in this proceeding.² However, NCSEA never received a response from Duke.

NCSEA’S MAJOR ISSUES

I. TRANSPARENCY

Transparency in the interconnection process is of the utmost importance. It is only through transparency that the Commission can be assured that the Utilities are complying with their obligations under the Public Utilities Regulatory Policy Act of 1978 (“PURPA”) to interconnect independent power producers in a nondiscriminatory manner. Similarly, it

¹ Tr. Vol. 2, 17:7-12.

² See, **Attachment 1**.

is only through transparency that the Commission can be assured that the Utilities are complying with the NCIP and its associated deadlines and requirements. As stated by IREC Witness Auck,

being able to have publicly available access to data, such that the Commission and other stakeholders can really start to better understand what is working, what is not. And where there are opportunities for improvement, it is our position that transparency is really integral to make improvements over time and address more immediate concerns as well.³

However, the Utilities oppose all suggested changes to the NCIP that would increase transparency in the interconnection process.⁴ In this post-hearing brief, NCSEA addresses in detail two issues related to transparency: the communication of new screens with interconnection customers, and interconnection queue reporting.

A. COMMUNICATION OF NEW SCREENS

As was made apparent at the hearing in this proceeding, the Utilities fail to make Interconnection Customers⁵ aware of new screens or changes to how the NCIP is implemented. Public Staff Witness Williamson testified that the Utilities had failed to adequately inform Interconnection Customers of new criteria:

- Q. Thank you. Could you please give us an example or two of how the utility's decision to unilaterally implement a new criteria has not been, quote, clearly or uniformly communicated to the interconnection customers, end quote?
- A. Yes. I think this was -- actually occurred prior to my becoming -- joining the Public Staff. But, in fact, during the period of time when the circuit stiffness review, as I mentioned there on line 15, was being rolled out, so like when Mr. Lucas was talking about Public Staff started getting some reports of applications not proceeding, or there -- they were just not moving forward the way they thought,

³ Tr., Vol. 5, 71:17-23.

⁴ See generally, *NCSEA's Reply Comments* at 5.

⁵ Capitalized terms not otherwise defined have the meaning set forth in the NCIP.

and we were getting complaints about that, and so my understanding is that there was a pause in the processing while the circuit stiffness review was being finalized and rolled out. And so, as a follow-up to that, part of what we are recommending with the transparency recommendations is that, any time there is a circumstance like that, any new study, screen, or modification to the application of NCIP, and I gave the three recommendations, we recommend that change be presented, filed with the Commission in this docket for informational purposes only, to post it on their website, and also to bring it up to the TSRG for discussion there.⁶

Similarly, Duke Witness Gajda testified that the Duke does not have a standard process for informing Interconnection Customers of new analyses or evolving practices:

Q So if -- if the Utility is making these -- these modifications or evolving its practice with the -- the supplemental review analyses, for example, how would an interconnection customer become aware of those changes?

A Well, so, you know, current--- currently, our goal is to just move them expeditiously through the process and the -- because we don't -- we don't necessarily generate a system impact study report. The -- those analyses that are done within the supplemental review aren't -- you know, there -- there's not a place in the standards laid out currently for us to express those, communicate those. I doubt that if we were asked about them that we would not share those, so -- on a project-by-project basis. So if -- if we were -- if we were kind of more in a scenario where those analyses were -- that, you know, if we were going to make those available with every project, let's say, then, you know, there'd be a little bit of additional time in documenting those externally to -- to, you know, some customer, whether that was -- if that became part of a report, that would certainly increase the time. If it was more of a kind of a scenario of -- of saying, well, we have a -- here are the -- a number of things that we may evaluate, and depending on the complexity of the project, you know, we may evaluate, say, a subset of these and, you know -- again that's not currently set out for in the standards --

Q Sure.

⁶ Tr., Vol. 6, 217:11 –218:12.

A -- but I could envision a process like that.⁷

To ensure that the Utilities are adequately informing Interconnection Customers of new screens, policies, and evolving Good Utility Practice, NCSEA respectfully requests that the Commission enforce its *2016 Settlement Order* and require the Utilities to file new screens with the Commission as proposed amendments to the NCIP's Terms and Conditions.

B. QUEUE REPORTING

As NCSEA has discussed in previous filings,⁸ the format of and information contained in the Utilities' quarterly interconnection queue performance reports is inadequate. During the hearing in this proceeding, Duke Witness Riggins conceded that the Utility tracks more information than it provides in its filings:

Q And is it true that Duke already tracks completion of many of the milestones through the interconnection process, even some of those that were listed in IREC's requested reporting requirements?

A Certainly we track a lot of the data points that were listed. Others would require further investment in our sales force application to be able to track on that level of detail. We're already publishing a queue report updated two times per month that provides the status of projects. And to be honest some of the data that we found in the exhibit we also thought would be commercially sensitive and shouldn't be published; things such as cost. So much of that information that was listed is provided directly to customers in the forms of emails and other communications as we update individual projects on their status. So we feel like there's a certain information that should be provided in that manner and other information that should be provided much like we do today in our queue reports.⁹

⁷ Tr., Vol. 3, 77:11 – 78:16.

⁸ See generally, *NCSEA's Initial Comments* at 26-27, and *NCSEA's Reply Comments* at 7-10.

⁹ Tr., Vol. 2, 341:24 – 342:22.

The Utilities have asserted that improving their queue reporting would create an administrative burden.¹⁰ However, an unsubstantiated claim that improved queue reporting creates an administrative burden is insufficient justification for the Commission to decline to require improved queue reporting.

II. GOOD UTILITY PRACTICE

In its earlier filings, NCSEA has asserted that the Commission has the ultimate authority to determine what constitutes Good Utility Practice.¹¹ Duke, however, does not take a clear position as to whether the Commission has the authority to oversee Good Utility Practice.¹² Furthermore, even if Duke believes that the Commission has the authority to oversee Good Utility Practice, they believe that their decisions can only be reviewed by the Commission within the context of a complaint proceeding:

- Q. . . . How has the Commission reviewed the good utility practice decisions made by the utilities since the Commission's 2015 order in this docket?
- A. Well -- and what I was getting at in there, that last line, is the dispute resolution process is available. So if there is an complaint regarding anything within the NCIP, the DR developer can go through the dispute resolution process, and ultimately, the Commission can decide.

¹⁰ Tr. Vol. 2, 281:14 – 285:16.

¹¹ See, *NCSEA's Reply Comments* at 4-5.

¹² *Compare*, Tr., Vol. 2, 373:13-19

Q And so in your opinion does the Commission have the authority to quote, veto Duke's determination of Good Utility Practice?

A Yeah, I don't -- yes, I don't -- the Commission's authority isn't under question, whether you call it a veto or a determination, but the Commission maintains authority here.

with Tr., Vol. 3, 25:15-20

Q Okay. So Duke's position in this docket, as I understand it, is that it alone should determine what good utility practices are when it comes to interconnecting renewables to the grid, correct?

A I think that's generally what we have represented, yes.

- Q. So it's your position that an interconnection customer would have to go through the dispute resolution process and file a formal complaint in order to have good utility practice reviewed by the Commission?
- A. I mean, that's available. I mean, obviously, we are having discussions, the TSRG is going on, but if it gets to a point where it's an impasse and any party believes that it's, you know, egregious, and we really need this resolved, and we want to push it all the way, the dispute resolution process is available.¹³

The term "Good Utility Practice" appears eleven times in the current NCIP. Good Utility Practice is defined as "Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry . . ." ¹⁴ Notably, the definition states that Good Utility Practice should be in accordance with the standards used by "the electric industry," not specifically "the electric utility industry." Independent power producers, solar developers, and independent engineers, such as NCSEA Witness Brucke, are all part of the electric industry. Therefore, the Commission should give strong credence to the testimonies of IREC Witnesses Auck and Lydic, NCSEA Witness Brucke, as well as NCCEBA Witnesses Norqual, O'Dea, and Wallace, all of whom are a part of the electric industry.

However, it is clear that the Commission has not exercised oversight over Good Utility Practice since its *2015 Order*. This lack of oversight as led the Utilities to assert that they, unilaterally, have oversight of Good Utility Practice.¹⁵ In turn, this has led the Utilities to implement screens not included in the NCIP, discussed further below, that restrict the

¹³ Tr., Vol. 6, 198:22 –199:18.

¹⁴ NCIP Attachment 1 (Glossary of Terms), as approved by the *2015 Order*.

¹⁵ See generally, *NCSEA Reply Comments* at 4.

interconnection of independent power producers based on unsubstantiated concerns for power quality for retail customers and in violation of PURPA. This precise concern was addressed by the FERC in Order No. 69.¹⁶ Specifically, the FERC held:

Several commenters expressed their concern that some protection should be provided to qualifying facilities from potential harassment by utilities in the form of requiring unnecessary safety equipment. As discussed above, the *State regulatory authorities* (with respect to electric utilities over which they have ratemaking authority) and nonregulated electric utilities *have the responsibility and authority to ensure that the interconnection requirements are reasonable, and that associated costs are legitimately incurred.*¹⁷

Failure of the Commission to exercise oversight of Good Utility Practice, and the screens and fees discussed below, violates the PURPA rights of Interconnection Customers.

III. SCREENS

Since the Commission's *2015 Order*, Duke has introduced nine new screens to the interconnection process.¹⁸ However, only one of these screens (Circuit Stiffness Review) has been brought before the Commission, and that was brought before the Commission in the context of a settlement agreement.¹⁹ When asked during cross examination about the oversight that the Commission has over these screens, Duke Witness Gajda stated that the Commission has oversight over the Utilities' service quality, but not over interconnection screens:

Q According to NCSEA Duke Cross Exhibit 1 that was passed out a little while ago, Duke has introduced nine new screens since May of 2015. Could you please explain to me the oversight that the Commission has had for each of these screens?

¹⁶ See generally, NCSEA Duke Cross Exhibit 2, Exhibits, Vol. 4, Part 2 at 116-139.

¹⁷ *Id.* at 132 (emphasis added).

¹⁸ See generally, NCSEA Duke Cross Exhibit 1, Exhibits, Vol. 4, Part 2, pp. 100-115.

¹⁹ See generally, *Order Regarding Duke Settlement Agreement with Generation Interconnection Customers* (November 1, 2016) ("*2016 Settlement Order*").

A Well, so I guess the way that I will attempt to answer your question is that it's our understanding that again the Commission has oversight, general oversight under the utilities' cost of service and quality of service and the Commission has established rules such as one that's -- one that I'm well familiar with is R8-17 under voltage delivered to customers. The Commission has established rules that are related to either cost or quality of service. The example I gave is quality of service, and so that the Commission's exercise of its authority has often been around the customer's direct experience. So when you ask about the Commission's authority with respect to, I think you mentioned nine different screens, these are -- these nine different screens you mentioned are essentially, what other term I can come up with them, are engineering guidelines by which we operate the system to assure -- operate and plan the system to assure that our customers still see that same voltage and whatever other direct customer experience requirements the Commission has put forth rules on.²⁰

Witness Gajda's opinion that the Commission does not have oversight over screens is inconsistent with FERC Order 69 and the Commission's previous orders in this proceeding. Specifically, the Commission's *2016 Settlement Order* directs that screens are to be included in the Terms and Conditions that accompany the NCIP.²¹ However, as acknowledged by Public Staff Witness Lucas, the screens used by Duke are not memorialized in Exhibit 1 to the *Agreement and Stipulation of Partial Settlement by and between Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, Dominion Energy North Carolina, North Carolina Pork Council and the Public Staff* ("Stipulation Redline").

Q. Thank you. Moving forward just a couple of pages in your testimony to page 10. Starting on line 11, you discuss the Commission's

²⁰ Tr., Vol. 2, p. 374, l. 23 – p. 376, l. 3. See also, NCSEA Duke Cross Exhibit 1, Exhibits, Vol. 4, Part 2, pp. 100-115.

²¹ *2016 Settlement Order*, p. 2 ("In the future, similar language or details shall not be presented as revisions to the NCIP but rather additional terms and conditions. The Commission concludes that all changes to the Interconnection Standard approved in Docket E-100, Sub 101 shall be presented to the Commission for review and approval.").

November 1, 2016, order regarding Duke's settlement agreement, and on page -- excuse me, lines 14 to 15, you point out that the order directs that screens are to be included in terms and conditions attached to the NCIP. Is CSR, which was of the -- which was the subject of that 2016 order, memorialized as an additional term and condition to the NCIP?

A. No, it's not.

Q. All right. And any of the other screens that have been introduced by the utility since 2015 memorialized as additional terms and conditions?

A. Can you give me some examples?

Q. Line voltage regulator screen, things like that.

A. No, that wasn't memorialized in the NCIP.²²

Rather than abiding by the directive contained in the Commission's *2016 Settlement Order*, Duke proposes to file "significant" new screens with the Commission, but only for "informational purposes." However, Duke fails to provide an explanation of what makes a new screen "significant."

[Q] Mr. Gajda, in your rebuttal testimony on page 25, you state that *the Companies' agree to file any significant new screens, studies, or major modification in their application of the procedures with the Commission for informational purposes only*. Is that an accurate reading?

A (Mr. Gajda) Yes, it is.

Q What makes a new screen significant?

A Well, that's a great question. And it's kind of the crux of many things interconnection is what we don't know yet is what we don't know yet. So not to be coy but literally as we proceed forward and learn new things about how interconnections continue to impact the grid we have no -- there's really no reason or we're not incentivized to create any new screens and so to the degree that anything would be needed we would set about a process that I believe we've described in testimony or data requests to consider modifications to Good Utility Practice and determine whether something else would

²² Tr., Vol. 6, 201:8 –202:1.

be needed. I really don't have a great solid answer to describe what's significant or insignificant. There's really not a way to do that.²³

In addition to flaunting the directive contained in the Commission's *2016 Settlement Order*, Duke misrepresents the context of that order, asserting that the Commission has authorized them to implement any restriction that could conceivably protect power quality.

Q Okay. And if you could turn to the -- to the second page and -- and read from the third sentence of the first paragraph. Could you read that for the Commission?

A Yes. The sentence reads "The Commission is satisfied that Duke is taking appropriate steps to ensure electric service to retail customers is not degraded due to the operations of newly interconnected generation facilities."

Q And Mr. Gajda, what does is the significance of that statement?

A Well, I -- I think what I read into -- into the significance of that statement is that the -- I believe the, you know, the Commission simply is recognizing that -- that Duke is implementing good utility practice and -- and for the -- the sake of the retail customers, recognizing that utility-scale generating facilities are a new -- a new introduction to the grid and that we're acting responsibly, making sure that we fulfill our obligations to interconnect those facilities while making sure that electric service to retail customers is -- is not degraded, and that ultimately the -- the Commission's authority is retained and maintained completely, looking at the end result to those retail customers while we just exercise responsibly under good utility practice.²⁴

In reality, the Commission's opinion in the *2016 Settlement Order* was much more limited in approving only the screen subject to the settlement agreement, Circuit Stiffness Review, which has since been effectively abandoned by Duke.

²³ Tr., Vol. 2, 382:2–383:2 (emphasis in original).

²⁴ Tr., Vol. 3, 94:14–95:14.

In addition to refusing to comply with the Commission's *2016 Settlement Order* regarding the inclusion of screens in the NCIP's terms and conditions, Duke's screens are unsupported by evidence. For instance, Duke has never quantified the impact of distributed energy resources on DEP's DSDR system, but Duke's Line Voltage Regulator screen prohibits interconnection customers from interconnecting downstream of a LVR.

Q. And so that is an investment that utilities and ratepayers have made, and so in terms of impacting the DSDR program, that would allocate cost and risk or investments that the utility has already made to impair that program versus having the interconnection customer make investments to upgrade the system so they are not adversely impacting that program.

Would you agree with that?

A. My understanding is that interconnection behind a line voltage regulator would degrade the capacity of the DSDR system. However, I do not believe that Duke quantifies that degradation on an interconnection-by-interconnection basis. So I do not have an understanding of how much that degradation is.²⁵

NCSEA reiterates that Duke's unilateral imposition of new screens has negatively impacted the interconnection of independent power producers without engineering justification, in violation of FERC Order 69. Furthermore, Duke has failed to comply with the Commission's *2016 Settlement Order* in refusing to include screens as terms and conditions to the NCIP. Therefore, NCSEA respectfully requests that the Commission exercise its statutory oversight, and require Duke to file all existing and new screens with the Commission for approval before they are put into effect.

²⁵ Tr., Vol. 5, 112:2-15

IV. COMMISSION OVERSIGHT

As stated previously, NCSEA believes that the Commission should carefully question why the Utilities are so reluctant to allow the Commission to exercise oversight of the interconnection process, despite explicit authority for the Commission to do so.²⁶

A. TECHNICAL WORKING GROUP

In its initial and reply comments in this proceeding, NCSEA expressed its opinion that any technical working group should be overseen by the Commission.²⁷ To this end, NCSEA Witness Brucke testified about Commission oversight as follows:

Q. Can you explain to us what changes should be made, specifically to the working group, to make it, sort of, more in alignment with your expect -- with NCSEA's expectation?

A. The original recommendation was kind of a combination of a recommendation for there to be a requirement for comprehensive documentation on 'interconnection requirements, procedures, policies that is publicly available, and that a group could be constituted that would be -- have oversight by the Commission, whereby that documentation could be developed and revised, and such that any revision to interconnection policies was -- you know, there was a forum for discussion and approval of such revisions. I mean, there are similar groups, like in Massachusetts and New York now.

Where this group falls short of that recommendation is that this group is -- while we do discuss the interconnection policies, there is no authority above Duke that is making any judgments on its policies or determinations as -- you know, as it's decided through those discussions. So, for example, if the industry makes a recommendation for a policy change, it's -- in that context, it's Duke's prerogative completely to either accept or deny that request.²⁸

²⁶ See, N.C. Gen. Stat. § 62-133.8(i)(4); NCSEA Duke Cross Exhibit 2, Exhibits, Vol. 4, Part 2, p. 132.

²⁷ See, *NCSEA's Initial Comments* at 14-15; *NCSEA's Reply Comments* at 20-22.

²⁸ Tr., Vol. 5, 127:19 –128:20.

In an effort to short-circuit the Commission's revisions of the NCIP, Duke created its own technical working group, named Technical Standards Review Group ("TSRG") on February 7, 2018.²⁹ Duke's creation of the TSRG is a transparent attempt to avoid Commission oversight of a technical working group. To that end, it is notable that Duke's TSRG excludes IREC from the process, despite their strong advocacy in this proceeding for improvements to the NCIP:

Q Let's stick with the TSRG for a minute. Mr. Gajda, in your direct testimony on page 29, you state that Duke is willing to discuss the Fast Track process at the Technical Standards Review Group or TSRG; is that correct?

A (Mr. Gajda) Yes.

Q And of the intervenors to this proceeding, who has advocated the strongest for reforming the Fast Track process?

A That's a bit of a subjective question.

Q Would you agree that IREC has taken the lead on that issue?

A That's likely fair.

Q And is IREC invited to participate in the TSRG?

A Not -- no, not specifically and there's a reason for that. It's because we structured the TSRG. When we began its structure we looked out in the industry to see how other TSRGs, if they were named so, were structured. We specifically visited the Massachusetts TSRG which there has been mandated by the Commission, and I only say that because there's four utilities at the table, but as we went there we realized that there were utilities at the table and there were individual project developers, engineers at the table, and so our conception of the TSRG from the beginning was that it was a highly technical forum and it should involve engineers and -- that were likely developing projects for their consultants. And our -- we went to NCSEA, NCCEBA and South Carolina Solar Business Alliance with the intent of trying to seek out those appropriate parties. And so this is just really a reminder for everybody what we did there but -- so I understand your question and your point but ultimately that was what we did because we believed that the -- who's sitting down

²⁹ See, *NCSEA's Reply Comments*, Attachment 1.

at the table and physically designing projects is who needed to be at the TSRG.³⁰

NCSEA recognizes that Duke's service territory spans both North Carolina and South Carolina. As such, NCSEA does not object to the inclusion of the South Carolina Office of Regulatory Staff or the South Carolina Solar Business Alliance in a technical working group. However, as discussed by NCSEA Witness Brucke, NCSEA believes that it is necessary for any technical working group to be overseen by the Commission. Such oversight would ensure that Duke's interconnection processes comply with both the NCIP and FERC Order 69.

B. CURE PERIODS

In its testimony, Duke discussed how it has afforded cure periods to Interconnection Customers to allow them an opportunity to address issues with their Interconnection Application. However, as despite misleading testimony during the hearing, these cure periods are not incorporated into the Stipulation Redline.³¹ During redirect, Duke Witness Freeman asserted that it would not be in Duke's interest to allow for cure periods.

Q If -- if the Company's goal was to stop or to thwart further interconnections, would -- would it be in our interest to be granting

³⁰ Tr., Vol. 2, 383:15 –385:5.

³¹ See, *id.* at 357:16 – 358:12:

Q . . . You discuss mitigation options and cure periods in your rebuttal testimony. Are those incorporated into the redline of the Interconnection Standard that's attached to the Duke/Public Staff Settlement Agreement?

A . . . I believe we have asked for cure periods. I mean, we've been trying informally to use cure periods that when a particular project gets to a point where we've asked for information, for example, and we haven't gotten that information, we'll send kind of one last request for that information and we'll provide them with like, for example, another 10 days to respond and cure before we would either withdraw a project or whatever. So I think the answer is yes we are trying to formalize that process more than we have historically.

all these extensions and cure periods and mitigation options for developers?

A No, it would not.³²

When asked about cure periods by Commissioner Clodfelter, Duke Witness

Freeman stated that the Utility was attempting to formalize cure periods:

Q There was some -- there were some questions asked you by Mr. Ledford yesterday and by your counsel on redirect this morning about the use of mitigation options and cure periods. And my question really is -- is to all of you and any of you, is do you think -- is there any value in having an express authorization for the use of mitigation options and cure periods in the -- in the protocol? Not prescriptive. Not prescribing what those would be. Not necessarily saying it can be this, but not that, but some sort of authorization so at least everyone who is playing the game knows that that's -- that's out there, that that's useful, and that you may be going to use it. Do you think there's any value in saying it, referencing it at all?

I think Mr. Ledford's question to you yesterday was -- was expressed some concern that maybe you might decide not to use it, and then you would say, well, we're not going to use mitigation options anymore, we're not going to allow a cure anymore because it's not provided for in the protocol. So what I'm really addressing is would it be helpful just to have a reference?

A . . . The cure process, I think we are formalizing more so, you know, the -- the cure process in putting some, you know, timelines in -- in that. And, you know, we're a little bit indifferent on whether it's 10 days, 20 days, 30 days, or whatever, but -- but we need to put, you know, some definition around that so that -- so that that, you know, doesn't continue to drag on. And even -- even some of the optionality that we provide to provide extensions on providing data and things like, I mean, we generally have not, to my knowledge, denied extension requests, but the option is there depending on, you know, circumstances whether we would approve, you know, an additional extension or not. I mean, I think -- personally, I think keeping flexibility in what we're doing today makes sense.³³

³² Tr., Vol. 3, 90:17-21.

³³ *Id.* at 118:14 – 121:7.

Subsequent to the hearing, Duke did formalize cure periods, but not by allowing up to 30-days for an Interconnection Customer to cure an issue, as testified by Witness Freeman. Instead, Duke unilaterally restricted their use.³⁴ Duke's unilateral action taken after representing to Commissioner Clodfelter that they would allow up to 30-days for an Interconnection Customer to cure a deficiency further reinforces Duke's belief that it can control the interconnection process regardless of the Commission's oversight.

V. DISPUTE RESOLUTION

As discussed in *NCSEA's Reply Comments*, the Public Staff is not a neutral arbiter for the purposes of dispute resolution under the NCIP.³⁵ The Public Staff has a client,³⁶ and the Commission should allow the Public Staff to represent their client's interests. To this end, the Public Staff has advocated that they should not be the sole dispute resolution option under the NCIP:

- Q. Why is the Public Staff interested in creating a dispute resolution process that does not use the Public Staff as the mediator?
- A. The Public Staff can't be an independent arbiter in these types of cases. The Public Staff is required to represent the using and consuming public in all cases. Also, in serving the using and consuming public, the Public Staff has limited amount of time in working on general rate cases, at the same time as doing annual cost recovery cases, having to represent or serve the distributed generation community will sometimes have to take second place to more pressing matters.³⁷

³⁴ See, **Attachment 2**.

³⁵ *NCSEA's Reply Comments* at 32.

³⁶ N.C. Gen. Stat. § 62-15(d) ("It shall be the duty and responsibility of the public staff to: . . . (3) Intervene on behalf of the using and consuming public, in all Commission proceedings affecting the rates or service of any public utility[.]").

³⁷ Tr., Vol. 6, 204:20 – 205:8.

NCSEA supports the use of a dispute resolution service to arbitrate disputes under the NCIP, as is reflected in Section 6.2.4 of the Stipulation Redline. However, NCSEA believes that the language contained in Section 6.2.4 of the Stipulation Redline is insufficient to protect Interconnection Customers. As was made clear during the hearing, the Utilities have no incentive to utilize a dispute resolution service.

Q Just one question about dispute resolution. In the Settlement redline Section 6.2.4, it states that by mutual agreement the utility and the interconnection customer may seek the assistance of a dispute resolution service. When would it be in the utility's best interest to engage an outside mediator or dispute resolution service?

A (Mr. Riggins) When would it be in the utility's best interest?

Q Or when would the utility agree to that?

A I think that we stated that we would support engaging a third party, but we also strongly believe that the Public Staff has served in that role and we've been able to resolve most of the disputes that have been brought forward in an efficient manner. We still believe that to educate a third party on all of the issues is going to be difficult, time consuming, distract people that are otherwise working on interconnection projects to bring them up to speed. So when would we support it? I suppose if we got to a volume that made it such that the Public Staff couldn't handle the volume we would certainly support that. But our position today is that we would prefer to continue to work as we have and effectively addressing disputes efficiently.³⁸

The Public Staff's assertion that they would "press" the Utilities to utilize a dispute resolution service is insufficient to ensure that disputes regarding the NCIP are heard by a neutral arbitrator:

Q. Were you present on Monday when Duke's witness Riggins testified?

A. Yes

³⁸ Tr., Vol. 2, 399:17 – 400:19.

- Q. And would you agree that Witness Riggins stated Duke's preference to continue using the Public Staff as a mediator?
- A. Yes.
- Q. So are you confident that the stipulation between the Public Staff and the utilities will reduce the Public Staff's workload in that regard?
- A. Yes. I think the Public Staff would press the utilities and not let them disagree with the use of a third-party mediator for no apparent reason. The Public Staff would press utilities and provide a good reason why they would recommend why a third-party mediator not be used.³⁹

It is instructive to note that the FERC recently mandated the use of third-party dispute resolution in its Large Generator Interconnection Procedures ("LGIP"):

In this Final Rule, we revise the *pro forma* LGIP to add new section 13.5.5, as discussed further below. We are taking this step because the record in this proceeding indicates that existing dispute resolution procedures may not be just and reasonable and may be unduly discriminatory or preferential because one disputing party may effectively prevent the other disputing party from pursuing dispute resolution. We thus disagree with those commenters that argue that transmission providers should simply reexamine their dispute resolution procedures. The reason is that, if the status quo provides little recourse for interconnection customers when a transmission provider does not agree to dispute resolution, then it would not be sufficient for transmission providers to merely reexamine their dispute resolution procedures with no guarantee that they would address this concern. Additionally, as discussed further below, we find that the record developed here demonstrates the need for generic dispute resolution reform, both inside and outside RTOs/ISOs. To avoid having dispute resolution requirements in multiple places, we are effectuating this reform through revisions to the *pro forma* LGIP as part of the existing dispute resolution provisions, rather than through changes to the Code of Federal Regulations.⁴⁰

³⁹ Tr., Vol. 6, 206:2-17.

⁴⁰ FERC Order 845, para. 132, Docket No. RM17-8-000 (April 19, 2018) (internal citations omitted), available at <https://www.ferc.gov/whats-new/comm-meet/2018/041918/E-2.pdf>.

The FERC took this action because “if the status quo provides little recourse for interconnection customers when a transmission provider does not agree to dispute resolution, then it would not be sufficient for transmission providers to merely reexamine their dispute resolution procedures with no guarantee that they would address this concern.”⁴¹

For these reasons, NCSEA supports IREC’s position on dispute resolution. IREC proposes a dispute resolution process that includes “an interconnection ombudsperson at the Commission who could help facilitate resolution of disputes.”⁴² Specifically, “[i]f parties are unable to resolve disputes by working together, they may seek assistance from the interconnection ombudsperson or an outside mediator to resolve the dispute.”⁴³ NCSEA believes that it an independent ombudsperson or mediator is necessary to improve the interconnection dispute resolution process, and supports IREC’s proposal.

VI. FUTURE REFORMS

In this proceeding, Duke has taken both the position that the NCIP does not need structural changes, as espoused by Duke Witness Gajda, and that major structural changes are needed, as discussed by Duke Witness Freeman:

Q Mr. Gajda, in your direct testimony on page 7, beginning on line 3, you state that *Overall, the Companies see limited structural issues within the technical evaluation portions of the North Carolina Procedures, and do not believe that extensive revisions are necessary at this time.* How does that statement -- does that statement contradict what Witness Freeman has testified in his direct and rebuttal testimony?

⁴¹ *Id.*

⁴² *Comments of the Interstate Renewable Energy Council*, p. 31 (January 29, 2018) (“IREC Initial Comments”).

⁴³ *Id.*

A (Mr. Gajda) No, it does not. As Witness Freeman stated, when we approached the 2017 stakeholder process it was really in response to the Commission Order to do so. And so I believe for the most part Duke approached that relatively open minded with the idea of there are several stakeholders in this process and let's sit down and see what minimum number of changes may produce value in the Interconnection Standards knowing what we know today. I believe Witness Freeman's statements around the need for cluster studies really developed sometime after this process began.⁴⁴

Despite the fact that NCSEA raised the issue of cluster studies in May of 2017,⁴⁵ NCSEA applauds Duke for now being willing to discuss the issue. However, as discussed above, NCSEA believes that Commission oversight is necessary for all aspects of the NCIP, including a potential transition to cluster studies. This is especially important for such a complex topic because, as acknowledged by Duke Witness Freeman, reaching stakeholder agreement on cluster studies will be challenging:

Q . . . [D]o you expect studying -- reaching consensus around a cluster study to be more complex than reaching consensus around a single, you know, a single queue study model?

A (Freeman) Yes. I think, you know -- you know, evolving the process from sequential to -- to a cluster study process will be, you know, a significant challenge to reach consensus.⁴⁶

As such, NCSEA believes that the Commission should hold technical conferences with stakeholders to discuss a transition to cluster studies, instead of directing the Public Staff to oversee the process or allowing Duke to control the discussion.

⁴⁴ Tr., Vol. 2, 398:9 – 399:1 (emphasis in original).

⁴⁵ See, *NCSEA's Initial Comments*, Exhibit 1 at. 5, 7; Exhibit 5 at 2.

⁴⁶ Tr., Vol. 3, 33:13-21.

A. NCSEA SUPPORTS THE AGO'S PROPOSAL FOR THE APPOINTMENT OF A SPECIAL MASTER

On Friday, March 22, 2019, counsel for the North Carolina Attorney General's Office ("AGO") forwarded to NCSEA a draft post-hearing brief that the AGO intends to file in this docket ("AGO Draft Brief"). Within the AGO Draft Brief, the AGO asserts arguments regarding the need for neutral oversight of the interconnection procedure because of an inherent conflict for the Utilities. Namely, the Utilities, in the current system, are charged with developing procedures for independent power producers to interconnect to the grid while also competing with those independent power producers for generation and also through the Utilities' cost-recovery from underlying projects associated with new utility generation or maintaining existing generation resources. There is an inherent disincentive for the Utilities to interconnect qualifying facilities that are, in many cases, in direct competition with the Utilities.

As a potential solution to this issue, the AGO is seeking to have the Commission appoint a neutral Special Master to oversee the interconnection procedural processes. NCSEA supports this AGO proposal. NCSEA specifically agrees with the AGO's position that the Utilities are inherently conflicted in the interconnection process, and the appointment of a Special Master to oversee the issues related thereto should eliminate that conflict. Furthermore, the appointment of a Special Master should, in theory, reduce the amount of issues that need to be litigated between the Utilities and the other intervenors, especially those issues which are tied to the underlying conflict of interest that currently exists. Finally, NCSEA agrees with the AGO's assertion that technologies and laws will continue to change over time. These changes can quickly render findings from the Commission on specific interconnection issues obsolete. A neutral, third-party Special

Master would allow for an evolving spectrum of interconnection standards which are addressed by the relevant parties and overseen by the Special Master. NCSEA believes this is a more constructive and fluid way to handle an ever-changing set of standards.

B. DUKE'S CURRENT USE OF CLUSTER STUDIES

NCSEA believes that the Commission should investigate the fact that Duke, apparently, is already implementing cluster studies without Commission oversight. Duke Witness Freeman testified during the hearing that the Utility has begun implementing cluster studies, and has utilized them in evaluating hundreds of Interconnection Applications without Commission approval:

A (Freeman) Yeah. We -- we've also done something else that probably hasn't been shared very clearly yet. We've done what I would call a form of grouping studies for projects. We tried to, you know -- I mean, we've kind of implemented this grouping study concept to look at especially distribution projects and whether they are truly behind some of this transmission congestion or not, and we've done it in kind of -- we've kind of formed groups to do that because it was -- created more efficiency rather than studying them one by one. We've tried to do that, to bucket projects that are impacted by congestion and bucket projects that are not distribution projects. So that's helped a lot, provide transparency as to where distribution projects are not going to be impacted by transmission congestion.

So I've lost track of the numbers, but I think in DEP we -- we grouped -- the first group was like 170 or 180 projects or something like that, of which -- or maybe it was like 284, I think, projects; 172 were not impacted by the transmission congestion and 100 were, so essentially there's 170 or so projects that -- that are not going to be -- you know, they're not facing transmission congestion.

So we're trying to think of all kinds of ways we can, you know, help inform and -- and keep, you know, projects moving forward. And most of those projects are projects, to a point we made earlier, that they -- they're eligible for, you know, the PURPA Sub 140, some of them 136, and lot of them 148, you know, so they've

got a good viable pass forward as long as the distribution upgrades are not, you know, in that multimillion dollar range.⁴⁷

NORTH CAROLINA INTERCONNECTION STANDARD

Multiple parties have presented redlines of the NCIP to the Commission in this proceeding. In the following sections, NCSEA addresses two redlines: the Stipulation Redline and the redline attached to IREC Witness Auck's direct testimony.⁴⁸

NCSEA does not address in this post-hearing filing portions of the NCIP where no changes have been proposed by any of the parties. As such, NCSEA opposes any changes to these sections without an opportunity to respond to proposed changes. However, except as explicitly discussed below, NCSEA does not oppose ministerial changes to capitalization, spacing, etc.

VII. SECTION 1: GENERAL REQUIREMENTS

As an initial matter, inasmuch as it is currently 2019, NCSEA opposes the Stipulated Redline's reference to the modified NCIP as the "2018" revisions to the interconnection standard.⁴⁹ Examining the specifics of Section 1 of the Stipulation Redline, NCSEA recognizes that the changes in Section 1.4.1.2 of the Stipulation Redline that would include the Utility's overhead in the costs paid by interconnection customers is consistent with the Commission's previous orders.⁵⁰ However, NCSEA believes that the

⁴⁷ Tr., Vol. 4, 44:10 – 45:17.

⁴⁸ *Direct Testimony of Sara Baldwin Auck on Behalf of Interstate Renewable Energy Council, Inc.*, Exhibit SBA-Direct-2 (November 19, 2018) ("IREC Redline").

⁴⁹ Stipulation Redline, Sec. 1.1.3. NCSEA notes that Section 5(a) of the Stipulation requires that the Commission adopt the Stipulation Redline in its entirety. Under a strict reading of this provision, the fact that the Stipulation Redline incorrectly identifies the year should be reason enough for the Commission to reject the Stipulation.

⁵⁰ *Order Approving REPS and REPS EMF Rider and REPS Compliance Report*, pp. 16-18, Docket No. E-2, Sub 1109 (January 17, 2017); *Order Approving REPS and REPS EMF Riders and 2015 REPS Compliance*, pp. 18-19, Docket No. E-7, Sub 1106 (August 16, 2016).

Utility's ability to pass these costs through to interconnection customers should not be left unchecked. The Stipulation Redline includes no ability for the Commission to oversee the amounts of such overhead, much less the reasonableness and prudence of the expenses incurred. Furthermore, there is no recourse for Interconnection Customers to challenge the reasonableness and prudence of the expenses incurred for overhead except to file a formal complaint with the Commission.

NCSEA opposes the Stipulation Redline's proposed increase in the Pre-Application Report fee from \$300 to \$500 because the Utilities have not demonstrated why such an increase is necessary. In the absence of evidence supporting the increase, NCSEA believes that the fee should remain at \$300. NCSEA also opposes the Stipulation Redline's change to Section 1.4.4 to allow the Utility to require "any other information requested by the Utility" without any limitation on the reasonableness of the request.

A. MATERIAL MODIFICATION

The issue of Material Modification has been extensively discussed in this proceeding. As an initial matter, NCSEA notes that during the 2017 stakeholder process led by the Public Staff and Advanced Energy, the stakeholders, including the Utilities, reached agreement on language regarding Material Modification.

Q Mr. Norqual's testimony -- I'm going to read your -- this on page 13 of his testimony in case you want to check me on it, but I. -- I wrote it out and I think I was accurate. He says -- he says, "The Working Group 2 would allow the addition of a DC coupled energy storage facility provided the output was limited to daylight hours."

A That's correct. I recall that.

Q Is that correct?

A I recall that statement.

Q Do you agree with it? Is that -- is he -- is he right? Is that what Working Group 2 agreed on?

A Working Group 2 agreed on that, and what -- and then what -- Duke came in, you know, essentially after that and -- and stated that -- that -- because there were a number of provisions that Working Group 2 talked about, and then when we looked at that specific item, you know, Duke essentially said, well, you know, daylight hours, first of all, there's no official definition of daylight and it changes throughout the year, so that's a concern, and that didn't get addressed.

And -- and then beyond that, again, something could operate at full output between daylight hours or it could be a solar facility operating during daylight hours, and those are two different characteristics. And so I think what we realized was just, you know, we didn't you know, perhaps Duke's fault that we didn't properly make the working group aware of that. I think we did discuss that some, but that was just a -- ended up being a -- a matter of that was not consensus between us, if that answers your question, but ...⁵¹

As an initial matter, NCSEA believes that the Commission should approve the consensus language regarding Material Modification that was developed during the 2017 stakeholder process⁵² and, as discussed further below, the Material Modification language included in the Stipulation Redline should be rejected.

This provision is important because any number of routine equipment changes are subject to the NCIP's Material Modification provision, including the replacement of inverters and solar panels.⁵³ Such changes are routine during the study process, in part due to the delays in processing the interconnection queue:

⁵¹ Tr., Vol. 3, 127:9 – 128:15.

⁵² *Redline of Working Group Recommendations*, p. 19 of 176 – p. 21 of 176 (December 15, 2017). In the alternative, NCSEA believes that the Commission should oversee a stakeholder process to develop consensus language. As noted by NCCEBA Witness O'Dea, that organization remains open to such a discussion. *See*, Tr., Vol. 6, 72:2-18.

⁵³ *See generally*, Tr., Vol. 6, 22:18 – 24:23.

- Q. Okay. But it's not uncommon for developers to make changes during the study process, correct? I mean, changes can occur either before the study process from time to time; do you agree with that?
- A. Changes do occur before the study process, but, you know, more commonly during or after the study process. You know, when you have multiple years, the equipment that's available on the market, inverters, those kind of things are changed out on, you know, the majority if not almost all projects.⁵⁴

Sections 1.5.1.1 and 1.5.2.1 of the Stipulation Redline would use the date that a SIS Agreement is executed as the point after which any changes could be considered Material Modifications. In fact, Sections 1.5.1.1 and 1.5.2.1 of the Stipulation Redline represent that the date that a SIS Agreement is executed *is already* the point after which any changes could be considered Material Modifications. However, the Stipulation Redline misrepresents the 2015 NCIP. According to the Stipulation Redline, Section 1.5.1.11 (which was, before renumbering, Section 1.5.1 in the 2015 NCIP) currently reads “Indicia of a Material Modification before the System Impact Study Agreement has been fully executed begun by the Interconnection Customer include only[;]” Section 1.5.1 of the 2015 NCIP actually reads “Indicia of a Material Modification, include, but are not limited to[.]”⁵⁵ Similar misleading information appears in Section 1.5.1.2 (which was, before renumbering, Section 1.5.2 in the 2015 NCIP) of the Stipulation Redline.⁵⁶

NCSEA opposes the use of the date of the execution of a SIS Agreement as the trigger point for determining whether a Material Modification has been made, as the date is arbitrary, and Duke has been unable to quantify the amount of time between the execution of a SIS Agreement and the actual start of the study process:

⁵⁴ *Id.* at 29:19 – 30:4.

⁵⁵ NCIP Section 1.5.1, as approved in the *2015 Order*.

⁵⁶ NCIP Section 1.5.2, as approved in the *2015 Order*.

- Q In your direct testimony you discuss Duke's proposal to use the date of the execution of a System Impact Study Agreement as the determining point of fact for when a study has been start -- for when a study has or has not started; is that correct?
- A That sounds right.
- Q And that same language is incorporated into the redline of the Interconnection Standard that was attached to the Duke/Public Staff Settlement Agreement; is that correct?
- A I believe that's correct.
- Q But the execution of an SIS Agreement does not necessarily mean that Duke can immediately be in the study; is that correct?
- A Perhaps and it's the only reasonable external checkpoint which clearly defines between Duke and an external party when, essentially when we will begin the study.
- Q What's the average time between the execution of an SIS Agreement and the actual start of study by the utility?
- A I don't have that piece of information.
- A (Mr. Riggins) I can weigh in. I don't have a specific number of days but I can tell you that we do start the study pretty soon after the study -- the System Impact Study Agreement is signed because now we intentionally provide that Agreement to the customer when we're prepared to start the study. So in delivering the Agreement that indicates that we're now prepared, that customer is now a Project A or a B, and it's ready for study. So the start of the study should be very coincident with when that Agreement is signed and returned.⁵⁷

As such, NCSEA believes that the trigger date for determining whether a change is a Material Modification should be the date on which the Utility actually begins the System Impact Study, and as such has relied upon the information provided by the Interconnection Customer.

The main reason why Material Modification has been so disputed in this proceeding has to do with adding energy storage to existing Generation Facilities. Because prices for energy storage have fallen so dramatically in the past few years, it is now economical for

⁵⁷ Tr., Vol. 2, 388:12 – 389:22.

independent power producers to either build new Generation Facilities that include energy storage or to modify existing Generation Facilities to add energy storage. There are already projects that are seeking to interconnect energy storage in the interconnection queue:

- Q. I just wonder if, once this becomes a real issue, you actually got a request to add storage to solar and maybe have some experience with this, then will that give us more experience so that we know more how to deal with this, or are we -- aren't we, sort of, hypothetically talking about it right now and will only know more about it once you actually start interconnecting those type of facilities?
- A. Well, we have had multiple projects with solar plus storage that have proceeded through the system impact study, and there haven't been any gotchas or, you know, stipulations in the study reports for those projects that look any different than a solar project.⁵⁸

In response to this, the Stipulation Redline provides that an Interconnection Customer must submit production profile information for their proposed Generation Facility, and that a deviation from this production profile would be considered a Material Modification. NCSEA does not dispute that adding energy storage to an existing solar Generation Facility could result in a deviation from that solar Generation Facility's production profile. However, NCSEA believes that Interconnection Customers should not be required to submit production profile information because that data is not used by the Utilities in the study process.⁵⁹ Instead of using Generation Facility-specific production profiles, the

⁵⁸ Tr., Vol. 6, 72:24 – 73:13.

⁵⁹ See, Tr., Vol. 5, 131:19 – 132:5.

[A] My understanding is that, currently, Duke is not considering a production profile in the -- in assessing the interconnection impacts, but that they consider that the facility is operating at its full AC rating during the -- generally, the daylight hours, or 9:00 to 5:00. So if, you know, their system impact analysis assumes that it's operating at full capacity during those hours, so if it were to be able to operate at full capacity given the addition of energy storage, that shouldn't make a different -- it shouldn't impact their analysis.

Utilities are utilizing generic production profiles and examining electricity export during the hours of 9:00 a.m. to 5:00 p.m.⁶⁰ Furthermore, the Utilities have not said that they would begin using Generation Facility-specific production profiles in the study process. NCSEA believes that, if and when the Utilities want to use production profile information in the study process, they should be required to Petition the Commission for an amendment to the NCIP.

If the Commission determines that the addition of energy storage to an existing Generation Facility is a Material Modification, NCSEA believes that the NCIP should not require the Utility to perform a full System Impact Study. Rather, the Utility should utilize an expedited study process that studies only the issues that could conceivably be impacted by the addition of energy storage to a Generating Facility.

Q And when DC coupled energy is added to a facility, the only study of the ones that I just mentioned that could potentially change would be the Thermal and Voltage Study; is that correct?

A I believe -- in the data request or testimony I believe we said that it could be Thermal or Voltage, Thermal/Voltage, or a Stability Study I believe. Either one could be impacted.

Q But the Short Circuit Study or the Protection Study would not be impacted, correct?

A That would be our expectation.⁶¹

For these reasons, NCSEA believes that the Commission should adopt the Material Modification language that was agreed to in the Public Staff-led stakeholder process.

⁶⁰ Tr., Vol. 2, 433:4 – 438:8.

⁶¹ *Id.* at 444:14-24.

B. AREAS OF NO OPPOSITION

NCSEA does not oppose the Stipulation Redline's addition of language in Section 1.5, the addition of Section 1.5.1, or the deletion of Sections 1.5.1.2, 1.5.1.4, and 1.5.1.5. In addition, NCSEA does not oppose the Stipulation Redline's changes to the following sections of the NCIP: Sections 1.2.2; 1.3.1.2; 1.3.1.4; 1.3.1.5; 1.3.2.8; 1.4.3; 1.7.3; 1.8; 1.8.1; 1.8.2; 1.8.2.1; 1.8.2.2; 1.8.3; 1.8.3.1; 1.8.3.2; 1.8.3.3; 1.8.3.4; and 1.9.

VIII. SECTION 2: INVERTER-BASED GENERATING FACILITIES NO LARGER THAN 20 KW

NCSEA believes that the Stipulation Redline's changes to Section 2.2.1.3 regarding the costs of the Facilities Study should only be approved by the Commission if the Commission also establishes additional oversight to ensure that the costs charged to Interconnection Customers are reasonable and prudent. To advance transparency, NCSEA supports the IREC Redline's revisions to Section 2.2.2 which would require the Utility to provide an Interconnection Customer with detailed information on the reasons that the Generating Facility failed screens within ten business days.

IX. SECTION 3: OPTIONAL FAST TRACK PROCESS

Implementation of the Section 3 Fast Track Process ("Fast Track") is broken in North Carolina. There is no credible argument that a process with a 98% failure rate, but where a majority of the failed projects are ultimately safely interconnected, is working properly. Despite this, the Utilities insist that Fast Track is working fine.

- Q Okay. So conceptually, if there's a fast track where 98 percent of the projects fail and have to go to a next level of review, then would you agree that fast track isn't working as designed at that point?
- A So it's -- I guess what I would say is that it's -- it's tough for Duke to assess the effectiveness of the standards because what -- what we've tended to focus on are the results and the timing. So if a

project “fails” fast track, it goes into supplemental review and then is very swiftly and promptly interconnected thereafter. The fact that there was a procedural step in there that merit, you know, that in some -- in many cases occurs, really we, you know, we find that to not necessarily be the matter that we’re focusing on. We’re focusing on a -- the interconnection happening in a -- in a reasonable period of time and -- and really at the end result. So from that perspective we’re not -- it’s hard for us to -- to say that that doesn’t mean it’s effective.

The screen is, as we pointed out yesterday, this -- that specific screen, the one that often has failed, and a number of those screens are, you know, 20, 25 years old, and we’ve committed to engaging with EPRI in reviewing those screens. Those screens probably need a review. While the screens are what they are, we -- it’s -- it’s only responsible for us to evaluate the screens as they exist.⁶²

Simply put, Duke’s position that a 98% failure rate in Fast Track means that the process is working properly is unreasonable. This notion that Fast Track is broken is underscored by the fact that the Stipulation Redline’s changes to Section 3.1.1 would allow an Interconnection Customer to completely skip the initial Fast Track screens and proceed directly to Supplemental Review. As such, NCSEA believes that the Commission should adopt the modifications to Fast Track proposed in the IREC Redline. Specifically, NCSEA believes that the Commission should adopt the IREC Redline’s proposed changes to Section 3.1 that would raise the threshold for eligibility for Fast Track to 500 kW for projects interconnecting to lines under 5 kV. This eligibility limit has been adopted by the FERC and was supported by the Public Staff in the process leading to the *2015 Order*.⁶³

⁶² Tr., Vol. 3, 36:19 – 37:21

⁶³ *IREC Initial Comments*, p. 19.

Similarly, NCSEA supports the IREC Redline's proposed revisions to Section 3.2.1.2 that would add clarity to the NCIP regarding reclosers.

NCSEA does not oppose the changes to Section 3.1 contained in the Stipulation Redline, with slight modification. Specifically, NCSEA does not oppose allowing the Utility and the Interconnection Customer to mutually agree that a Generating Facility can proceed through Fast Track if interconnecting to lines greater than or equal to 35 kV by mutual agreement, but believes that the Utility's agreement shall not be unreasonably withheld.

NCSEA does not oppose the Stipulation Redline's changes to Sections 3.1.1, 3.2, and 3.2.2.4, nor does NCSEA oppose the Stipulation Redline's deletion of Section 3.2.1.4.

A. CUSTOMER OPTIONS MEETING

The Stipulation Redline's changes to Section 3.3 of the NCIP eliminate the Utility's obligation to provide the Interconnection Customer with data and analyses that support the Utility's determination that the Interconnection Request cannot be approved. The elimination of such a requirement is antithetical to NCSEA's position that transparency is necessary to improve the interconnection process, and thus should be rejected by the Commission. Removing, rather than improving, transparency will only exacerbate the problems with interconnection in North Carolina.

NCSEA does not oppose the Stipulation Redline's amendment to Section 3.2.2 to require the Interconnection Customer to respond to the Utility in writing. However, as with other Fast Track provisions, NCSEA believes that the IREC Redline's proposed revisions to Sections 3.3.2 and 3.3.3 are more credible and are supported by the evidence. As such, NCSEA supports the IREC Redline's proposed revisions to Sections 3.3.2 and 3.3.3.

B. SUPPLEMENTAL REVIEW

NCSEA opposes the Stipulation Redline's change to Section 3.4 to shorten the time period from fifteen days to ten days for an Interconnection Customer to agree to supplemental review because the Utilities have not shown why such a change is necessary, especially given that nearly all Fast Track projects ultimately proceed to supplemental review. However, NCSEA does not oppose the Stipulation Redline's changes to Section 3.4.1.2, to require an Interconnection Customer to accept the Utility's proposed modifications in writing, and to Section 3.4.1.3, to require the Utility to notify the Interconnection Customer if a Facilities Study is necessary.

X. SECTION 4: STUDY PROCESS

NCSEA does not oppose the Stipulation Redline's changes to Section 4 of the NCIP.

XI. SECTION 5: INTERCONNECTION AGREEMENT AND SCHEDULING

A. FINANCIAL SECURITY

NCSEA opposes the Stipulation Redline's changes to Section 5.2.4 which would require that Payment and Financial Security for Upgrades and Interconnection Facilities be due within 45 days instead of 60 days. The Utilities have not established a need for this change, and as such, NCSEA opposes it.

B. AREAS OF NO OPPOSITION

NCSEA does not oppose the Stipulation Redline's changes to Sections 5.1.2; 5.1.3; 5.2; 5.2.1; 5.2.2; 5.2.3; 5.3. In addition, NCSEA does not oppose removing the reference to an Interim IA from Section 5.2.4.

XII. SECTION 6: PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

A. DISPUTE RESOLUTION

For the reasons discussed above, NCSEA supports the IREC Redline's revisions to Section 6 regarding the creation of an ombudsperson to oversee disputes under the NCIP. However, NCSEA does not oppose the Stipulation Redline's changes to Sections 6.2.1, 6.2.5, and 6.2.6. Similarly, NCSEA does not oppose the Stipulation Redline's change to Section 6.2.2 to require serving notices of dispute on the Public Staff. Finally, NCSEA supports the Stipulation Redline's changes to Sections 6.2.3 and 6.2.4 to require that Utilities may not unreasonably withhold agreement.

B. WITHDRAWAL OF INTERCONNECTION REQUEST

NCSEA supports the Stipulation Redline's changes to Section 6.3.1, to delete the reference to the Interim IA, and to Section 6.3.3, to change the deadline for a final accounting from 90 to 60 days. Furthermore, NCSEA supports the IREC Redline's proposed change to Section 6.3.3 to change the requirement that an invoice must be generated within 30 days to 10 days.

C. COMMISSIONING AND POST-COMMISSIONING INSPECTIONS

NCSEA does not oppose the Stipulation Redline's changes to Section 6.5.1 and addition of Sections 6.5.2, 6.5.3, and 6.5.4.

D. COORDINATION WITH AFFECTED SYSTEMS

NCSEA does not oppose the Stipulation Redline's changes to Section 6.9.

E. CAPACITY OF THE GENERATING FACILITY

NCSEA does not oppose the changes to Section 6.10.2 that were included in the Stipulation Redline and in the IREC Redline.

XIII. ATTACHMENTS

A. ATTACHMENT 1: GLOSSARY OF TERMS

NCSEA does not oppose the edits to the Glossary of Terms that are contained in the Stipulation Redline. However, NCSEA supports the IREC Redline's addition of a definition of "Line Section" and changes to the definition of "Maximum Generating Capacity" inasmuch as they effectuate the changes to Fast Track proposed by IREC and supported by NCSEA, as discussed above.

B. ATTACHMENT 2: INTERCONNECTION REQUEST APPLICATION FORM

1. FEES AND DEPOSITS

The Utilities have not established why the increases in fees and deposits set forth in Attachment 2 are necessary, and as such NCSEA opposes these changes.⁶⁴ Most notably, the Utilities have not established why a ten-fold increase, increasing the fee from \$50 to \$500, in the processing fee for a change in ownership is necessary.

2. PRODUCTION PROFILE

As discussed above, NCSEA does not believe that it should be necessary for Interconnection Customers to provide the Utility with a production profile for their proposed Generation Facility. As such, and for the reasons discussed above, NCSEA

⁶⁴ See generally, NCSEA's Initial Comments at 16, 24-25, and NCSEA's Reply Comments at 24.

opposes the Stipulation Redline's addition of production profile information to the Interconnection Request Application Form.

3. AREAS OF NO OPPOSITION

NCSEA supports the Stipulation Redline's addition of information regarding Electric Generator Lessors to the Interconnection Request Application Form. NCSEA does not oppose the Stipulation Redline's changes to the Preamble and Instructions, equipment changes, information about the location of generators, and information about the Interconnection Customer. Similarly, NCSEA does not oppose the Stipulation Redline's addition of a Secondary Contact.

C. ATTACHMENT 3: PRE-APPLICATION REPORT FORM

As with other proposed fee changes, NCSEA opposes the fee changes in Attachment 3 as unjustified. However, NCSEA does not oppose the Stipulation Redline's proposed changes to Primary Energy Source, Prime Mover, or Capacity.

D. ATTACHMENT 6: INTERCONNECTION REQUEST, CERTIFICATE OF COMPLETION, AND TERMS AND CONDITIONS FOR CERTIFIED INVERTER-BASED GENERATING FACILITIES NO LARGER THAN 20 KW

NCSEA supports the Stipulation Redline's change to Maximum Generation Capacity, as well as the addition of language in the Terms and Conditions that provide that the Interconnection Customer shall not exceed the Maximum Generating Capacity. NCSEA also supports the IREC Redline's additions to Section 2.3.1 of the Terms and Conditions, which provide that the Utility shall provide the Interconnection Customer with the results of the fast track process within 10 business days.

NCSEA does not oppose the Stipulation Redline's addition of a secondary contact, making the transfer of ownership fee non-refundable, addition of Electric Generator Lessor

information, changes to the Energy Source Table, and inclusion of additional information regarding the signing Interconnection Customer.

As with other proposed fee changes, NCSEA opposes the fee changes in Attachment 6 as unjustified.

E. ATTACHMENT 7: SYSTEM IMPACT STUDY AGREEMENT

NCSEA supports the Stipulation Redline's addition to Section 4 to add an opportunity to cure. NCSEA further supports the Stipulation Redline's changes to Sections 6.1 and 6.2.

NCSEA has no objections to the Stipulation Redline's modifications to Sections 5, 15, 19, and 20. Similarly, NCSEA has no objection to the Stipulation Redline's deletion of Section 14. Finally, NCSEA has no objection to moving the phrase "completed by the Interconnection Customer and the Utility" in Appendix A, nor to the changes to Section 7 of Appendix B.

F. ATTACHMENT 8: FACILITIES STUDY AGREEMENT

NCSEA has no objection to the Stipulation Redline's addition of "Maximum Generating Capacity" to the Facilities Study Agreement.

G. ATTACHMENT 9: INTERCONNECTION AGREEMENT

1. ARTICLE 1: SCOPE AND LIMITATIONS OF AGREEMENT

NCSEA supports the IREC Redline's proposed changes to Sections 1.8.1 and 1.8.2 of the Interconnection Agreement regarding reactive power capability and leading/lagging generation. These changes recognize that distributed energy resources can provide benefits to the grid, and allow all ratepayers to benefit from such distributed energy resources.

NCSEA does not oppose the Stipulation Redline's proposed changes to Section 1.2 of the IA to delete references to an Interim IA. Similarly, NCSEA does not object to the changes to Section 1.5.7 proposed in the Stipulation Redline and in the IREC Redline.

2. ARTICLE 2: INSPECTION, TESTING, AUTHORIZATION,
AND RIGHT OF ACCESS

Neither the Utilities nor the Public Staff has provided any justification for the Stipulation Redline's changes to Sections 2.1.3 and 2.3. As such, NCSEA opposes the proposed changes. Similarly, NCSEA opposes the Stipulation Redline's changes to Section 2.3.2 because there is neither Commission oversight for the costs of a Utility-required inspection nor a requirement that the costs be reasonable and prudent.

3. ARTICLE 3: EFFECTIVE DATE, TERM, TERMINATION,
AND DISCONNECTION

NCSEA does not oppose the Stipulation Redline's changes to Section 3.3.2. However, NCSEA opposes the Stipulation Redline's change to Section 3.4.2 to reduce advance notice of disconnections from five days to two days, as no evidence has been presented to support this change.

4. ARTICLE 6: BILLING, PAYMENT, MILESTONES, AND
FINANCIAL SECURITY

NCSEA opposes the Stipulation Redline's change to Section 6.1.1 to make pre-payment for Upgrades non-refundable. The Utilities have presented no evidence to support this change.

5. APPENDIX 4: MILESTONES

NCSEA has no objection to the deletion of the reference to an Interim Interconnection Agreement in Appendix 4 of the Interconnection Agreement.

CONCLUSION

For the reasons discussed above, NCSEA respectfully requests that the Commission reject the Stipulation and adopt the changes to the NCIP discussed in this post-hearing brief.

Respectfully submitted, this the 25th day of March, 2019.

/s/ Peter H. Ledford

Peter H. Ledford
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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 Post-Hearing Brief 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 25th day of March, 2019.

/s/ Peter H. Ledford

Peter H. Ledford
General Counsel for NCSEA
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Attachment 1

Subject: Re: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff
Date: Friday, February 1, 2019 at 10:25:27 AM Eastern Standard Time
From: Peter Ledford
To: Jirak, Jack
CC: Benjamin Smith
Attachments: NCSEA Potential Revisions Template.DOCX, NCSEA Transparency Suggestions.docx

Jack,

I think it predates your employment at Duke, but I'm attaching the redlines that NCSEA submitted during the 2017 interconnection stakeholder process (these were also attached to NCSEA's 1/29/18 initial comments in the proceeding).

I think some of NCSEA's issues don't need to be addressed in the redline but could still be incorporated into a settlement. These would include:

- Improved transparency to how long projects are taking to progress through each step of the interconnection and study process
- Improved transparency to how Duke's grid investment plans (Power/Forward or otherwise) impact the ability of the grid to host sustainable energy resources
- Improved transparency to the development of ISOP and its deployment
- Improved commitments from Duke related to the development of its cluster study proposal
- Clarification about what the filing of "major" or "substantial" modifications to screens means (Gajda Rebuttal 25:4-9)

Thanks,

Peter

--

Peter H. Ledford
General Counsel
NC Sustainable Energy Association
4800 Six Forks Road, Suite 300
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919-832-7601 ext. 107
peter@energync.org

From: Jack Jirak <Jack.Jirak@duke-energy.com>
Date: Thursday, January 31, 2019 at 4:44 PM
To: Peter Ledford <peter@energync.org>
Cc: Ben Smith <ben@energync.org>
Subject: RE: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff

Peter and Ben,

Great job to both of you in the hearings this week.

I wanted to follow up on the email exchange below. To the extent that NCSEA has any particular modifications to the NC Procedures that it would like to propose in settlement, please let me know and I would be glad to review and discuss further.

All the best,

Jack

From: Jirak, Jack

Sent: Saturday, January 26, 2019 1:58 PM

To: Ledford, Peter-energync <peter@energync.org>

Cc: Benjamin Smith <ben@energync.org>

Subject: RE: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff

Peter,

Thanks for your note. Duke is more than willing to discuss potential points of compromise with NCSEA and I will look for a time to discuss after the hearings. As I mentioned in my email, due to unavoidable time constraints driven by the procedural schedule for the proceeding, there simply was not sufficient time to engage all parties. In addition, to the extent that NCSEA would like to propose particular modifications to the NC Procedures, Duke is also certainly willing to consider such modifications.

Glad to discuss further on Monday.

All the best,

Jack

From: Ledford, Peter-energync

Sent: Friday, January 25, 2019 5:45 PM

To: Jirak, Jack <Jack.Jirak@duke-energy.com>

Cc: Benjamin Smith <ben@energync.org>

Subject: Re: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff

***** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *****

Jack,

NCSEA is always willing to discuss issues to seek an amicable resolution. We have shown in other dockets (including the DEC rate case and grid modernization) that we can settle our differences with Duke. It is disheartening that Duke has declined thus far to engage us on any interconnection issues, and that Duke excludes us from stakeholder meetings (see Duke's response to NCSEA DR3-13). If you want to talk, feel free to email or call.

Thanks,

Peter

--

Peter H. Ledford
General Counsel
NC Sustainable Energy Association
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Raleigh, NC 27609
919-832-7601 ext. 107
peter@energync.org

From: Jack Jirak <Jack.Jirak@duke-energy.com>

Date: Friday, January 25, 2019 at 4:42 PM

To: Peggy Holton <Peggy.Holton@duke-energy.com>, Adam Foodman <adam@O2emc.com>, Andy Fusco <afusco@electricities.org>, Ben Snowden <bsnowden@kilpatricktownsend.com>, Brett Breitschwerdt <bbreitschwerdt@mcguirewoods.com>, Brian Herndon <bherndon@stratasolar.com>, Dan Higgins <dhiggins@bdppa.com>, David Barnes <dbarnes@electricities.org>, David Drooz <david.drooz@psncuc.nc.gov>, Dayton Cole <coledt@appstate.edu>, "Dwight II, George" <George.Dwight@duke-energy.com>, Henry Jones <HJones@jordanprice.com>, Horace Payne <horace.p.payne@dom.com>, Karen Bell <karen.bell@dom.com>, Karen Kemerait <karen.kemerait@smithmoorelaw.com>, "Kurt Olson (Pork Council)" <kurtj.olson@gmail.com>, Laura Beaton <beaton@smwlaw.com>, Lauren Bowen <lbowen@selcnc.org>, Peggy Force <pforce@ncdoj.gov>, Peter Ledford <peter@energync.org>, Peter Stein <pstein@selcnc.org>, Richard Harkrader <rarkrader@mindspring.com>, Rick Feathers <rick.feathers@ncemcs.com>, Bob Ford <rlford@ncpoultry.org>, "Robert Duke (rduke@surety.org)" <rduke@surety.org>, Bob Kaylor <bkaylor@rwkaylorlaw.com>, Sky Stanfield <stanfield@smwlaw.com>, Steve Levitas <slevitas@kilpatricktownsend.com>, Tim Dodge <Tim.Dodge@psncuc.nc.gov>, "W. Mark Griffith" <mark.griffith@troutman.com>

Cc: Dawn Sutton <Dawn.Sutton@duke-energy.com>, Gina Freeman <Gina.Freeman@duke-energy.com>

Subject: RE: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff

To All Parties:

Per the email below, a stipulation between Public Staff, Dominion Energy North Carolina, North Carolina Pork Council and Duke has been filed in Docket No. E-100, Sub 101. Due to time constraints, Duke was not able to reach out to all parties in advance of the filing but would welcome the support of other parties for the

stipulation. Duke also remains willing to engage in discussions with other parties concerning other issues that might be conducive to settlement. Feel free to reach out to me directly with any questions.

All the best,

Jack

From: Holton, Peggy H

Sent: Friday, January 25, 2019 4:34 PM

To: Adam Foodman <adam@O2emc.com>; fusco, a - electricities <afusco@electricities.org>; Snowden, Ben-kilpatricktownsend <BSnowden@kilpatricktownsend.com>; Breitschwerdt, Brett -mcguirewoods <bbreitschwerdt@mcguirewoods.com>; Herndon, Brian-stratasolar <bherndon@stratasolar.com>; Daniel Higgins <dhiggins@bdppa.com>; David Barnes <dbarnes@electricities.org>; David T. Drooz <david.drooz@psncuc.nc.gov>; Dayton Cole <coledt@appstate.edu>; Dwight II, George <George.Dwight@duke-energy.com>; Henry Jones (HJones@jordanprice.com) <HJones@jordanprice.com>; Horace.P.Payne@dom.com; Karen Bell <karen.bell@dom.com>; Karen Kemerait (karen.kemerait@smithmoorelaw.com) <karen.kemerait@smithmoorelaw.com>; Kurt Olson (Pork Council) <kurtj.olson@gmail.com>; Laura D. Beaton <beaton@smwlaw.com>; Lauren Bowen (SELC) <lbowen@selcnc.org>; Margaret A. Force <pforce@ncdoj.gov>; Ledford, Peter-energync <peter@energync.org>; Peter Stein (SELC) <pstein@selcnc.org>; Richard Harkrader <rharkrader@mindspring.com>; Rick Feathers <rick.feathers@ncemcs.com>; rlford@ncpoultry.org; Robert Duke (rduke@surety.org) <rduke@surety.org>; Robert W. Kaylor <bkaylor@rwkaylorlaw.com>; Sky Stanfield (stanfield@smwlaw.com) <stanfield@smwlaw.com>; Steven Levitas (TASC) <slevitas@kilpatricktownsend.com>; Dodge, Tim-psncuc <tim.dodge@psncuc.nc.gov>; W. Mark Griffith <mark.griffith@troutman.com>

Cc: Jirak, Jack <Jack.Jirak@duke-energy.com>; Sutton, Dawn H <Dawn.Sutton@duke-energy.com>; Freeman, Gina S <Gina.Freeman@duke-energy.com>

Subject: Electronic Filing: Docket No. E-100, Sub 101 Agreement and Stipulation of Partial Settlement by and between DEC, DEP, Dominion Energy NC, NC Pork Council & the Public Staff

You are being served electronically with a filing by Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; Dominion Energy North Carolina; North Carolina Pork Council and the Public Staff in Docket No. E-100, Sub 101: Agreement and Stipulation of Partial Settlement.

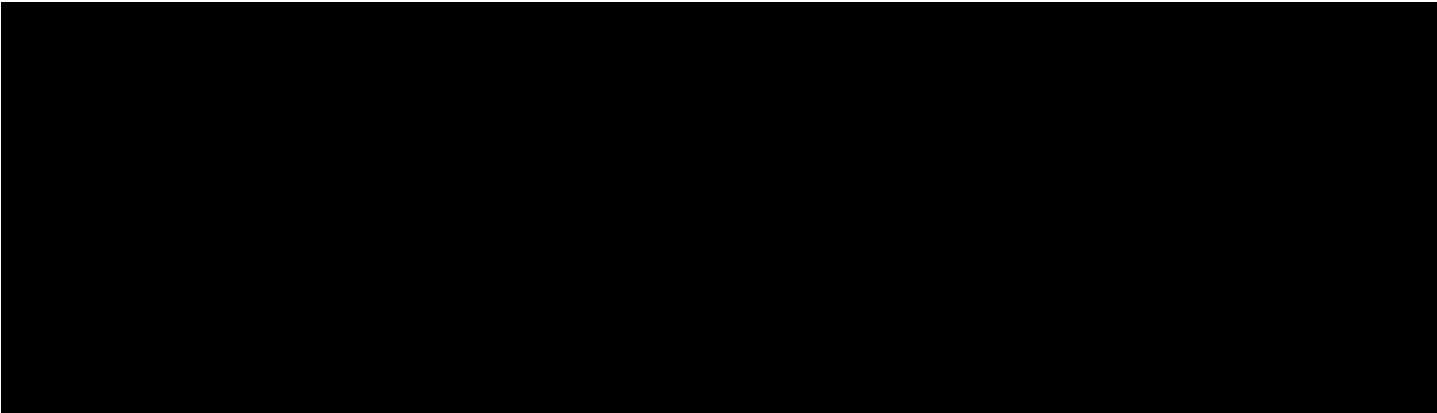
Sent on behalf of:

Jack E. Jirak
Associate General Counsel
Duke Energy Corporation
P.O. Box 1551/ NCRH 20
Raleigh, North Carolina 27602
Tel: 919.546.3257
Jack.jirak@duke-energy.com

Attachment 2

Subject: Fwd: Interconnection Queue Upgrades

Date: Monday, February 11, 2019 at 5:40:52 PM Eastern Standard Time



----- Forwarded message -----

From: **Irvin, Teresa L** <Teresa.Irvin2@duke-energy.com>

Date: Mon, Feb 11, 2019 at 10:03 AM

Subject: Interconnection Queue Upgrades

To: DERContracts <DERContracts@duke-energy.com>

Dear Interconnection Customer,

Based on feedback from customers, and in support of moving projects efficiently through the interconnection queue, Duke Energy will be reducing the length and extent of cure periods provided to better align with the intent of the interconnection procedures. With the exception of remitting an IA payment, for which the NCIP and SCGIP do not allow a cure period, one 5-business day cure period will be given for required responses outside of the study process (i.e. returning a signed agreement). Projects in an active study phase which require a response from the customer will be given appropriate deadlines in writing and thereafter, only one 10-business day cure period will be given for responses required to address study related issues. Customers will no longer be granted additional cure periods or extensions beyond those described herein.

We appreciate the opportunity to provide quality customer service to you. If you have questions regarding the processing of your Interconnection Request, please email DERContracts@duke-energy.com.

Sincerely,

Duke Energy Carolinas/Duke Energy Progress