

DOCKET NO. E-100, SUB 101

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Small Generator Interconnection) JOINT COMMENTS ON PETITION FOR
Standard, Tariffs, and Contract) RELIEF FROM INTERCONNECTION
Forms) QUEUE REQUIREMENTS

The North Carolina Pork Council (the “Pork Council”), the North Carolina Poultry Federation (“Poultry Federation”), the North Carolina Sustainable Energy Association (“NCSEA”), the Public Staff – North Carolina Utilities Commission (the “Public Staff”), Duke Energy Carolinas, LLC (“DEC”), and Duke Energy Progress, LLC (“DEP”) (collectively, the “Parties”), respectfully submit the following comments pursuant to the Commission’s May 18, 2016, *Order Requesting Comments* in the above-captioned docket as amended by the Commission’s June 20, 2016, *Order Granting Extension of Time to File* comments until June 27, 2016.

On May 17, 2016, the Pork Council and the Poultry Federation (hereinafter, the “Petitioners”) filed a Petition for Relief in the above-captioned docket requesting the Commission to waive the queue requirement in the North Carolina Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections (NC Interconnection Standard), last amended by the Commission on May 15, 2015, for facilities using animal waste resources to generate electricity, require electric public utilities to evaluate these facilities for interconnection on a priority basis, and continue the waiver until the express target levels originally set in G.S. 62-133.8(e) and (f) are met.

On May 18, 2016, the Commission issued its Order Requesting Comments from all interested parties regarding the Petition for Relief, with initial comments to

be filed by June 17, 2016, and reply comments to be filed by July 8, 2016. On June 20, 2016, the Commission issued an extension order permitting initial comments to be filed by June 27, 2016, and reply comments to be filed by July 18, 2016.

In response to these orders, the Parties met on multiple occasions to discuss the relief sought by the Petitioners and how best to further the State's goal of advancing the development of animal waste-to-energy resources, as evidenced by the swine waste resource and poultry waste resource requirements established by the General Assembly pursuant to G.S. 62-133.8(e) and (f), respectively. In those conversations, the Parties sought to identify the appropriate relief for those renewable energy facilities fueled in whole or part by swine or poultry waste resources that were experiencing delays in the interconnection process as a result of the large number of renewable energy facilities in the interconnection queue. The Parties agreed that relief was appropriate, but should be narrowly tailored to minimize any potential impacts on other facilities in the queue.

NC Interconnection Standard

With regard to the NC Interconnection Standard the following sections are relevant to this discussion:

- Section 1.4.2 provides that “The original date- and time-stamp applied to the Interconnection Request Application Form shall be accepted as the qualifying date- and time-stamp for the purposes of establishing Queue Position and any timetable in these procedures.”
- Sections 1.7.1 and 1.7.2 provide as follows:
 - 1.7.1 The Utility shall assign a Queue Number pursuant to Section 1.4.2. The Queue Number of

each Interconnection Request shall be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. Subject to Section 1.8 [Interdependent Projects], the Queue Number of each Interconnection Request shall also determine the order in which each Interconnection Request is studied.

- 1.7.2 Subject to the provisions of Sections 1.4, 1.5, and 1.6, Generating Facilities shall retain the Queue Number assigned to their initial Interconnection Request throughout the review process, including where moving through the processes covered by Sections 2, 3, and 4.
- Attachment 1 contains a glossary of terms, where the following key terms are defined:
 - Queue Number - The number assigned by the Utility that establishes a Customer's Interconnection Request's position in the study queue relative to all other valid Interconnection Requests. A lower Queue Number will be studied prior to a higher Queue Number, except in the case of Interdependent Projects. The Queue Number of each Interconnection Request shall be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection.
 - Queue Position - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, based on Queue Number.
 - Study Process - The procedure for evaluating an Interconnection Request that includes the Section 4 scoping meeting, system impact study, and facilities study.

Existing Animal Waste Interconnection Requests

Based on information provided by DEC, DEP, and DNCP, four (4) interconnection requests for animal waste facilities are currently pending

(collectively, the “Existing Animal Waste Interconnection Requests”). All four (4) are located in DEP’s Interconnection Queue. These requests are summarized below:

TABLE 1: Existing Animal Waste Interconnection Requests

Queue Number	NCUC Docket No.	Account (Facility) Owner	Queue Entry Date	Capacity (kW _{AC})	Resource	Utility
CHKLIST-10507	SP-1874, Sub 0	Prestage AgEnergy of NC, LLC	8/14/2015	1610	Poultry	DEP
CHKLIST-9451	SP-4439, Sub 0	Douglas Allen Jernigan	4/21/2015	800	Swine	DEP
NC2016-02807	SP-3253, Sub 1	Johnson Breeders, Inc. - 2nd Installation	5/20/2016	350	Poultry	DEP
CHKLIST-11433	SP-2950, Sub 0	Legacy BioGas LLC - Biomass	12/4/2015	4200	Swine	DEP

The Parties submit that several factors weigh in favor of granting the relief requested by the Pork Council and the Poultry Federation. Among others, the Parties note the recurring noncompliance with G.S. 62-133.8(e) and (f) and the negative effect this failure has on achieving the important State policies and objectives embodied in those sections. In addition, the Parties note the congested state of DEP’s distribution-level interconnection queue, the substantial delay associated with the interconnection process and the costs associated with delay, particularly in the case of a capital-intensive investment like an animal waste-to-energy facility. The Parties also note the complexities of animal waste generating facilities and the multi-faceted, interdependent transactional components of such projects from securing feedstock to selling electricity and RECs. Further, the Parties understand – based upon the best information available – that the consequences of adjusting the queue consistent with the Parties’ recommendations will be limited.

The Parties do not intend this agreement to be precedent. Nevertheless, it is likely that other animal waste resource facilities will need to interconnect before the requirements in G.S. 62-133.8(e) and (f) are met and there are no signs that the interconnection process will accelerate any time soon. Thus, the Parties believe the issues raised by the Petition for Relief warrant further consideration in a collaborative process involving the interested parties where the need for further acceleration of animal waste resource projects would be evaluated and if appropriate, criteria developed to assess future requests for relief. In the interim, and in the event there are other requests for a waiver of the queue requirements, the request should be judged on the merits that exist at the time the request is made.

In light of these considerations, the Parties recommend that, upon issuance of an order by the Commission addressing this Petition for Relief, each of the four (4) Existing Animal Waste Interconnection Requests be moved to the front of the study queue and be assigned in series the next four available positions in the Study Process. Any prioritization among the Existing Animal Waste Interconnection Requests will be based on their respective original Queue Numbers. In addition, each of the four projects would take on the payment obligations arising from its new position at the place of interconnection so that if, as a result of moving to the front of the study queue one of the four animal waste resource projects is positioned such that upgrades at the interconnection point are required to accommodate the project on the distribution system, that project will be obligated to pay for those upgrades. This modification would place the Existing Animal

Waste Interconnection Requests in front of the study queue and in front of other pending requests but not in front of an interconnection request that either (a) is in the System Impact Study process and being studied, or (b) has already received a System Impact Study report and is continuing to proceed through the interconnection process. Following placement at the next available position in the Study Process, the Existing Animal Waste Interconnection Requests would proceed in accordance with the NC Interconnection Standard.

Conclusion

WHEREFORE, the Parties respectfully request that the Commission take the foregoing comments into consideration in its deliberations in this proceeding and adopt the recommendations as set forth herein. Respectfully submitted this the 27th day of June, 2016.

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CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing JOINT COMMENTS on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party

This the 27th day of June, 2016.

Electronically submitted
s/ Tim R. Dodge