



17 October 2013

To: Chief Clerk Gail Mount  
The North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325

**FILED**  
**OCT 17 2013**

Clerk's Office  
N.C. Utilities Commission

From: The North Carolina Sustainable Energy Association  
P.O. Box 6465  
Raleigh, NC 27628

Re: Duke Energy Progress, Inc.'s ("DEP") Application for Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Cost Recovery Rider  
(Docket No. ~~E-2~~ Sub 1032)

E-2

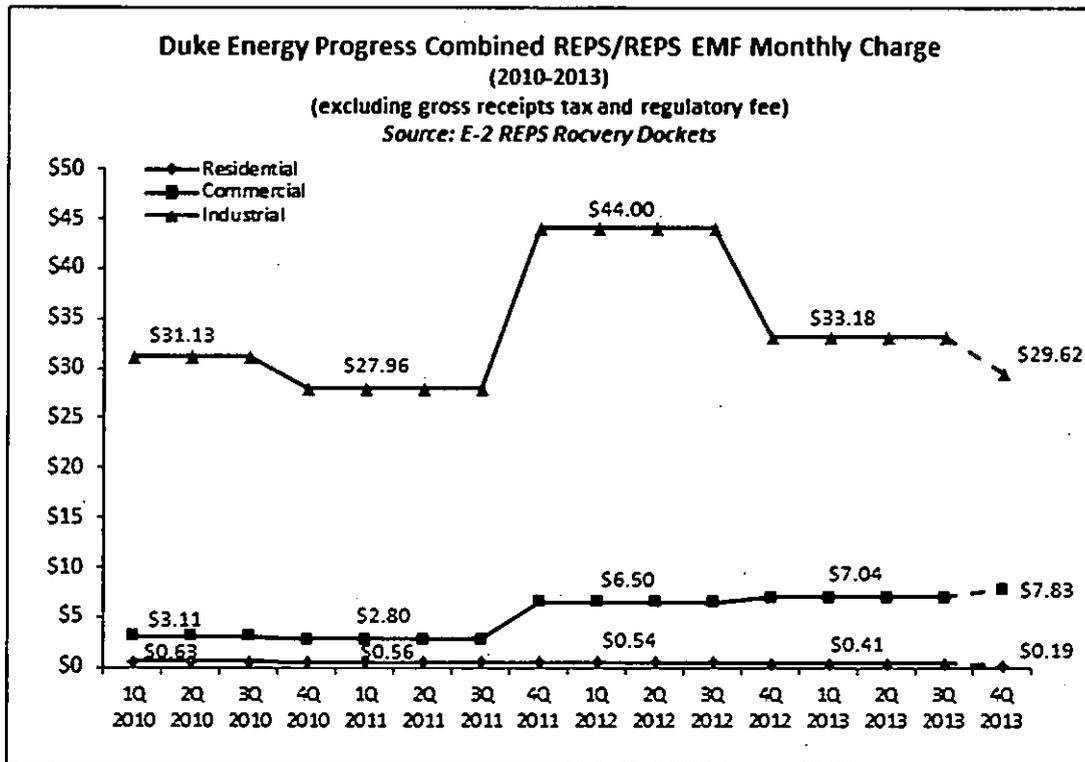
Honorable Clerk and Commissioners:

I serve as counsel and policy director for the North Carolina Sustainable Energy Association ("NCSEA"), an intervenor in this proceeding. NCSEA files this letter in lieu of a post-hearing brief.

Overview

NCSEA does not challenge the cost recovery sought by DEP and agreed to by the Public Staff. Assuming the North Carolina Utilities Commission ("Commission") approves DEP's application, the graph, *infra*, depicts DEP's monthly REPS charges for its various customer classes for the period 2010 through 2013:

Full Dep



While NCSEA does not contest DEP's proposed cost recovery, NCSEA does respectfully request that the Commission's final order in this proceeding direct DEP to (1) report, in its future REPS cost recovery rider applications, on its REPS-related research; (2) file, as late-filed exhibits, (a) the results of the EPRI Distributed PV Monitoring study that DEP is participating in and (b) an update on the UNC study involving offshore wind; and (3) file any informational updates or proposed changes to DEP's residential SunSense Program in Commission Docket No. E-2, Sub 979.

**DEP's Future Reporting on REPS-Related Research**

In the Commission's 20 August 2013 final order in the 2013 Duke Energy Carolinas, LLC ("DEC") REPS cost recovery rider proceeding, the Commission entered the following ordering paragraph:

That DEC shall file in all future REPS rider applications the results of studies the costs of which were recovered via its REPS EMF and rider, including the overall program number and specific project number for each project sponsored by EPRI; and, for those studies that are subject to confidentiality agreements, information (including an internet or mailing address) regarding how parties can access the results of those studies.

*Order Approving REPS and REPS EMF Riders and 2012 REPS Compliance*, p. 20, Commission Docket No. E-7, Sub 1034 (20 August 2013).

During the 17 September 2013 hearing in this proceeding, counsel for DEP made the following statement regarding DEP's future reporting of REPS-related research:

I would like to note on the record that the Commission issued an order on August the 20<sup>th</sup> of 2013 in Docket Number E-7, 1034, which is the [DEC] REPS rider proceeding, and in that order the Commission set certain reporting requirements for [DEC] related to REPS related research, and I'll just note for the record that [DEP] will adopt those same reporting requirements that were applicable to [DEC] in the order that I just mentioned, and we will include that in our proposed order in this case.

*Transcript of Testimony Volume 1 (Heard September 17, 2013)* ("Tr. at p. \_\_\_"), pp. 43-44, Commission Docket No. E-2, Sub 1032 (25 September 2013).

In light of DEP's willingness to adopt the DEC reporting requirements, NCSEA believes it appropriate for the Commission to include the following ordering paragraph in its final order:

That DEP shall file in all future REPS rider applications the results of studies the costs of which were recovered via its REPS EMF and rider, including the overall program number and specific project number for each project sponsored by EPRI; and, for those studies that are subject to confidentiality agreements, information (including an internet or mailing address) regarding how parties can access the results of those studies.

#### **Updating DEP's 2013 Reporting on REPS-Related Research**

During the 17 September 2013 hearing in this proceeding, DEP Witness Byrd engaged in the following exchanges with Commissioner Beatty:

- Q: On page 14 of your testimony you discuss an EPRI distributed [photo]voltaic monitoring research project, and you state on line 8 that results were expected in August of 2013. Did you receive those results?
- A: I have not seen the final report from that yet, so hopefully that is forthcoming.
- Q: All right. So when you receive it, will Progress be willing to provide results as a late-filed exhibit in this docket?
- A: I think so, although I'm not sure when we might receive them. And I would have to review the confidentiality aspects of that, so it may be that that would have to be filed confidentially.

Q: All right. If it is, it would certainly be maintained as confidential in the docket. And if you find that you're not going to receive a report, if you would also just let the Commission know that.

A: Yes, sir.

Q: Also, on page 14 you state that the UNC study involving offshore wind is ongoing, but the status report that you provided is dated April of 2012, making it more than a year old. Could you provide a current status report as a late-filed exhibit in this docket?

A: Yes, we can. And the reason for that, we have a couple of buoys that are out in the water that were taking measurements and they were damaged, and so we – we have not been receiving more current data, and I think the university was working to redeploy those and continue the study. And so that's the reason for the delay, but we can provide an updated statement on the – the study.

Tr. at pp. 47-49 (Byrd testimony); *see* Tr. at p. 24 (Byrd testimony).

For the EPRI distributed PV monitoring study, it does not appear that DEP has filed results – publicly or under seal<sup>1</sup> – or indicated that results are not forthcoming. Similarly, for the UNC offshore wind study, it does not appear that DEP has filed an updated statement on the study.

In light of DEP's testimony, NCSEA believes it appropriate for the Commission to reiterate its request that DEP file, as late-filed exhibits, (a) the results of the EPRI distributed PV monitoring study that DEP is participating in and (b) an update on the UNC study involving offshore wind.

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<sup>1</sup> In the event results are available and are filed under seal, NCSEA would ask that a publicly-available summary be filed. Summaries can be very helpful as evidenced by DEC Witness Byrd's testimony in DEC's 2013 REPS cost recovery rider proceeding:

Q: Is that study report confidential?

A: Yes.

...  
I personally found the summary very helpful, and had to consult with some of our technical experts to understand the full study itself, so I think that is one of the reasons why it makes sense to not release the full report.

Q: I think you just touched on this, but where the underlying research is confidential, a summary similar to what you provided in Exhibit 4 is very helpful. Would you agree with that?

A: I agree.

*Transcript of Testimony Heard on 4 June 2013*, pp. 75-76, Commission Docket No. E-7, Sub 1034 (12 June 2013)(DEC Witness Byrd testimony).

### DEP's Residential SunSense Program

"The experimental Residential SunSense program was proposed by DEP and approved by the Commission in Docket No. E-2, Sub 979, on November 15, 2010." Tr. at p. 62 (Public Staff Witness Lucas testimony). The SunSense program was amended by Commission order in the same docket in February 2013. *See* Tr. at p. 63.

At the hearing in this proceeding, Public Staff Witness Lucas testified as follows:

Due to the large decrease in solar REC prices over the past several months, the RECs created by this program have become relatively very expensive. The Public Staff recommends that DEP review the cost effectiveness of this program to determine if it is still necessary for REPS compliance.

Tr. at p. 63. When asked by Commissioner Beatty to comment on the Public Staff's recommendation, DEP Witness Byrd responded as follows:

The Residential SunSense program is a small component of our overall compliance effort, and – and we do believe that having a diverse supply is beneficial for the portfolio as a whole. I think when I look across the country, residential solar applications and installations are growing dramatically, so I believe that in the future, that could play a greater role in our compliance effort. -So I think that program is small, it is capped, and it provides the Company with valuable insights about when residential customers are willing to invest in solar systems, and just the way in which they'll install those systems and the challenges that it may encounter, so it provides us with insights, and I think the – the program is – is worthwhile in our portfolio. It is an experimental five-year program, so I agree that we should continue to review that, and we actually did that earlier this year, and we can do so again in the future when it's appropriate.

Tr. at p. 46.

NCSEA supports DEC Witness Byrd's assessments that residential solar applications and installations could play a greater role in DEP's REPS compliance efforts in the future and that the SunSense program is providing DEP with valuable insights. Given the program's limited size, NCSEA also supports DEC Witness Byrd's conclusion that the program is "worthwhile in [DEP's] portfolio" regardless of whether it is strictly "necessary for REPS compliance."

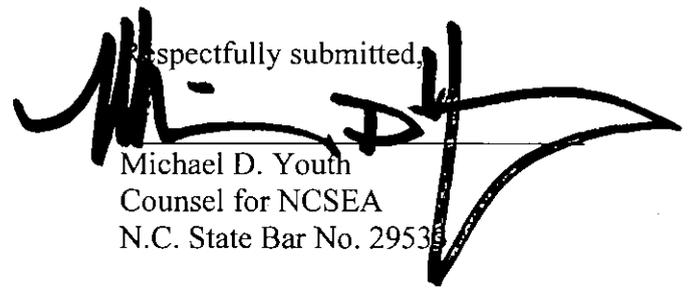
To the extent DEP conducts another review and concludes that it is going to propose changes to the program, NCSEA respectfully requests that any proposed changes

be filed in Commission Docket No. E-2, Sub' 979 in such a way as to provide as much notice to the residential solar business community as possible.

**Conclusion**

For the foregoing reasons, NCSEA respectfully requests that the Commission's final order in this proceeding direct DEP to (1) report, in its future REPS cost recovery rider applications, on its REPS-related research; (2) file, as late-filed exhibits, (a) the results of the EPRI Distributed PV Monitoring study that DEP is participating in and (b) an update on the UNC study involving offshore wind; and (3) file any informational updates or proposed changes to DEP's residential SunSense Program in Commission Docket No. E-2, Sub 979.

Respectfully submitted,

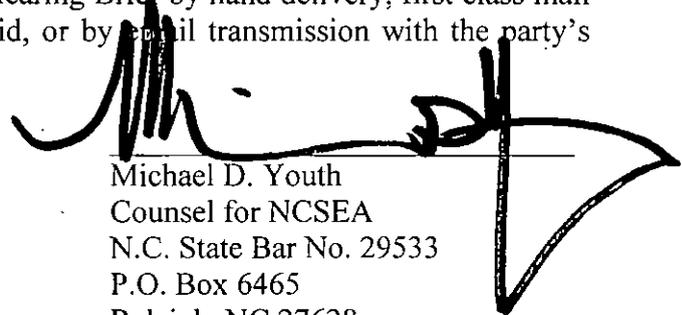


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**CERTIFICATE OF SERVICE**

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 17<sup>th</sup> day of October, 2013.



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