

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. EMP-108, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of American Beech Solar LLC, for a)
Certificate of Public Convenience and Necessity) ORDER DENYING STAY AND
to Construct a 110-MW Solar Facility in Halifax) REQUESTING FURTHER
County, North Carolina) INFORMATION

BY THE COMMISSION PANEL: On June 22, 2020, the Commission issued an Order Requiring Additional Testimony directing American Beech Solar LLC (Applicant) and the Public Staff to file additional testimony addressing certain questions regarding Applicant's request for a certificate of public convenience and necessity (CPCN) to construct a 110 MW_{AC} solar photovoltaic electric generating facility to be located in Halifax County, North Carolina, and operated as a merchant generating facility (Facility).

On July 9, 2020, the Applicant filed the supplemental testimony of Whitney Rubin. In her supplemental testimony witness Rubin noted that the Applicant's proposed 110-MW solar facility has two positions in the PJM interconnection queue.¹ Eighty MW of the Facility was studied in the AC1 cluster (Phase 1), and 30 MW of the capacity of the Facility was studied in the AC2 cluster (Phase 2).² Witness Rubin outlined the confidential costs of the upgrades allocated to the project by PJM for Phase 1 of the Facility in its interconnection study process, and further stated that it has a preliminary estimate for the PJM upgrade costs for Phase 2 of the project. Witness Rubin stated these costs for Phase 2 are expected to be significantly reduced when revised interconnection studies are issued. Witness Rubin also provided the Levelized Cost of Transmission (LCOT) for the network upgrades required for the 80 MW of capacity of Phase 1 of the Facility based on the upgrades allocated by PJM for Phase 1 of the Facility. Witness Rubin noted in her testimony that Duke Energy Progress, LLC (DEP) conducted an Affected System Study for the AC1 cluster and identified upgrade costs but the Affected System upgrade costs were not included in the LCOT calculation.

On June 25, 2021, the Applicant filed a motion requesting that the Commission stay proceedings in this docket and that no supplementation of the application or further activities be required during the period of the requested stay. In support of its motion, the

¹ The Applicant's Facility would interconnect with the transmission system that is owned by Dominion Energy North Carolina (DENC). Requests to interconnect with DENC are administered by PJM Interconnection.

² Witness Rubin clarifies that PJM studied the second queue position as 80 MW of capacity, but the Applicant only plans to construct 30 MW of this capacity.

Applicant states that there are two pending proceedings at the Federal Energy Regulatory Commission (FERC) related to the reimbursement of Affected System upgrade costs for interconnection customers. The Applicant further stated that the FERC decision on the pending proceedings “will provide clarity on an issue of critical significance to the Commission’s decision-making in this matter.” The Applicant’s motion requests that the Commission stay this proceeding until the FERC issues an order resolving the pending proceedings before that body. The Applicant also notes that the commission has issued orders staying proceedings in several other dockets for merchant generating facilities that are requesting CPCNs to construct facilities.

N.C.G.S. § 62-110.1(e) requires that the Commission consider the construction costs associated with a proposed Facility. Specifically, N.C.G.S. § 62-110.1(e) provides that, “[a]s a condition for receiving a certificate, the applicant shall file an estimate of construction costs in such detail as the Commission may require . . . and no certificate shall be granted unless the Commission has approved the estimated construction costs and made a finding that construction will be consistent with the Commission’s plan for expansion of electric generating capacity.”

In its Friesian Order, the Commission determined that it is appropriate for the Commission to consider all costs of a proposed facility when determining the public convenience and necessity of a proposed facility, including the costs of any necessary transmission upgrades. For facilities that trigger transmission upgrades on multiple systems, this review includes examining the upgrade costs on all affected utility systems.

The Commission’s examination of costs for this Facility will include both the network upgrades required by PJM transmission owner DENC and transmission upgrades required on the Affected System of DEP. The Commission is unable to evaluate the construction costs for the Facility because the full network upgrade costs on PJM member systems and the Affected System costs on DEP’s system have not been provided for both Phases of this Facility. The Commission notes that at the appropriate time it will require the Applicant and the Public Staff provide further additional testimony regarding the network upgrade costs. At a minimum, the additional testimony must address the following:

1. The Applicant shall file all interconnection studies available for the Facility not previously filed in the docket. The Applicant shall also file all Affected System cost studies for the Facility not previously filed in the docket. The Applicant shall provide an explanation of any interconnection or Affected System cost studies for the Facility that the Applicant expects to receive after the date of the Applicant’s additional testimony.

2. The Applicant shall file a narrative explanation of the full cost of transmission upgrades for both the 80 MW of the Facility in the AC1 cluster and the 30 MW in the AC2 cluster, including interconnection facilities, Network Upgrade Costs, and Affected System upgrade costs. If the Applicant does not know the full costs, the Applicant shall explain when the cost estimates are expected. The Applicant shall explain if any of the above-stated costs provided in any of the cost studies are subject to change or

revision. If the costs are subject to change or revision, the Applicant's explanation shall include an overview of the circumstances that would lead to change or revision of these costs.

3. The Applicant shall recalculate the LCOT for the entire Facility, including both the 80 MW of the Facility in the AC1 cluster and the 30 MW in the AC2 cluster using the costs of both the Network Upgrade Costs and the Affected System upgrade costs. In order to examine the Applicant's calculated LCOT as it relates to and impacts the costs of interconnecting other generation projects, the Applicant's LCOT should include the upgrade costs for the entire Facility, including the upgrade costs on all utility systems affected by the Facility.

Based upon the Applicant's motion and the record, the Commission Panel finds good cause to deny the Applicant's request to stay the proceedings in this docket pending further order of the Commission. The Commission does not agree a stay until the resolution of the pending FERC proceedings regarding the reimbursement of Affected System upgrade costs is warranted. The Commission denies the stay and orders that the Applicant provide the answers to the questions provided in this Order when available. The Applicant shall inform the Commission when it has sufficient information to provide the additional testimony addressing the Commission questions, but no later than when the Applicant receives an Interconnection Service Agreement for Phase 2 of the Facility.

IT IS, THEREFORE SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 9th day of August, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "Lindsey A. Worley".

Lindsey A. Worley, Acting Deputy Clerk