

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 128
DOCKET NO. E-100, SUB 131

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-100, SUB 128)	
)	
In the Matter of)	
Investigation of Integrated Resource)	ORDER APPROVING 2010 REPS
Planning in North Carolina – 2010-2011)	COMPLIANCE AND REQUIRING
)	LEVELIZATION OF COSTS
DOCKET NO. E-100, SUB 131)	
)	
In the Matter of)	
2011 REPS Compliance Plans and)	
2010 REPS Compliance Reports)	

BY THE COMMISSION: On February 9, 2012, the Commission issued an Order in the above-captioned dockets requiring the Town of Oak City (Oak City) and the Town of Winterville (Winterville) to verify their 2010 Renewable Energy and Energy Efficiency Portfolio Standard (REPS) compliance reports on or before March 15, 2012, and requesting that the Public Staff review the 2010 REPS compliance reports as listed in the Order and submit comments to the Commission on or before April 5, 2012. Comments from other parties also were due on or before April 5, 2012.

On February 23, 2012, Winterville filed the required verification.

On April 3, 2012, the Public Staff requested an extension of time to file its comments. The Commission approved the extension on April 4, 2012. The Public Staff filed its comments on April 27, 2012. No other party filed comments in this matter.

The Public Staff stated that it had reviewed the 2010 REPS compliance reports that had been filed in the fall of 2011 by the following organizations: EnergyUnited Electric Membership Corporation (EnergyUnited), Fayetteville Public Works Commission (Fayetteville), the Town of Fountain (Fountain), GreenCo Solutions, Inc.

(GreenCo),¹ Halifax Electric Membership Corporation (Halifax),² North Carolina Eastern Municipal Power Agency (NCEMPA),³ North Carolina Municipal Power Agency 1 (NCMPA1),⁴ the Town of Oak City (Oak City), Tennessee Valley Authority (TVA),⁵ and the Town of Winterville (Winterville).

G.S. 62-133.8(d) requires all electric power suppliers in 2010 to meet 0.02 percent of their 2009 retail sales with solar energy. G.S. 62-133.8(c) provides that EMCs and municipal power suppliers may meet their REPS obligations by purchasing renewable energy certificates (RECs). G.S. 62-133.8(d) requires that no more than 25 percent of such RECs can be derived from out-of-state renewable energy facilities.

The Public Staff stated that all of the electric power suppliers listed above have met their 2010 REPS obligations; that none of them met their obligation with more than 25 percent out-of-state RECs; and recommended that the Commission approve the 2010 REPS compliance reports that were filed by EnergyUnited, Fayetteville, Fountain, GreenCo, Halifax, NCEMPA, NCMPA1, Oak City, TVA, and Winterville. The Public Staff noted that many electric power suppliers have earned energy efficiency certificates (EECs) but have not provided measurement and verification (M&V) information supporting their quantification. The Public Staff stated that it would accept the electric power suppliers' quantifications of EECs as temporary placeholders subject to reconsideration after they provide M&V data for review.

¹ GreenCo filed a consolidated 2010 REPS compliance report on behalf of Albemarle Electric Membership Corporation (EMC), Brunswick EMC, Cape Hatteras EMC, Carteret-Craven EMC, Central EMC, Edgecombe-Martin County EMC, Four County EMC, French Broad EMC, Haywood EMC, Jones-Onslow EMC, Lumbee River EMC, Pee Dee EMC, Piedmont EMC, Pitt & Greene EMC, Randolph EMC, Roanoke EMC, South River EMC, Surry-Yadkin EMC, Tideland EMC, Tri-County EMC, Union EMC, and Wake EMC. GreenCo also reported 2010 REPS compliance for Broad River Electric Cooperative, and Mecklenburg Electric Cooperative, which are headquartered in South Carolina and Virginia, respectively.

² Halifax's 2010 REPS compliance report stated that it was filing on behalf of itself and the Town of Enfield (Enfield).

³ NCEMPA filed a consolidated 2010 REPS compliance report on behalf of Apex, Ayden, Belhaven, Benson, Clayton, Edenton, Elizabeth City, Farmville, Fremont, Greenville, Hamilton, Hertford, Hobgood, Hookerton, Kinston, LaGrange, Laurinburg, Louisburg, Lumberton, New Bern, Pikeville, Red Springs, Robersonville, Rocky Mount, Scotland Neck, Selma, Smithfield, Southport, Tarboro, Wake Forest, Washington, and Wilson. The retail sales, customer accounts, and REPS obligations of Pinetops, Macclesfield, and Walstonburg which are served on a wholesale basis by Wilson, were also included in NCEMPA's report.

⁴ NCMPA1 filed a consolidated 2010 REPS compliance report on behalf of Albemarle, Bostic, Cherryville, Cornelius, Drexel, Gastonia, Granite Falls, High Point, Huntersville, Landis, Lexington, Lincolnton, Maiden, Monroe, Morganton, Newton, Pineville, Shelby, and Statesville.

⁵ TVA filed a consolidated 2010 REPS compliance report on behalf of Tri-State EMC, Mountain EMC, Blue Ridge Mountain EMC, and the Murphy Electric Power Board.

EnergyUnited

EnergyUnited's 2010 REPS compliance report stated that its 2009 retail sales were 2,230,849 MWh, making its 2010 REPS obligation 447 solar RECs. The records in the North Carolina Renewable Energy Tracking System (NC-RETS) show that EnergyUnited transferred 447 solar RECs into its 2010 compliance sub-account. Based on this information and the Public Staff's recommendation, the Commission finds that EnergyUnited met its 2010 REPS obligation.

Fayetteville

Fayetteville's 2009 REPS compliance report stated that its retail sales in 2009 were 2,067,063,579 kWh (2,067,064 MWh). Fayetteville's records in NC-RETS similarly state that its 2009 retail sales were 2,067,063 MWh; and that its 2010 REPS obligation is 414 solar RECs. However, Fayetteville actually placed 423 solar RECs into its 2010 compliance sub-account. Based on these records, Fayetteville "over complied" by nine RECs. However, Fayetteville's 2010 REPS compliance report stated that its 2009 retail sales were somewhat higher than what Fayetteville had reported earlier: 2,115,884 MWh, which would correspond to a 2010 REPS compliance obligation of 423 solar RECs, the same number of RECs that Fayetteville placed into its NC-RETS compliance sub-account.

On April 30, 2012, Fayetteville filed a revised 2009 REPS compliance report in Docket No. E-100, Sub 129, and stated that in that revised report it reduced its 2009 retail sales and accounts by subtracting those associated with service to all of Fayetteville's accounts (presumably sales and accounts related to its electric, water, sewer, and solid waste operations). Fayetteville stated that, with that adjustment, its 2009 retail sales were 2,007,310,452 kWh (2,007,310 MWh). Assuming such an adjustment is appropriate, Fayetteville's 2010 REPS obligation would be 401 solar RECs. However, Fayetteville did not request that its 2010 REPS obligation be revised.

Fayetteville also filed a revised 2010 REPS compliance report on April 30, 2012, in Docket No. E-100, Sub 131. Again, Fayetteville asserted that its 2010 retail sales figures and number of customer accounts should be adjusted to exclude all sales and accounts for service to Fayetteville accounts. Again, Fayetteville did not propose to revise the number of RECs needed for its 2010 REPS compliance.

In its April 27, 2012 comments, the Public Staff stated that it opposed Fayetteville's then-anticipated request to adjust its 2009 retail sales. The Public Staff agreed that Fayetteville should exclude electricity use and accounts related to its own electric operations, but stated that other Fayetteville accounts, such as those related to Fayetteville's sewer and water operations, should be included in the retail sales and accounts used to calculate Fayetteville's REPS obligations and spending caps. The Public Staff did not provide a 2009 retail sales figure (or 2010 REPS obligation) that corresponded with its proposed approach.

The Commission finds that the number of RECs actually placed in Fayetteville's 2010 compliance sub-account in NC-RETS, 423 solar RECs, corresponds with the highest 2009 retail sales figure of the three that have been posited for Fayetteville. In addition, Fayetteville's proposed revised 2010 REPS compliance report filed on April 30, 2012, does not go so far as to propose a revised number of RECs for Fayetteville's 2010 REPS compliance. Thus, the Commission concludes that Fayetteville has in fact complied with its 2010 REPS obligation.

The Commission will address Fayetteville's April 30, 2012 proposed revisions to its 2009 and 2010 REPS compliance reports in a separate order.

Fountain

Fountain filed its 2010 REPS compliance report on October 25, 2011. Fountain did not provide a 2009 retail sales figure, but the Public Staff stated that Fountain's 2010 retail sales were 3,733 MWh. Fountain's report stated that its 2010 REPS compliance obligation was one solar REC, which is consistent with the sales figure provided by the Public Staff. Fountain did not meet its 2010 REPS requirement during 2010. The report stated that Fountain bought two solar RECs in October of 2011 and proposed that they be used to meet its 2010 and 2011 REPS requirements. The records in NC-RETS show that Fountain transferred two solar RECs into a compliance sub-account labeled "2010-2011 Compliance." Based on Fountain's compliance report and its records in NC-RETS, the Commission finds that Fountain should have acquired at least one solar REC in 2010 but that it did not do so until 2011. Similarly, Fountain was late in filing its 2010 REPS compliance report. However, because Fountain has taken actions to come into compliance, and based on the Public Staff's recommendation, the Commission nonetheless finds that Fountain met its 2010 REPS obligation.

GreenCo

GreenCo's 2010 REPS compliance report stated that the 2009 retail sales of its 22 participating electric power suppliers were 12,038,916 MWh, making their aggregated 2010 REPS obligation 2,408 solar RECs. The records in NC-RETS show that GreenCo transferred 2,408 solar RECs into a 2010 compliance sub-account established on behalf of its 22 participating electric power suppliers. Based on this information and the Public Staff's recommendation, the Commission finds that GreenCo's 22 participating electric power suppliers met their 2010 REPS obligations. In addition, GreenCo established two REPS compliance sub-accounts separately on behalf of Mecklenburg and Broad River, which had 2009 retail sales of 1,513 MWh and 4,767 MWh respectively. Based on these 2009 retail sales, each of these electric power suppliers had a 2009 REPS obligation of one solar REC. The records in NC-RETS show that GreenCo transferred one solar REC each into Broad River and Mecklenburg's compliance sub-accounts. Based on this information, the Commission finds that Broad River and Mecklenburg met their 2010 REPS obligations.

Halifax

Halifax's 2010 REPS compliance report stated that its 2009 retail sales, including sales for Enfield, were 193,698,564 kWh (193,699 MWh), making their combined 2010 REPS obligation 39 solar RECs. The records in NC-RETS show that Halifax transferred 39 solar RECs into its 2010 compliance sub-account. Based on this information and the Public Staff's recommendation, the Commission finds that Halifax and Enfield met their 2010 REPS obligations. However, the Commission notes that Halifax did not list Enfield as an aggregated utility in its NC-RETS compliance sub-account. The Commission will require Halifax to revise its NC-RETS records to clarify that both Halifax and Enfield's REPS compliance is reflected in Halifax's compliance sub-account.

NCEMPA

NCEMPA's 2010 REPS compliance report stated that the 2009 retail sales of its 35 participating electric power suppliers was an aggregate of 6,876,778 MWh, making their combined 2010 REPS compliance obligation 1,376 solar RECs. The records in NC-RETS show that NCEMPA established a 2010 compliance sub-account on behalf of its 35 participating electric power suppliers, and transferred 1,376 solar RECs into that sub-account. Based on this information and the Public Staff's recommendation, the Commission finds that NCEMPA's 35 participating electric power suppliers met their 2010 REPS obligations.

NCMPA1

NCMPA1's 2010 REPS compliance report stated that the 2009 retail sales of its 19 participating electric power suppliers was an aggregate of 4,684,784 MWh, making their combined 2010 REPS obligation 937 solar RECs. The records in NC-RETS show that NCMPA1 established a 2010 compliance sub-account on behalf of its 19 participating electric power suppliers, and transferred 937 solar RECs into that sub-account. Based on this information and the Public Staff's recommendation, the Commission finds that NCMPA1's 19 participating electric power suppliers met their 2010 REPS obligations.

Oak City

Oak City's 2009 REPS compliance report stated that its 2009 retail sales were 3,280,651 kWh (3,281 MWh), making its 2010 REPS obligation one solar REC. The records in NC-RETS show slightly lower 2009 retail sales for Oak City of 3,010 MWh. The Commission finds that the difference is not material; either way, Oak City's 2010 REPS obligation was one solar REC. Oak City's 2010 REPS compliance report stated that it purchased one solar REC in 2010. The records in NC-RETS show that Oak City transferred one solar REC into its 2010 compliance sub-account. Based on this information and the Public Staff's recommendation, the Commission finds that Oak City met its 2010 REPS obligation, conditioned upon Oak City filing the verification for its

2010 REPS compliance report that was required in the Commission's February 9, 2012 Order. Oak City should ensure consistent REPS reporting in the future.

TVA

TVA's 2010 REPS compliance report stated that the 2009 retail sales for its four participating electric power suppliers were a combined 579,898 MWh, making their aggregate 2010 REPS compliance obligation 116 solar RECs. The records in NC-RETS show that TVA established a 2010 compliance sub-account on behalf of its four participating electric power suppliers and transferred 116 solar RECs into that account. Based on this information and the Public Staff's recommendation, the Commission finds that TVA's four participating electric power suppliers met their 2010 REPS obligations.

Winterville

Winterville's 2009 REPS compliance report stated that its 2009 retail sales were 45,260,450 kWh (45,260 MWh), making its 2010 REPS obligation 10 solar RECs. The records in NC-RETS show that Winterville established a 2010 compliance sub-account and transferred 10 solar RECs into that account. Based on this information and the Public Staff's recommendation, the Commission finds and concludes that Winterville met its 2010 REPS obligation.

The Public Staff noted that Winterville reported incremental REPS spending in 2010 of \$44,137, which exceeded its cost cap of \$35,730. The Public Staff stated that some of Winterville's incremental REPS costs, such as consultant's fees and the startup costs of energy efficiency (EE) programs, should be levelized over a period of years. The Public Staff also stated that Winterville's EE programs could provide EECs into the future. Further, the Public Staff stated that Winterville took credit for 21 EECs attributed to its home energy audit program, but that Winterville had not actually completed any audits under the program. The Public Staff recommended that the Commission not accept these EECs until the audits are completed. Winterville reported 71 additional EECs that the Public Staff recommended should be treated as placeholders pending M&V.

The Commission agrees with the Public Staff that Winterville's EE programs should provide benefits into the future, and that levelizing the start-up costs of those programs would allow Winterville to comply with the REPS cost caps. The Commission's April 24, 2012 Order Allowing Levelization of REPS costs in Docket No. E-100, Sub 129 stated:

[O]n a case-by-case basis, the Commission will require municipal utilities and EMCs to levelize such [REPS] costs, if necessary, to prevent the electric power supplier from hitting the cost cap in any one year due to spending that will produce benefits over multiple future years.

Therefore, the Commission finds that it is appropriate to require Winterville to use the M&V standards established in Docket No. E-100, Sub 113, as discussed below, to develop M&V documentation for its EE programs and to subsequently work with the Public Staff to develop a levelization schedule for its EE program start-up costs, which it shall file with its 2011 REPS compliance plan and report.

As discussed earlier, the Public Staff raised concerns with the M&V documentation for EECs reported by several electric power suppliers. The Commission will address that issue separately and on a generic basis in Docket No. E-100, Sub 113. That order will require all EMCs and municipal power suppliers to meet minimum standards for M&V starting with the REPS filings that are due in 2012.

IT IS, THEREFORE, ORDERED as follows:

1. That the RECs in the NC-RETS 2010 compliance sub-accounts for EnergyUnited, Fayetteville, GreenCo, NCEMPA, NCMPA1, TVA, and Winterville shall be retired;
2. That Oak City has met its 2010 REPS obligation conditioned on the filing of its verification of its 2010 REPS compliance report, at which time the RECs in its NC-RETS 2010 compliance sub-account shall be retired;
3. That Halifax shall revise its 2010 compliance sub-account in NC-RETS to list Enfield as an aggregated utility, at which time the RECs in that sub-account shall be retired; and
4. That Fountain's 2010-2011 compliance sub-account in NC-RETS shall be maintained in "pending" status until the Commission reviews Fountain's 2011 REPS compliance; and
5. That Winterville shall develop M&V documentation for its EE programs and subsequently work with the Public Staff to develop a levelization schedule for its EE program start-up costs, which Winterville shall file with its 2011 REPS compliance plan and report.

ISSUED BY ORDER OF THE COMMISSION.

This the 14th day of May, 2012.

NORTH CAROLINA UTILITIES COMMISSION



Patricia Swenson, Deputy Clerk