

Mount, Gail

From: Carol Hewitt [carol@hewittpottery.com]
Sent: Thursday, October 31, 2013 2:49 AM
To: Statements
Subject: Action on the Avoided Cost Rate

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Clerk's Office
N.C. Utilities Commission

Dear Sir/Madam:

I am a business owner, and an owner of a 10K solar array in Pittsboro, NC.

And I am very concerned about the action you will take regarding the Avoided Cost Rate.

- 1) I ask for your support of the renewable energy industry and Qualifying Facilities.
- 2) We need independent development of renewable energy, in addition the utility owned facilities and we need to do all we can to help them succeed.
- 3) I support a methodology for determining Avoided Cost Rate payments, that takes into account the value of water, emission free electricity, and elimination of fuel volatility risk, in addition to the currently adopted criteria. None of these three items are currently recognized as having financial value by using the only the peaking power plant, Combustion Turbine methodology, as put forth by Duke Energy testimony.

I support the VOS (Value of Solar) methodology as put forth by RMI (Rocky Mountain Institute) as an industry acceptable method to account for the value that solar brings to the grid.

4) "...the objective of Purpa is clear - to encourage the development of the QF (qualifying facility, as defined by FERC-see above) in order to reduce the reliance on fossil fuels." the US Supreme Court has recognized this legislative intent. - testimony from John Morrison, COO Strata Solar

5) Duke ACR testimony puts forth nothing that focusses on fossil fuel reduction, either directly or indirectly.

6) There is a fundamental issue of fairness that we are asking the commission to address through the ACR hearing. Utilities can recover 100% of their capital costs associated with construction of renewable energy facilities and make a guaranteed profit of 10-12% as stipulated by the commission; these costs are covered in the base rate all consumers pay for all their electricity. Independent qf developers, however, can ONLY recover capital costs and profit thereon through the avoided cost rate payment schedule. We contend that a similar solar facility paid for through ACR reimbursements cannot be simultaneously burdensome to the rate payer, but not so if included in the rate payer's base rate.

Duke Energy is not contending their internally owned solar facilities are burdensome to the rate payer. Therefore, we do not believe ACR rates at least equal to those paid in the last two years to be burdensome to the rate payer.

7) We support raising the Performance Adjustment Factor to 2, from 1.2 for all solar and wind facilities, as it currently is for small hydro facilities.

We support fairness, financial viability, emission free generation, and independent development of Qualifying Facilities in NC.

Again, as a business owner, and active proponent of renewable energy (I also sit on the Board of the Piedmont Biofuels Coop), I implore you to make sure your decisions help ensure the success of independent renewable energy businesses, and do not give an unfair advantage to the large utilities.

Thank you very much for your work and attention to this critical matter.

Carol

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