

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
NOVEMBER 6, 2017**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

D. ELECTRIC

P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

EXPLANATION: The following applications seeking certificates of public convenience and necessity pursuant to G.S. 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

Duke Energy Carolinas:

- Docket No. SP-2665, Sub 47 – Application filed on March 16, 2017, by Fresh Air Energy II, LLC, for a certificate to construct a 65-MW_{AC} facility in Rockingham County, North Carolina
- Docket No. SP-7457, Sub 0 – Application filed on July 27, 2017, by Bakatsias Solar Farm, LLC, for an amended certificate to construct a 4.996-MW_{AC} facility in Alamance County, North Carolina (registration statement previously issued)

Duke Energy Progress:

- Docket No. SP-2665, Sub 40 – Application filed on February 2, 2017, by Fresh Air Energy II, LLC, for a certificate to construct a 56-MW_{AC} facility in Pitt County, North Carolina
- Docket No. SP-2665, Sub 41 – Application filed on February 10, 2017, by Fresh Air Energy II, LLC, for a certificate to construct a 26-MW_{AC} facility in Nash County, North Carolina

- Docket No. SP-6224, Sub 0 – Application filed on August 15, 2017, by Pine Valley Solar Farm, LLC, for an amended certificate to construct a 4.995-MW_{AC} facility in Moore County, North Carolina (registration statement previously issued)

The Public Staff has reviewed the applications and determined that they comply with the requirements of G.S. 62-110.1 and Commission Rule R8-64.

The applicants also filed registration statements for new renewable energy facilities. The registration statements included certified attestations, as required by Commission Rule R8-66(b), that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with G.S. 62-133.8; and (4) the applicant will consent to the auditing of books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (Lawrence/Lucas/D. Williamson) That the Commission issue orders approving the applications, and issuing the requested certificates. Proposed orders have been provided to the Commission Staff.

P2. DOCKET NO. E-2, SUB 1155 – DUKE ENERGY PROGRESS, LLC – APPLICATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE AND NECESSITY AND MOTION FOR WAIVER OF NOTICE AND HEARING

EXPLANATION: On September 22, 2017, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Duke Energy Progress, LLC (DEP or the Company), prefiled with the Commission an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission tap line approximately 375 feet in length (Tap Line) in Scotland County, North Carolina to serve a new 64.5 megawatt (MW) solar photovoltaic electric generating facility to be constructed by Cypress Creek Renewables (CCR). Shoe Creek Solar, LLC, an affiliate of CCR, was issued a certificate of public convenience and necessity to construct the generating facility by Order Issued May 19, 2015 in Docket No. SP-5219, Sub 0. The prefiled application stated that the proposed Tap Line will connect the new solar facility to DEP's existing Fayetteville to Rockingham 230-kV transmission line. CCR will build a new 230kV/34.5kV substation that will be placed adjacent to the DEP breaker station.

Included in the prefiled application was a motion for waiver of the notice and hearing requirements of G.S. 62-102, G.S. 62-104, and Commission Rule R8-62, as provided for in G.S. 62-101(d)(1).

On October 12, 2017, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or to connect an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these is in proximity to the existing transmission line. The application states that the Company will construct the Tap Line on property for which it has acquired an easement from the property owners whose land will be crossed by the Tap Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 375 feet. Thus, the conditions of G.S. 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of G.S. 62-102(a).

Based on its review, the Public Staff has determined that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. The Public Staff, therefore, recommends that the Commission grant the motion for waiver and issue the requested certificate.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (D. Williamson/Fennell) That the Commission issue an order waiving the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 and issue the requested certificate for the construction of the Tap Line.

P3. DOCKET NO. E-22, SUB 523 – DOMINION ENERGY NORTH CAROLINA – MOTION TO SUSPEND RESIDENTIAL INCOME AND AGE QUALIFYING HOME IMPROVEMENT PROGRAM

EXPLANATION: On October 2, 2017, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (Company) filed a motion seeking approval to suspend its Residential Income and Age Qualifying Home Improvement Program (Program). The Program was originally approved as an energy efficiency (EE) program on October 6, 2015.

The Company stated that the Program will expire in Virginia in early 2018. The Company further stated that it intends to seek extension of the Program in Virginia and if extension is granted, the Company would file a request seeking to reopen the Program in North Carolina. If the Program is not extended in Virginia, the Company stated that it would likely seek to close the Program in North Carolina and withdraw its Schedule RIAQHIP. On October 3, 2017, the Company filed a request with the Virginia State Corporation Commission (VSCC) to extend the Program.

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment.

The Company's request would suspend availability of the Program to new participants as of December 9, 2017, and allow the processing of any pending applications through April 2018.

The Public Staff has reviewed the Company's request, including the Program costs and cost-effectiveness test results associated with the system-wide Program and a North Carolina-only version of the Program. The Public Staff concluded that the Company's request is reasonable considering both a system-wide version and a North Carolina-only version of the Program are not cost-effective. Although low income programs are not required to be cost effective for program approval, due to the significant costs and limited market potential of a North Carolina-only version of the Program, the Public Staff does not believe it is appropriate to request a North Carolina-only version of the program pending extension of the Program by the VSCC.

The Public Staff continues to encourage the Company to find ways to incorporate a low income-oriented EE program in its portfolio. However, until more certainty is available from the VSCC, the Public Staff recommends that the Company should be allowed to suspend the Program. If the Program is not extended by the VSCC, the Public Staff requests the Company to explore the possibility of another North Carolina-only low income program and encourages the Company to look to low income programs offered by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC to see if there are viable options for a similar program in the Company's North Carolina service territory.

EXHIBIT: A proposed Order is attached as Exhibit No. P- 3.

RECOMMENDATION: (Floyd) That the Commission issue the proposed order granting the Company's request to suspend the Residential Income and Age Qualifying Home Improvement Program as filed.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1155

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application of Duke Energy Progress, LLC, for a)	
Certificate of Environmental Compatibility and Public)	ORDER WAIVING NOTICE
Convenience and Necessity and Motion for Waiver)	AND HEARING
of Notice and Hearing Pursuant to N.C. Gen. Stat. §§)	REQUIREMENT AND
62-100 <u>et seq.</u> to Construct Approximately 375 feet)	ISSUING CERTIFICATE
of New 230 kV Transmission Line in Scotland)	
County, North Carolina Due to a Renewable Facility)	

BY THE COMMISSION: On September 22, 2017, pursuant to G.S. 62-101 and G.S. 62-102, and Commission Rule R8-62(k), Duke Energy Progress, LLC (DEP or the Company), prefiled with the Commission an application for a certificate of environmental compatibility and public convenience and necessity to construct a new 230-kV transmission tap line approximately 375 feet in length (Tap Line) in Scotland County, North Carolina to serve a new 64.5 megawatt (MW) solar photovoltaic electric generating facility to be constructed by Cypress Creek Renewables (CCR). Shoe Creek Solar, LLC, an affiliate of CCR, was issued a certificate of public convenience and necessity to construct the generating facility by Order Issued May 19, 2015 in Docket No. SP-5219, Sub 0. The prefiled application stated that the proposed Tap Line will connect the new solar facility to DEP's existing Fayetteville to Rockingham 230-kV transmission line. CCR will build a new 230kV/34.5kV substation that will be placed adjacent to the DEP breaker station. Included in the prefiled application was a motion for waiver of the notice and hearing requirements of G.S.62-102, G.S. 62-104, and Commission Rule R8-62, as provided for in G.S. 62-101(d)(1). As detailed in DEP's prefiled certificate application, the Company will construct the Tap Line on property for which it has purchased the right of way from the property owners, and the property owners do not object to a waiver of the hearing and notice requirements of G.S. 62-102 and G.S. 62-104.

On October 12, 2017, DEP formally filed the application for a certificate and motion for waiver of notice and hearing.

G.S. 62-101(d)(1) authorizes the Commission to waive the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 when it finds that the owners of the land to be crossed by the proposed transmission line do not object to the waiver and either the transmission line is less than one mile long or to connect an existing transmission line to a substation, to another public utility, or to a public utility customer when any of these is in proximity to the existing transmission line. The application states that the Company will construct the Tap Line on property for which it has acquired an easement from the property owner whose land will be crossed by the Tap Line, the property owner does not object to the waiver of notice or hearing, and that the total length of the line is approximately 375 feet. Thus, the conditions of G.S. 62-101(d)(1) for a waiver of notice and hearing have been met. The application is also supported by a Certificate Application Report. This report satisfies the requirements of G.S. 62-102(a).

The Public Staff presented this matter at the Commission's regular Staff Conference on November 6, 2016. The Public Staff stated that the application meets the requirements of G.S. 62-102 and Commission Rule R8-62 for a certificate and the conditions of G.S. 62-101(d)(1) for waiver of the notice and hearing requirements of G.S. 62-102 and G.S. 62-104. The Public Staff recommended that the Commission grant the motion for waiver and issue the requested certificate.

Based on the foregoing and the recommendation of the Public Staff, the Commission finds and concludes that the notice and hearing requirements of G.S. 62-102 and G.S. 62-104 should be waived as allowed by G.S. 62-101(d)(1) and that a certificate of environmental compatibility and public convenience and necessity should be issued for the proposed construction of a new 230-kV transmission tap line.

IT IS, THEREFORE, ORDERED as follows:

1. That, pursuant to G.S. 62-101, the requirement for publication of notice and hearing is waived.
2. That, pursuant to G.S. 62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity to construct approximately 375 feet of new 230-kV transmission line in Scotland County, North Carolina, as described in DEP's application is issued, and the same is attached as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of November, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1155

Know All Men by These Presents, That

DUKE ENERGY PROGRESS, LLC

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY PURSUANT TO G.S. 62-102**

to construct approximately 375 feet of new 230-kV transmission line to connect Cypress Creek Renewables' solar facility to the DEP Fayetteville to Rockingham 230-kV transmission line in Scotland County, North Carolina

subject to receipt of all federal and state permits as required by existing and future regulations prior to beginning construction and further subject to all other orders, rules, regulations, and conditions as are now or may hereafter be lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of November, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 523

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Dominion Energy North Carolina Suspend Residential Income and Age Qualifying Home Improvement Program)	ORDER SUSPENDING PROGRAM

BY THE COMMISSION: On October 2, 2017, Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (Company) filed a motion seeking approval to suspend its Residential Income and Age Qualifying Home Improvement Program (Program). The Program was originally approved as an energy efficiency (EE) program on October 6, 2015.

The Company stated that the Program will expire in Virginia in early 2018. The Company further stated that it intends to seek extension of the Program in Virginia and if extension is granted, the Company would file a request seeking to reopen the Program in North Carolina. If the Program is not extended in Virginia, the Company stated that it would likely seek to close the Program in North Carolina and withdraw its Schedule RIAQHIP. On October 3, 2017, the Company filed a request with the Virginia State Corporation Commission (VSCC) to extend the Program.¹

The Company stated that its EE program portfolio is designed to be managed and operated on a consolidated, system-wide basis in both North Carolina and Virginia jurisdictions in order to minimize program costs and optimize deployment.

The Company's request would suspend availability of the Program to new participants as of December 9, 2017, and allow the processing of any pending applications through April 2018.

The Public Staff presented this matter at the Commission's Regular Staff Conference on November 6, 2017. The Public Staff stated that it reviewed the Program costs and cost-effectiveness test results associated with the system-wide Program and a North Carolina-only version of the Program. The Public Staff also stated that the

¹ VSCC Docket No. PUR-2017-00129

Company's request was reasonable and indicated that neither a system-wide version nor a North Carolina-only version of the Program were cost-effective. Although low income programs are not required to be cost effective for program approval, due to the significant costs and limited market potential of a North Carolina-only version of the Program, the Public Staff stated that it did not believe it was appropriate to request a North Carolina-only version of the program pending extension of the Program by the VSCC.

The Public Staff continues to encourage the Company to find ways to incorporate a low income-oriented EE program in its portfolio. However, until more certainty is available from the VSCC, the Public Staff recommends that the Company should be allowed to suspend the Program. If the Program is not extended by the VSCC, the Public Staff requests the Company to explore the possibility of another North Carolina-only low income program and encourages the Company to look to low income programs offered by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC to see if there are viable options for a similar program in the Company's North Carolina service territory.

Based on the foregoing and the entire record in this proceeding, the Commission finds good cause to approve the Company's request as filed

IT IS, THEREFORE, ORDERED as follows:

1. That the Program is hereby suspended effective December 9, 2017.
2. That any measures installed prior to March 31, 2018, shall be eligible for cost recovery pursuant to the Company's DSM/EE cost recovery rider mechanism, in accordance with G.S. 62-133.9 and Commission Rule R8-69.
3. That DENC shall continue to work to implement a system-wide or North Carolina-only low income program as soon as possible after any final decision rendered by the VSCC in Docket No. PUR-2017-000129. In the event the Company's request in Virginia is not approved by, or is substantially restricted by the VSCC, DENC should seek to determine if the same DSM or EE program or other low income program can be implemented as cost effectively as possible on a North Carolina-only basis.

ISSUED BY ORDER OF THE COMMISSION.

This the ___ day of November, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk