

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-100, SUB 101**

In the Matter of:)	
Petition for Approval of Generator)	NCSEA’S REPLY
Interconnection Standard)	COMMENTS

NCSEA’S REPLY COMMENTS

Pursuant to the *Order Requesting Comments* issued by the North Carolina Utilities Commission (“Commission”) in the above-captioned proceeding on December 20, 2017, as modified by the *Order Granting Extension of Time* issued on March 1, 2018, the North Carolina Sustainable Energy Association (“NCSEA”) files these reply comments.

On January 29, 2018, NCSEA, the Interstate Renewable Energy Council, Inc. (“IREC”), and the North Carolina Pork Council (“Pork Council”) filed initial comments in the above-captioned proceeding. On the same day, Duke Energy Carolinas, LLC (“DEC”), Duke Energy Progress, LLC (“DEP”) (collectively, “Duke” or “the Duke Utilities”) and the Virginia Electric Power Company d/b/a Dominion Energy North Carolina (“Dominion”) (Duke and Dominion, collectively, “the Utilities”) filed initial comments. On January 30, 2018, the Utilities filed a revised Attachment 2 to their joint initial comments.

I. OVERARCHING ISSUES

Several of the parties address overarching issues related to the stakeholder process. While NCSEA disagrees with many of the specific proposals advanced by the Utilities, NCSEA does agree with the Utilities’ belief that the overall structure of the 2015 Interconnection Standard remains reasonable and appropriate. *Duke Energy Carolinas, LLC’s, Duke Energy Progress, LLC’s, and Dominion Energy North Carolina’s Joint Initial*

Comments on NC Interconnection Standards Revisions, Cover Letter, p. 3 (January 29, 2018) (hereinafter, “*Utility Initial Comments*”). NCSEA also agrees with the Interstate Renewable Energy Council’s (“IREC”) observation that “while there were a few revisions upon which there was general agreement, there is a long list of topics upon which consensus was not reached.” *Comments of the Interstate Renewable Energy Council, Inc.*, p. 1 (January 29, 2018) (hereinafter, “*IREC’s Initial Comments*”).

A. STAKEHOLDER PROCESS

IREC notes that “during the working group process that there seemed to be significant distrust between solar developers and the utilities, which prevented the parties from reaching consensus on many issues.” *IREC’s Initial Comments*, p. 42. NCSEA agrees that solar developers are distrustful of the Utilities, and further agrees that this distrust stems from the unilateral changes to implementation of the 2015 Interconnection Standard by the Utilities. *Id.* Duke’s unilateral impositions of screens has created an environment where solar developers are effectively required to enter into litigation in order to get their projects interconnected, either by filing complaints¹ or by entering into settlements.²

The actions of the Utilities also call into question whether they participated in the stakeholder process in good faith. As was noted by IREC, Duke released a new interconnection screen during the 2017 interconnection stakeholder process without

¹ See generally, *Complaint of Wadesboro Solar, LLC and Motion for Injunctive Relief*, Docket No. E-2, Sub 1124 (October 31, 2016), *Complaint of Fresh Air XXIII, LLC, Fresh Air XXIV, LLC and Fresh Air XXXVIII, LLC*, Docket No. E-2, Sub 1149 (June 14, 2017), *Complaint of Bear Poplar Solar, LLC and Salisbury Solar, LLC and Motion for Injunctive Relief*, Docket No. E-7, Sub 1123 (October 31, 2016), and *Complaint of Fresh Air II, LLC*, Docket No. E-7, Sub 1148 (June 15, 2017).

² See generally, *Settlement Agreement*, Docket No. E-100, Sub 101 (August 29, 2016) and *Duke Energy Carolinas, LLC and Duke Energy Progress, LLC’s Settlement Agreement Dated January 30, 2018*, Docket No. E-100, Sub 101 (February 2, 2018).

discussing its plans with stakeholders. *Id.* In addition, as discussed further in Section IX, Duke developed its proposal for interconnecting CPRE projects with a very select group of stakeholders, rather than discussing the issue with the entire stakeholder group.

In its comments, IREC states that this level of conflict emphasizes the importance of ensuring that revisions to the Interconnection Standard are clearly drafted and provide enhanced transparency, as well as the importance of creating a collaborative forum for discussing evolving technical standards and issues. *Id.* at 42-43. NCSEA agrees and, as discussed further in Section VI, believes the Commission should require and oversee an ongoing Technical Working Group.

Finally, IREC suggests that the Commission engage an outside body to assess the procedures and processes utilized by the Utilities in the interconnection process. *Id.* at 13. NCSEA agrees, and notes that this sort of independent evaluation would likely lead to increased trust between solar developers and the Utilities.

B. COMMISSION OVERSIGHT

NCSEA notes that during the stakeholder process and in their initial comments, the Utilities have opposed every proposal that would provide the Commission with greater oversight over the interconnection process. Specifically, the Utilities oppose:

- All changes to strengthen reporting requirements;³
- Utilization of an independent auditor to measure compliance with the timeframes set forth in the Interconnection Standard;⁴
- Commission oversight of a Technical Working Group;⁵ and

³ *Utility Initial Comments*, Attachment 1, pp. 2-3, 7, and 11-12.

⁴ *Utility Initial Comments*, Attachment 1, p. 10.

⁵ *Utility Initial Comments*, Attachment 1, p. 6.

- Commission oversight of what constitutes “Good Utility Practice.”⁶

NCSEA believes that the Commission should carefully question why the Utilities are so reluctant to submit themselves to Commission oversight on an issue that North Carolina Gen. Stat. § 62-133.8(i)(4) explicitly directs the Commission to address.

C. GOOD UTILITY PRACTICE

The issue of Good Utility Practice merits and requires special attention by the Commission. The Utilities assert that they “each develop practices and standards that constitute Good Utility Practices[.]” *Utility Initial Comments*, Attachment 2, p. 6. The Utilities claim that they are then free to “apply Good Utility Practice based upon operational experience and technical judgment evaluating IRs on their North Carolina distribution systems, and growing experience interconnecting unprecedented levels of utility-scale solar on distribution circuits and substations.” *Id.* at 9. To this end, the Utilities oppose GreenGo Energy’s proposed changes to the Interconnection Standard that would require a Commission determination of Good Utility Practice. *Id.*

NCSEA fundamentally disagrees with these assertions by the Utilities. The Utilities should each develop practices and standards *that they believe constitute* Good Utility Practice. However, the determination of practices and standards *that actually constitute* Good Utility Practice lies solely with the Commission. NCSEA notes that neither the Commission’s 2015 order amending the Interconnection Standard nor the Commission’s 2016 order approving Duke’s settlement with developers support the position that the

⁶ *Utility Initial Comments*, Attachment 1, p. 6.

Utilities unilaterally decide what constitutes Good Utility Practice.⁷ NCSEA believes that the Commission should provide guidance to the Utilities, interconnection applicants, and stakeholders about whether the Utilities have unchecked authority to decide what constitutes Good Utility Practice or whether the Utilities need to seek Commission approval of their interpretations of Good Utility Practice and, if so, how interconnection applicants and stakeholders can contest the Utilities' definitions of Good Utility Practice.

II. TRANSPARENCY

As with Commission oversight, the Utilities oppose all suggestions that would increase transparency in the interconnection process. IREC notes that this lack of transparency extended into the stakeholder process itself, and that as a result “the working groups were not able to come up with any breakthroughs that are likely to significantly improve the process going forward.” *IREC's Initial Comments*, p. 43. NCSEA believes that improved transparency by the Utilities, in the form of more publically available information, will allow interconnection applicants to self-select which projects to pursue. If interconnection applicants are provided sufficient information, they will not clog the queue by filing requests for projects that are not viable. NCSEA agrees with IREC's situational analysis, and as discussed below, supports the proposals from IREC and other stakeholders to improve transparency in the Utilities' interconnection processes.

A. PRE-APPLICATION INFORMATION SHARING

The Utilities oppose NCSEA's request to make data and information that is provided to interconnection applicants available publically. *Utility Initial Comments*,

⁷ See, *Order Approving Revised Interconnection Standard*, Docket No. E-100, Sub 101 (May 15, 2015) and *Order Regarding Duke Settlement Agreement With Generation Interconnection Customers*, Docket No. E-100, Sub 101 (November 1, 2016).

Attachment 1, p. 2. The Utilities claim that such information is confidential business information belonging to the interconnection applicants. *Id.* NCSEA notes that this means that the interconnection applicants, and not the Utility, have the right to waive confidentiality and make the information available publically. The Utilities further note that they generally do not publicize certain system-related information. *Id.* NCSEA recognizes that the Utilities generally do not make this information publically available. However, this information is now being used to prohibit certain projects from interconnecting to substations. See, *NCSEA's Initial Comments*, pp. 35-38 (January 29, 2018). Thus, NCSEA seeks for the Commission to direct the Utilities to make this information available publically so that potential interconnection customers may avoid needlessly filing interconnection applications for projects that will never be viable because of the Utilities' interconnection screens.

The Utilities also oppose IREC's suggested hosting capacity maps. *Utility Initial Comments*, Attachment 1, p. 2. However, the Utilities also note that the "Duke Utilities are planning to provide grid locational guidance as part of HB589 Competitive Procurement of Renewable Energy Program ('CPRE')." *Id.* Inasmuch as the Utilities discuss other changes to the Interconnection Standard related to CPRE implementation, as discussed in Subsection D, NCSEA supports IREC's suggestion to require hosting capacity maps, and further suggests that such maps be made publically available on the Utilities' websites.

B. PRE-APPLICATION REPORT

The Utilities oppose NCSEA's suggested changes to improve the pre-application report. *Id.* at 1-2. However, the Utilities do not provide justification for their opposition. Without a reasoned justification for why the changes should not be adopted by the

Commission, NCSEA continues to support their inclusion in a revised Interconnection Standard.

C. SYSTEM IMPACT STUDY

The Utilities oppose the NCSEA and Strata’s suggestions that they should be required to provide interconnection applicants with the analysis that was used by the Utilities to reach the conclusions contained in a System Impact Study report. *Id.* at 9. The Utilities justify their objection by stating that such a requirement would be “[t]oo subjective[.]” *Id.* NCSEA disagrees with this characterization, and notes that one of the major purposes of adopting the Interconnection Standard is to eliminate subjectivity from the interconnection process. While flexibility is necessary in the Interconnection Standard, subjectivity on the part of the Utilities may easily lead to discriminatory implementation of the Interconnection Standard. The Utilities’ admission that they are subjective in their System Impact Study analyses only strengthens the argument that access to the analyses is necessary for interconnection applicants to ensure that the Utilities are implementing the Interconnection Standard in a nondiscriminatory manner.

D. QUEUE REPORTING

During the stakeholder process, GGE, IREC, Strata Solar, and NCSEA each proposed changes to the NCIS that would improve the quality and content of the interconnection queue reports filed with the Commission by the Utilities. In their initial comments, the Utilities noted their opposition to all of these proposals. *Id.* at 3 and 10. The Utilities justify their opposition by stating that increased filing requirements will increase their administrative burden and interconnection costs and instead recommend that stakeholders discuss how existing reports are being utilized before making changes to the

reporting requirements. *Id.* at 3. NCSEA agrees that “transparency is integral to ensuring accountability: without an understanding of whether the utilities are meeting deadlines and other obligations under the rules, there is no way for them to be held accountable for those obligations except through individual complaints.” *IREC’s Initial Comments*, p. 19. NCSEA notes that the Utilities had seven months to engage stakeholders in a discussion about how reports are utilized but chose not to engage in meaningful discussion on the issue.

The interconnection reports currently filed by the Utilities do not include critical information. The current reports provide only limited information about the time it took projects to move through certain parts of the interconnection process and do not provide any “information regarding the outcome of studies and screens.” *Id.* at 20-21. This means that the Commission and stakeholders “have no idea whether the Procedures are working effectively, are being applied correctly, and/or if any changes to the Procedures are warranted.” *Id.* at 19. In other words, the current reports do “not allow anyone to determine whether a particular part of the process is leading to the backlog—it merely reveals that the backlog exists.” *Id.* at 21. Furthermore, the reports currently filed by the Utilities “only include information on larger DG projects” and that stakeholders “have no visibility into how utilities are processing applications for smaller projects.” *Id.* at 20. As such, NCSEA believes that it is appropriate for the Commission to make changes to the reporting requirements without any further meetings or discussions.

IREC urges the Commission to “[i]ncrease transparency by requiring the utilities to publish detailed public queues and regular reports[.]” *Id.* at 4. Specifically, IREC recommends the Utilities provide “a public queue, along with regular reporting on

information that is not available in the public queue.” *Id.* at 22 IREC recommends that the public queue be posted on the Utilities’ websites and updated monthly. *Id.* at 23. The information contained in the reports filed by the Utilities in Docket No. E-100, Sub 101A would be included, but the public queue would also include “disclosure of the dates that allow visibility into project progress through major milestones in the process, and information about the Fast Track and Supplemental Review screens that were failed.” *Id.* The second queue with additional information would be filed with the Commission and would include “more information that summarizes queue data and provides data about the pre-application process.” *Id.* at 26.

In response to the concerns raised by the Utilities during the stakeholder process that improved reporting would negatively impact the Utilities’ ability to process interconnection applications, IREC notes that “the information to be included in the public queue is all information that the utilities should already be tracking in their day-to-day management of interconnection applications.” *Id.* at 24. IREC further notes that “[u]pdating public queues with this already-maintained information may give the utilities some very modest additional responsibilities, but the benefits of the transparency far outweigh any burden.” *Id.* NCSEA agrees that such information should already be tracked by the Utilities and, if the information is not already tracked, recommends that the Commission investigate why the Utilities are failing to do so.

Finally, IREC urges the Commission to “Increase transparency by requiring the utilities to . . . develop hosting capacity ‘heat maps’ to help developers site their projects.” *Id.* at 4. IREC recommends that this be “an interactive map of their entire network that can enable potential interconnection customers to initially obtain basic system and queue

information about their proposed point of interconnection, and eventually see exactly how much capacity there is available on the circuit for additional DERs.” *Id.* at 26-27. Such a map would “indicate circuits where the transformer capacity has been exceeded in accordance with Duke’s new study guidelines.” *Id.* at 27. NCSEA supports IREC’s recommendation that the Interconnection Standard require the Utilities to produce and make available hosting capacity maps. Given the interconnection screens unilaterally adopted by the Utilities, and in particular the Method of Service Guidelines discussed below, this information could be critical for allowing developers to identify whether to even file an interconnection application for a contemplated project. NCSEA agrees with IREC that the number of proposals regarding transparency emphasizes the need for the Commission to take action on the issue. *Id.* at 25.

E. ONLINE PORTAL

In their respective initial comments, IREC expressed support for and the Utilities expressed opposition to the addition of a requirement for an online portal for interconnection requests. *Id.* at 28, *Utility Initial Comments*, Attachment 1, p. 12. Online portals are becoming increasingly common in our digital world. Duke has also proposed to install a new system-wide customer information system.⁸ NCSEA believes that the Commission should further explore the feasibility of an online portal for interconnection requests, and to examine whether the Utilities’ future software upgrades will be able to accommodate such a system.

⁸ See, *Direct Testimony of Retha Hunsicker for Duke Energy Carolinas, LLC*, Docket No. E-7, Sub 1146 (August 25, 2017); *Direct Testimony of Retha Hunsicker for Duke Energy Progress, LLC*, Docket No. E-2, Sub 1142 (June 1, 2017).

III. INTERCONNECTION SCREENS

In their initial comments, IREC notes that Duke has implemented three interconnection “screens” or “guidelines” without Commission oversight in the past two years: Circuit Stiffness Review, Line Voltage Regulator, and, released during the stakeholder process, the Method of Service Guidelines. *IREC’s Initial Comments*, p. 33. IREC notes that Duke’s unilateral imposition of these three screens has slowed its processing of interconnection applications and has seriously impacted projects already in the interconnection queue. *Id.* NCSEA agrees with IREC that these screens have materially and negatively impacted Duke’s performance in processing Interconnection Applications and in conducting the studies required by the Interconnection Standard. The material and negative impact of these screens is clearly demonstrated in the quarterly interconnection queue reports filed by DEC and DEP in Commission Docket No. E-100, Sub 101A.

IREC notes that well-established screening practices should shorten the period of time that it takes a utility to perform an interconnection study, “in order to free up utility resources to focus on the projects that truly require close review.” *Id.* at 3. Instead, Duke’s use of screens has actually lengthened the interconnection study process and, as discussed Section VII, increased costs. IREC noted that the distrust between solar developers and the utilities that has been caused by the unilateral imposition of these screens was a barrier to constructive dialogue and prevented stakeholder participants from reaching consensus on many issues. *Id.* at 42. NCSEA agrees with IREC’s observation, and notes that the distrust was only exacerbated when Duke implemented its Method of Service Guidelines while the Stakeholder Process was ongoing.

NCSEA notes that the 2015 Interconnection Standard explicitly authorize the use of screens in the interconnection study process; however, the screens are only authorized for use in the Fast Track Process within the Interconnection Standard. The use of screens for non-Fast Track projects is not authorized by the Interconnection Standard and Duke has neither sought nor received permission from the Commission to utilize screens in the study of non-Fast Track projects. If the Commission believes that the use of interconnection screens for non-Fast Track projects is appropriate, NCSEA is of the belief that, inasmuch as the screens for Fast Track projects are explicitly set forth in the Interconnection Standard, the screens for other projects should be as well.

The Commission is explicitly directed by Gen. Stat. § 62-133.8(i)(4) to “Establish standards for interconnection of renewable energy facilities and other nonutility-owned generation with a generation capacity of 10 megawatts or less to an electric public utility's distribution system[.]” Inaction by the Commission on the issue of interconnection screens creates a legal conundrum. On the one hand, by implementing interconnection screens without permission from the Commission, Duke is usurping the Commission’s statutorily granted authority. On the other hand, if the Commission allows Duke to continue its unilateral imposition of interconnection screens without Commission oversight, the Commission is abdicating their statutory responsibility to the utilities that they regulate. NCSEA believes that the Commission should require evidence on the development, implementation, and impact of each of Duke’s interconnection screens so that the Commission can make an educated decision as to whether to incorporate Duke’s screens into a revised Interconnection Standard or to prohibit the use of such screens.

IV. FAST TRACK AND SUPPLEMENTAL REVIEW

In its initial comments, IREC extensively discusses the Fast Track and Supplemental Review processes and proposed various changes to the sections of the Interconnection Standard governing these processes. The utilities claim that the Fast Track process “is working well[,]” *Utility Initial Comments*, Cover Letter, p. 3. This claim is undermined by the fact that, even though 98% of Fast Track projects fail one or more screens, the Utilities ultimately determined in the Supplemental Review process that the vast majority of these projects can be interconnected. *IREC’s Initial Comments*, p. 7. The Utilities’ assertion that “the vast majority of proposed certified inverter-based generating facility interconnection requests below 1 MW can be successfully interconnected through the combined Section 3 Fast Track and Supplemental Review process, thereby avoiding the additional time and cost of the Full Study process[.]” misses the point of the Fast Track screens entirely. *Utility Initial Comments*, Cover Letter, p. 3. While Supplemental Review is certainly preferable to Full Study, there is no justifiable rationale for why the Fast Track screens, as applied by the Utilities, are initially failing so many projects that are ultimately able to interconnect without issue. While the Utilities applaud “the current effectiveness of the Fast Track and Supplemental Review process that exists today[,]” *Id.* at 4, NCSEA agrees with IREC “that the Fast Track process has not been operating effectively in North Carolina, resulting in more projects needing further review than is necessary.” *IREC’s Initial Comments*, p. 4. NCSEA further agrees with IREC that it is critical for the Commission to address the Fast Track and Supplemental Review processes at this time. *Id.* at 5-6. The various customer-focused provisions of H.B. 589 make it likely that North

Carolina will see an increasing number of Fast Track-eligible interconnection requests in the coming years.

A. ELIGIBILITY FOR FAST TRACK REVIEW

IREC's proposal to adopt a 500 kW maximum project size for Fast Track eligibility on lines with a voltage of less than 5 kV is opposed by the Utilities. *IREC's Initial Comments*, p. 18, *Utility Initial Comments*, Attachment 1, p. 7. IREC notes that other states and FERC have adopted the 500 kW threshold, and that it was supported by the Public Staff in the 2014-2015 process to revise the Interconnection Standard. *IREC's Initial Comments*, p. 19. Despite the evidence that a 500 kW threshold is Good Utility Practice, the Utilities fail to justify their proposal to maintain the current threshold. As such, NCSEA believes that the Commission should adopt IREC's proposal for a 500 kW maximum project size for Fast Track eligibility.

B. FAST TRACK SCREENS

The Fast Track screens contained in the 2015 Interconnection Standard are in use in jurisdictions throughout the country. *Id.* at 5. However, there has been no evidence presented from any other jurisdiction that the screens fail as many projects that can safely be interconnected as are failed in North Carolina. In fact, IREC notes that North Carolina's "high percentages of failed projects [is] incredibly surprising and unusual, as Fast Track is a highly successful and heavily used process in the vast majority of states with interconnection procedures." *Id.* at 7. Given that the screens are used with great success in other jurisdictions, the only apparent justification for their failure in North Carolina is the manner in which they are implemented by the Utilities.

1. 15% OF PEAK LOAD SCREEN

IREC notes that “63 out of 65 projects in DEP and 86 out of 99 projects DEC failed Screen 3.2.1.2 (the ‘15% of peak load screen’).” *Id.* IREC correctly notes that “the fact that nearly all of these projects *do* eventually pass Supplemental Review after failing Fast Track indicates that the screen is not being applied optimally to achieve the purpose of having a Fast Track process.” *Id.* at 8 (emphasis in original). Despite this data, the Utilities oppose IREC’s proposed changes to the 15% of peak load screen, asserting that “Current screening criteria and application of the screen criteria and current application methodology of the screen are proper for purposes of the Fast Track process based upon the Utilities’ operational experience and technical judgment evaluating IRs on their North Carolina distribution systems.” *Utility Initial Comments*, Attachment 1, p. 8. The Utilities’ assertion that their current application of the screen is appropriate is not supported by the evidence, which clearly indicates that a vast majority of Fast Track-eligible projects that fail Section 3.2.1.2 screen are ultimately interconnected without issue. See, *IREC’s Initial Comments*, p. 11.

IREC urges the Commission to “[p]rovide clarification in the Procedures on how Screen 3.2.1.2 is applied, to avoid sending small projects to further study unnecessarily,” *Id.* at 3, and IREC specifically identifies that “it appears that the reason so many projects are failing the 15% of peak load screen is because Duke is interpreting it very narrowly, in a manner that results in many more small projects being directed to Supplemental Review than is typically seen in other states.” *Id.* at 8. IREC notes that Duke’s definition of the “feeder section” for purposes of the Section 3.2.1.2 screen is unnecessarily small, which results in the screen failing projects that could be safely interconnected. *Id.* at 10-11. To

remedy this issue, IREC proposes defining “line section” for purposes of the Section 3.2.1.2 screen. *Id.* The Utilities oppose IREC’s proposed addition. *Utility Initial Comments*, Attachment 1, p. 12. NCSEA notes that the Utilities did not explain why their unusual definition of “line segment” constitutes Good Utility Practice, but that IREC provided compelling evidence that the definition differs greatly from the definition used in other jurisdictions, and that this results in unnecessary study, triggering unnecessary expenses and delays. Accordingly, NCSEA supports the definition of “line segment” proposed by IREC.

2. PROTECTIVE DEVICE SCREEN

As with the 15% of peak load screen, IREC notes in its initial comments that “many projects in Duke’s territory are failing [the protective device] screen at a higher rate than would be expected[.]” *IREC’s Initial Comments*, p. 13. Thus, IREC “requests that the Commission ask for more information from Duke regarding this issue, to evaluate application of this screen.” *Id.* NCSEA supports IREC’s recommendation that the Commission investigate why an unnecessarily high percentage of projects are failing the protective device screen.

3. SUPPLEMENTAL REVIEW

IREC urges the Commission to “[a]dopt a Supplemental Review process with defined screens and transparent results.” *Id.* at 3. IREC argues that the Supplemental Review process contained in the 2015 Interconnection Standard “should be improved in two ways: (1) it should be available to any project that failed Fast Track, and (2) it should include defined screens, instead of being a ‘black box.’” *Id.* at 14. IREC notes that the current Supplemental Review process leaves all discretion to the utility, and “supports the

robust, structured, and transparent Supplemental Review process with defined screens[.]” *Id.* at 14-15. IREC recommends the Commission adopt “a Supplemental Review process with three screens: (1) 100% minimum load screen, (2) voltage and power quality screen, and (3) safety and reliability screen.” *Id.* at 15. Consistent with the theme of transparency, and similar to NCSEA and Strata’s suggestion that the Utilities should make the results of analyses available to interconnection customers, IREC suggests that the Commission “require the utilities to provide written explanations to customers failing the Supplemental Review process such that they are able to understand the analysis and reasoning behind the utilities’ determination.” *Id.*

In their initial comments, the Utilities state their opposition to IREC’s proposed changes to Supplemental Review, but do not provide support or justification for their opposition. *Utility Initial Comments*, Attachment 1, p. 8. NCSEA also notes that IREC correctly points out that “[a]s long as the utility can articulate the technical concerns identified when providing the Supplemental Review results, it has the ability to require a system to proceed to full study where warranted.” *IREC’s Initial Comments*, p. 17. NCSEA believes that IREC has provided compelling information and sufficiently justified the need for an improved Supplemental Review. In contrast, the Utilities have failed to justify their argument that the current Supplemental Review process is sufficient for both the needs of the Utilities and of interconnection customers. Thus, the Commission should adopt IREC’s suggestions to improve the Supplemental Review Process.

V. EMERGING TECHNOLOGIES

A. POULTRY AND SWINE WASTE RESOURCES

In their initial comments, the Pork Council notes that they and the Public Staff have recommended that the Utilities designate a technical interconnection specialist to assist small swine and poultry waste generation projects through the interconnection process. *Comments of the North Carolina Pork Council*, p. 4 (January 29, 2018) (hereinafter, “*Pork Council Comments*”). NCSEA supports this recommendation, as developers of poultry and swine waste generation projects are not typically as familiar with the Interconnection Standard as developers of solar generation projects.

The Pork Council also notes its support for the proposed changes to Section 1.8.3.3 that were agreed upon by various stakeholders. *Id.* at 2. However, the Utilities propose changes to Section 1.8.3.3 that were not agreed upon by the stakeholders. *Utility Initial Comments*, Attachment 1, p. 5. While the Utilities describe these changes as “clarifying edits,” *Id.*, NCSEA believes that they have a material impact on the agreed-upon language of Section 1.8.3.3. As such, NCSEA supports the position of the Pork Council and believes that the Commission should adopt Section 1.8.3.3 as it was included in the *Redline of Working Group Recommendations*. See, *Redline of Working Group Recommendations*, p. 25 (December 15, 2017).

B. ENERGY STORAGE

Both independent power producers and the Utilities are increasingly seeking to interconnect energy storage to provide increased economic value to the grid. IREC notes that “Without a clear and efficient interconnection process for energy storage, systems attempting to interconnect risk facing confusion around the requirements, as well as

unnecessarily costly and lengthy review processes.” *IREC’s Initial Comments*, p. 37. While the 2015 Interconnection Standard made initial steps towards addressing energy storage, more changes are required.

IREC notes that one of the interconnection working groups “reached consensus on improved language that would allow a more limited generating capacity to be studied if the applicant can show that appropriate controls are in place subject to mutual agreement.” *Id.* at 37 (internal citations omitted). NCSEA commends the Utilities for agreeing to these changes, *Utility Initial Comments*, Cover Letter, pp. 4-5, and recommends that the Commission adopt the changes as presented in the *Redline of Working Group Recommendations*.

While consensus was reached on certain changes, energy storage issues continue to evolve. IREC recommends that the Commission direct a Technical Working Group, discussed in greater detail in Section VI, to investigate issues related to the interconnection of energy storage. *IREC’s Initial Comments*, p. 39. NCSEA supports this recommendation, and also agrees with IREC that the Commission should “reject Dominion’s suggestion that energy storage projects co-located with wind or solar be prohibited from obtaining a Pre-Application Report in ten business days.” *Id.*

C. OTHER EMERGING TECHNOLOGIES

Stakeholders discussed other emerging technologies as well. With regard to smart inverters, IREC notes that “[i]t will take time and effort to adopt these new standards and thus the Commission should set forth a clear path for their rollout.” *Id.* NCSEA agrees that the Commission should establish clear expectations at this time for the inclusion of smart inverters in future revisions of the Interconnection Standard. IREC also notes its opposition

to “Dominion’s proposal in Section 1.5.1.3 to limit interconnection only to certified devices.” *Id.* at 40. IREC states its “understanding that synchronous generators, like those used by animal waste power projects, are generally not certified.” *Id.* NCSEA agrees with IREC and believes that it would be discriminatory to flatly prohibit the connection of non-certified devices and could further frustrate the implementation of the poultry and swine waste set-asides in the Renewable Energy and Energy Efficiency Portfolio Standard.

VI. TECHNICAL WORKING GROUP

NCSEA discussed the issue of creating a Commission-overseen technical working group extensively, both in the interconnection stakeholder process and in its initial comments. See, *NCSEA’s Initial Comments*, pp. 14-15. However, the Utilities oppose NCSEA’s suggestion to create a Technical Working Group. *Utility Initial Comments*, Attachment 1, p. 6.

A. IN THE STAKEHOLDER PROCESS

In their initial comments, the Utilities opposed the creation of a Technical Working Group, asserting that each Utility develops Good Utility Practices and that “the premise of performing a Study and providing utility flexibility to refine study criteria should be maintained.” *Id.* NCSEA disagrees with the Utilities’ assertion, and notes that PURPA’s intent is to eliminate discrimination by utilities. Allowing the Utilities this form of “flexibility” inherently results in discrimination, as has been shown in the various settlement agreements that have been necessary in the interconnection docket.⁹ NCSEA

⁹ See generally, *Settlement Agreement*, Docket No. E-100, Sub 101 (August 29, 2016); *Duke Energy Carolinas, LLC and Duke Energy Progress, LLC’s Settlement Agreement Dated January 30, 2018*, Docket No. E-100, Sub 101 (February 2, 2018).

also notes that the position taken by the Utilities in their initial comments is inconsistent with their previous statements. See, *NCSEA's Initial Comments*, Exhibit 6, Slide 5.

B. NCSEA'S RECOMMENDATIONS FOR A TECHNICAL WORKING GROUP

During the stakeholder process, NCSEA presented its suggestions for a Technical Working Group to improve information sharing between the Utilities and stakeholders as well as to better vet future changes to how the Utilities implement the Interconnection Standard. Both IREC and the Utilities reply to NCSEA's proposal in their respective initial comments.

While NCSEA agrees with the Utilities' assertion that a Technical Working Group "may be beneficial for communication of general parameters," NCSEA disagrees with their assertion that a Technical Working Group "should be at the option of the utility, or upon request of Developers, not as part of regulation." *Utility Initial Comments*, Attachment 1, p. 6. The Utilities' long history of unilaterally implementing changes to and frustrating the purposes of the Interconnection Standard necessitate Commission oversight of a Technical Working Group.

IREC supports the creation of "a Technical Working Group that can collaboratively address new technical issues as they arise." *IREC's Initial Comments*, p. 4. IREC notes that a Technical Working Group "is especially important in light of the recent experiences in North Carolina with Duke unilaterally implementing significant changes to how it evaluated interconnection applications, such as the creation of Line Voltage Regulator and Circuit Stiffness Ratio 'screens' to interconnection, which seriously impacted projects already in the queue." *Id.* at 33. IREC recommends that the Commission require "that no changes should be able to go into effect unless there is consensus within the group on the

changes, or the Commission has approved the changes.” *Id.* at 33-34. IREC states its belief that the Technical Working Group “should include representatives from all stakeholders, including the utilities, DER developers, and outside interconnection experts.” *Id.* at 32. Finally, IREC recommends that the Technical Working Group’s “meetings be publicly noticed and its agenda and meeting minutes be filed in a docket or otherwise publicly posted.” *Id.* at 33-34. NCSEA supports the refinements to the Technical Working Group proposal made by IREC.

C. DUKE’S TECHNICAL WORKING GROUP PROPOSAL

On February 7, 2018, after the filing of initial comments in this docket, Duke contacted certain stakeholders to announce the creation of a Technical Working Group. See generally, **Attachment 1**. While NCSEA commends Duke for taking this initial step, NCSEA notes that Duke’s proposal is at best problematic and at worst an attempt to evade Commission oversight. NCSEA notes that Duke has chosen to engage only a limited subset of stakeholders, and has excluded IREC and the Pork Council, both of whom were active in the stakeholder process, from the Technical Working Group. Attachment 1, p. 1. While this is consistent with Duke’s practice of cherry-picking stakeholders to engage, as they did in their discussions about the interconnection of CPRE projects discussed in Section XI of these reply comments, it does not make for robust engagement or a sound Interconnection Standard. NCSEA also notes that Duke’s Technical Working Group explicitly limits participation to technical personnel and prohibits attendance by attorneys and others with policy expertise. *Id.* While technical expertise is necessary, NCSEA believes that policy expertise is necessary as well, given the nature of PURPA implementation in North Carolina. Finally, Duke explicitly states that their Technical

Working Group is not binding. *Id.* at 2. NCSEA believes that any Technical Working Group should either be binding or should be required to report its proposals to the Commission for approval, as proposed by IREC.

VII. INTERCONNECTION FEES

In response to the Utilities' proposal to increase interconnection fees, IREC states its concern "that interconnection in North Carolina has been comparatively slow and inefficient, and the fees proposed are relatively high compared to other states." *IREC's Initial Comments*, p. 34. Given the consensus among all stakeholders, including the Utilities, that North Carolina is a national leader on renewable energy, NCSEA believes that North Carolina's interconnection process should be a national leader as well. However, our State is not currently such a leader, and NCSEA believes that interconnection fees should not be modified until the reasoning is uncovered.

A. DUKE'S PROPOSAL IS UNTIMELY

As a procedural matter, NCSEA notes that Duke's proposal to increase interconnection fees is untimely. In their initial comments, the Utilities state that "[t]he Duke Utilities participated in a stakeholder meeting on December 19, 2017, to provide cost support for the revised fees." *Utility Initial Comments*, Cover Letter, p. 5. NCSEA first notes that this meeting occurred four days after the Public Staff submitted their report on the stakeholder process to the Commission, and well after all working group meetings, including the working group convened to address interconnection fees, had completed. *IREC Initial Comments*, p. 34. See also, *Redline of Working Group Recommendations*. Further, while NCSEA agrees that a conference call was held on December 19, 2017, NCSEA disagrees with the Utilities' characterization of the call as a stakeholder meeting.

The term “stakeholder meeting” implies that there was discussion amongst all the interested parties. In actuality, the December 19, 2017 call was convened for the sole purpose of allowing Duke to explain their proposal to increase interconnection fees; no feedback that was offered by stakeholders on the December 19, 2017 call was incorporated into the Utilities’ initial comments or their interconnection fee proposal.

B. DUKE’S PROPOSAL IS UNREASONABLE

NCSEA further notes that Duke’s proposal is unreasonable. In their initial comments, the Utilities state their belief that “the revised fees proposed in the Joint Utilities Redline are reasonable and generally align with interconnection fees charged in other jurisdictions with significant renewable energy development.” *Utility Initial Comments*, Cover Letter, p. 5. However, Duke’s assertion that its proposed fees, particularly for residential and small commercial solar, “generally align” with fees in other jurisdictions is indefensible. IREC notes that “for projects of under 1 MW, the California utilities report that it costs between approximately \$35 and \$101 to process an interconnection application. In contrast, Duke seeks fees between \$350 and \$1,000 for projects in the same range.” *IREC’s Initial Comments*, p. 35 (internal citations omitted). Duke’s proposed interconnection fees for projects of this size are ten times greater than the fees in California and thus, contrary to Duke’s assertion, the two do not “generally align.”

Furthermore, Duke has not provided NCSEA with a sufficient accounting to justify that its proposed fees reflect the time and work spent by the Utilities on interconnection applications. However, assuming that the Utilities’ proposed fees accurately reflect the time and work spent by the Utilities on interconnection applications, NCSEA notes that the increased cost may be directly related to the Utilities’ flawed implementation of the Fast

Track screens that necessitates unnecessary study and work by the Utilities, as discussed further in Section IV of these reply comments. IREC also notes that “one of the steepest proposed fee increases—from \$100 to \$350—is for projects under 20 kW.” *Id.* at 36 (internal citations omitted). NCSEA notes that this \$250 increase is on top of the \$250 fee for the filing of a registration statement as a new renewable energy facility and the \$50 fee for the filing of a report of proposed construction contained in H.B. 589.¹⁰ If the Utilities’ proposed fees are approved by the Commission, the fees associated with constructing a residential or small commercial solar project will have increased from \$100 to \$650 in less than one year.

C. DUKE’S PROPOSAL IS BASED ON INACCURATE ASSUMPTIONS

On the December 19, 2017 conference call referenced by the Utilities in their initial comments, “Duke explained that some of the increase in fees is necessary to cover the cost of new systems intended to increase efficiency, like Salesforce.” *IREC’s Initial Comments*, p. 35. However, NCSEA notes that several assumptions that underlie the proposed fees are inaccurate. First, in calculating the new interconnection fees, Duke explained that it assumed that the number of interconnection applications for projects under 20 kW would remain steady or decrease, thus shrinking the pool of applicants over which costs must be spread. NCSEA believes that this assumption is flawed and concurs with IREC that H.B. 589’s “new rebate program is likely to increase the number of residential and small commercial systems.” *Id.* at 5 (internal citations omitted). NCSEA further notes that H.B. 589 also created a market for leased systems of this size. The ability for customers to install

¹⁰ See, *Order Giving Notice of Implementation of New Fees and Administrative Charges*, Docket Nos. E-100, Sub 113, E-100, Sub 121, and E-100, Sub 134 (August 3, 2017).

solar generation with minimal upfront cost is also likely to increase the number of interconnection applications.

IREC notes that the systems utilized by Duke to increase efficiency in processing interconnection applications, such as Salesforce, “are supposed to increase efficiency and make costs go down.” *Id.* at 35. NCSEA agrees and believes that the Commission should require the Utilities to explain (1) why the systems utilized to increase efficiency are not decreasing costs and (2) if the systems increase costs, why they are reasonable and prudent.

D. THE COMMISSION NEEDS MORE INFORMATION

IREC states its belief “that the Commission should seek more information before approving the requested increase in fees.” *Id.* at 34. NCSEA agrees that more information is necessary before the Commission increases interconnection fees.

IREC notes that one of the Utilities’ justifications for increased interconnection fees is to cover the cost of licenses for software, such as the Salesforce software used by Duke. *Id.* at 35. As discussed above, NCSEA and IREC both believe that interconnection requests for residential and small commercial installations are likely to increase in coming years. Accordingly, static annual costs, such as software licenses, should be spread amongst a larger number of interconnection applications, which should lower the cost for the Utilities to process each interconnection application.

IREC further notes that systems, such as Salesforce, being implemented by the Utilities are designed to increase efficiency in processing interconnection applications and to drive costs down. *Id.* Instead, the Utilities are proposing to increase interconnection fees. NCSEA agrees with IREC that “the Commission should require more explanation from Duke on why this is appropriate, particularly since smaller systems should be processed in

a highly efficient manner and are least able to bear increased costs.” *Id.* at 36. Furthermore, NCSEA agrees with IREC that the Commission should require the Utilities to justify the costs that are included in their interconnection fees, as well as to provide the impacts of the change in interconnection fees. *Id.* at 37.

Finally, Duke proposes to use interconnection fees to cover “overhead” associated with interconnect. IREC expresses their concern regarding the definition of “overhead” and the associated costs. *IREC’s Initial Comments*, p. 36. While NCSEA shares IREC’s concerns, NCSEA is also mindful of the Commission’s orders regarding the recovery of overhead associated with interconnect.¹¹ While NCSEA believes that it is consistent with Commission directive to include these costs in interconnection fees, NCSEA agrees with IREC that a better accounting of costs by the Utilities is necessary before the Commission changes the interconnection fees.

VIII. INTERCONNECTION TIMELINES

As was noted in *NCSEA’s Initial Comments*, the Utilities failed to engage in meaningful discussion about the timing requirements in the 2015 Interconnection Standard. *NCSEA’s Initial Comments*, pp. 22-24. However, the Utilities’ filings in Docket No. E-100, Sub 101A make clear that the Utilities are failing to abide by the timing requirements set forth in the 2015 Interconnection Standard.

¹¹ See generally, *Order Approving REPS and REPS EMF Riders and 2015 REPS Compliance*, Docket No. E-7, Sub 1106 (August 16, 2016) and *Order Approving REPS and REPS EMF Rider and REPS Compliance Report*, Docket No. E-2, Sub 1109 (January 17, 2017).

A. DELAYS AND ACCOUNTABILITY

In its initial comments, NCSEA advocated that the Commission should hold the Utilities accountable for their failure to abide by the timing requirements set forth in the 2015 Interconnection Standard. IREC notes that timing requirements “are especially important here, where it is clear that it is taking an excessively long time for projects to interconnect.” *IREC’s Initial Comments*, p. 41. NCSEA notes that Commission oversight and accountability provisions would not be necessary if the Utilities made sufficient efforts to comply with the timing requirements contained in the 2015 Interconnection Standard.

1. GENERALLY

IREC notes in their initial comments that it opposes significantly extending interconnection timelines without further information on the efficiencies of the utilities’ current processes. *Id.* at 4. IREC also notes its belief that the delays in processing interconnection applications have reached a point where some form of an accountability or enforcement mechanism is needed. *Id.* at 29. NCSEA agrees with both of these arguments.

2. TIMELINE ENFORCEMENT MECHANISM

While NCSEA argued in its initial comments that the Utilities should be held accountable for their failure to abide by the timelines set forth in the Interconnection Standard, NCSEA did not propose a specific mechanism for enforcing the timelines. IREC, however, urges the Commission to “[a]dopt a ‘Timeline Enforcement Mechanism’ to incentivize compliance with the Procedures’ timelines[.]” *Id.* at 4. The Timeline Enforcement Mechanism is the accountability mechanism utilized in Massachusetts, “which provides positive and negative earnings adjustment for utilities to encourage compliance with the timelines set forth in the procedures.” *Id.* at 29. As described by IREC,

“When the utility’s annual report shows that its performance has deviated from the aggregate allowed timeframes by more than five percent in one direction or the other, the utility will either incur a penalty or earn offsets that it can carry forward into the next reporting year.” *Id.* at 30. NCSEA believes that the Timeline Enforcement Mechanism proposed by IREC would be an appropriate method for holding the Utilities accountable for the timelines contained in the Interconnection Standard, as NCSEA advocated in its initial comments. Thus, NCSEA supports its addition to the Interconnection Standard.

3. DEPOSIT REFUNDS

The Utilities oppose the suggestion of GreenGo Energy to require the Utilities refund a portion of an interconnection applicant’s deposit when the Utility fails to abide by the timelines contained in the Interconnection Standard. *Utility Initial Comments*, Attachment 1, p. 6. NCSEA joins IREC in support of this suggested provision. *IREC’s Initial Comments*, p. 30.

B. PROPOSED CHANGES

In their initial comments, the Utilities oppose all timing changes suggested by stakeholders, including:

- NCSEA’s suggested addition of a 10-day requirement to Section 1.3.3 for utilities to provide pre-application report;¹²
 - NCSEA’s suggested addition of a 10-day requirement to Section 2.2.2;¹³
 - NCSEA’s suggested changes to timing of issuance of refunds in Section 6.3.3;¹⁴
- and

¹² *Utility Initial Comments*, Attachment 1, p. 2.

¹³ *Utility Initial Comments*, Attachment 1, p. 7.

¹⁴ *Utility Initial Comments*, Attachment 1, p. 11.

- NCSEA’s suggested addition of a 10-day requirement for the Utilities to provide a written statement regarding the results of an inspection.¹⁵

Instead, the Utilities propose timing changes that would only benefit the Utilities. IREC notes that it does not support the Utilities’ proposed timing changes because the Utilities have failed to demonstrate that the changes would provide benefits to interconnection applicants. IREC’s Initial Comments, pp. 41-42. NCSEA concurs with IREC, and does not support the timing changes proposed by the Utilities.

The Utilities also oppose changes proposed by stakeholders that would hold them accountable for their failure to abide by the timeframes set forth in the Interconnection Standard. Specifically, the Utilities oppose Strata’s proposal to require utilities to pay interest if deposit is not refunded in a timely manner. *Utility Initial Comments*, Attachment A, p. 11. Similarly, the Utilities oppose Strata’s suggested addition of Section 6.17 to deal with untimely responses. *Id.* at 12. The Utilities justify their opposition by stating that the issue is already addressed because the Interconnection Standard requires the Utilities to make reasonable efforts. *Id.* However, NCSEA would observe that it is clear that the Utilities are not making reasonable efforts; if they were, the Utilities would be providing timely responses and Strata’s suggested language would be unnecessary.

In their initial timelines, IREC notes the importance of specific and reasonable timelines, especially “where it is clear that it is taking an excessively long time for projects to interconnect.” *IREC’s Initial Comments*, p. 41. NCSEA agrees with IREC and supports IREC’s proposed changes to timing as set forth in their initial comments. See, *Id.* NCSEA

¹⁵ *Utility Initial Comments*, Attachment 1, p. 13.

notes that such changes would not be necessary if the Utilities were able to abide by the current timing requirements.

IX. MATERIAL MODIFICATIONS

As was noted in the *Redline of Working Group Recommendations*, one of the stakeholder working groups reached consensus on changes to the language about material modification to interconnection applications. See, *Redline of Working Group Recommendations*, Comments [A98] to [A102]. However, in the Utilities now note that they support the consensus changes with modifications. *Utility Initial Comments*, Attachment 1, p. 12. NCSEA believes that the changes included in the *Redline of Working Group Recommendations* should be incorporated by the Commission, as the stakeholders reached consensus on that language but not on the modifications proposed by the Utilities.

X. DISPUTE RESOLUTION

In their initial comments, IREC suggests various changes to improve the Interconnection Standard's dispute resolution process. The Utilities oppose IREC's suggested changes. *Utility Initial Comments*, Attachment 1, p. 11. While dispute resolution was not extensively discussed, NCSEA raised the issue early in the stakeholder process. See, *NCSEA's Initial Comments*, Exhibit 5, p. 1. IREC notes that it "is open to discussing alternate dispute resolution approaches that could further define the process currently in place in North Carolina, so parties better know how to address and what to expect when addressing disputes." *IREC's Initial Comments*, pp. 31-32. NCSEA is open to discussing dispute resolution further as well, but it has become apparent that the dispute resolution provisions in the Interconnection Standard need to be modified at this time.

The 2015 Interconnection Standard relies on the Public Staff to be an arbitrator for interconnection disputes. However, the Public Staff is an overworked State agency with a distinct client: the using and consuming public. Thus, while it does an admirable job under the circumstances, the Public Staff is not necessarily a neutral facilitator for the resolution of disputes. IREC proposes a dispute resolution process that includes “an interconnection ombudsperson at the Commission who could help facilitate resolution of disputes.” *Id.* at 31. Specifically, “[i]f parties are unable to resolve disputes by working together, they may seek assistance from the interconnection ombudsperson or an outside mediator to resolve the dispute.” *Id.* NCSEA believes that it an independent ombudsperson or mediator is necessary to improve the interconnection dispute resolution process, and supports IREC’s proposal.

XI. INTERCONNECTION OF CPRE PROJECTS

In their initial comments, the Utilities state that “the Duke Utilities have developed targeted changes to the current NC Procedures Section 4 study process of serially studying interconnection requests in queue priority to incorporate an optional ‘system impact grouping study’ process to be implemented in conjunction with these upcoming CPRE RFPs.” *Utility Initial Comments*, Cover Letter, p. 5. However, the changes developed by Duke were not included in their initial comments. Rather, Duke asserts that it has “recently engaged with stakeholders to discuss this issue, and plan to engage in further discussions with the Public Staff and other parties prior to filing reply comments.” *Id.* at 6.¹⁶

¹⁶ NCSEA notes as a procedural matter that Duke’s CPRE proposal replies to their own initial comments, and not to substantive or procedural issues raised by other parties. While not specifically addressed by the Commission’s rules, NCSEA notes that in other contexts reply comments are limited to “addressing any substantive or procedural issue raised by any other party.” See, Commission Rules R8-60(k) and R8-60.1(d)(1).

The proposal contained in the Utilities' initial comments did not contain specific language and was limited to an explanation that "the Duke Utilities are proposing to amend Sections 1.7 and integrate a new Section 4.3.4 to address the system impact grouping study concept." *Id.* at 5. The Utilities further noted that "the Duke Utilities may elect to establish utility-sponsored queue positions that all CPRE RFP Proposals would opt in to for purposes of System Impact Study." *Id.* Finally, the Utilities state that "Interconnection Requests not selected as most cost effective through the grouping study would not be evaluated further until the utility completes the Facilities Study for the selected combination of [CPRE] resources." *Id.* On March 5, 2018, Duke shared a redline draft of the 2015 Interconnection Standard, including their proposed changes to implement the CPRE, with intervenors in this proceeding.

NCSEA notes that Duke's CPRE interconnection proposal was not developed in a transparent manner. In their initial comments, IREC observed that "[t]he competitive procurement process in HB 589 essentially requires this increased transparency." *IREC's Initial Comments*, p. 21. However, Duke engaged a limited number of stakeholders in the development of its CPRE interconnection proposal. Upon information and belief, Duke began meeting with a limited number of stakeholders in late November 2017. NCSEA was first engaged at the invitation of solar developers (and not at the invitation of Duke) on February 7, 2018, more than two months after Duke initially began discussing the issue with stakeholders. Upon information and belief, Duke did not share its proposal with all of the parties to the above-captioned docket until March 5, 2018, more than three months after Duke's initial discussions with certain individual parties. NCSEA therefore disagrees with Duke's assertion that the development of its CPRE interconnection proposal was a

stakeholder process. NCSEA did participate in three meetings or calls prior to Duke's sharing of its proposal with all parties on March 5. However, by that time, Duke had already finalized the framework for its proposal and there was no meaningful opportunity for NCSEA to provide substantive comment on the major issues involved therein.

NCSEA also notes that it raised the issues of both cluster studies and implementing H.B. 589 at the initial stakeholder meeting in May 2017. However, neither were discussed during the stakeholder process. Furthermore, during the stakeholder process GreenGo Energy proposed allowing developers to opt-in to cluster studies in lieu of the serial interconnection study process, but the proposal was opposed by the Utilities in their joint initial comments. *Utility Initial Comments*, Attachment 1, p. 9.

Finally, NCSEA believes that Duke's proposal, as broadly discussed in the Utilities' initial comments and as shared with the parties on March 5, 2018, conflict with the requirements of PURPA. The Utilities propose continuing use of the 2015 Interconnection Standard's serial interconnection study process for qualifying facilities but adopting a grouping study or cluster study process for CPRE projects. See, *Utility Initial Comments*, Cover Letter, p. 5; *Utility Initial Comments*, Attachment 1, p. 9. This process would give CPRE projects optional interconnection procedures that are not available to qualifying facilities. Adopting different interconnection processes for CPRE projects and not for all other qualifying facilities is inherently discriminatory and violates PURPA.

XII. CONCLUSION

For all the reasons set forth above, NCSEA requests that the Commission implement the suggested changes made by NCSEA within its initial and reply comments, as well as in the *Redline of Working Group Recommendations*.

Respectfully submitted, this the 12th day of March, 2018.

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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 Comments 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 12th day of March, 2018.

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Attachment 1



Ledford, Peter <peter@energync.org>

announcement: Duke Energy (DEC & DEP) Interconnection Technical Standards Review Group (TSRG)

Gajda, John W <John.Gajda@duke-energy.com>

Wed, Feb 7, 2018 at 4:58 PM

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To the North Carolina Clean Energy Business Association, the North Carolina Sustainable Energy Association, the South Carolina Solar Business Alliance, the North Carolina Public Staff, and the South Carolina Office of Regulatory Staff:

Duke Energy is organizing an interconnection technical standards group (TSRG) review meeting to be held in Raleigh on Thursday March 15, with the intent of making this a regularly scheduled meeting thereafter. This meeting is intended to bring together Duke Energy engineers with technical personnel of distributed energy resource (DER) developers and installers actively involved in Interconnection projects in Duke Energy Carolinas and Duke Energy Progress, in both North Carolina and South Carolina.

Overview

The meeting is intended to be a forum where, for the benefit of mutual learning and understanding, Duke Energy engineers and DER technical personnel can discuss Duke Energy interconnection technical standards, current and developing industry DER technical standards, developing DER technologies, and other technical matters pertinent to interconnection of DER to the Duke Energy system. These technical standards and growing knowledge base form the "Good Utility Practice" that the Companies' engineers are applying in the Interconnection study process in North Carolina and South Carolina today.

In order to assure an effective meeting, and a good basis for future meetings, Duke is taking steps to organize the meeting with just enough structure to maintain an effective forum for discussion while allowing plenty of input and discussion from DER industry technical representatives and engineers, and state regulatory staffs. Duke is organizing the meeting in a format and structure which resembles that of the Massachusetts Technical Standards Review Group.

Structure

In order to establish an effective meeting structure and agenda, Duke Energy will develop topics of growing technical interest and significance in North Carolina and South Carolina, and will also solicit topics from DER industry representatives prior to the meeting, with the meeting discussion confined to the topics set forth in the agenda. Specifically, Duke intends to seek one technical representative each from the North Carolina Clean Energy Business Association (NCCEBA), the North Carolina Sustainable Energy Association (NCSEA), and the South Carolina Solar Business Alliance (SCSBA), to provide input to the agenda, and with voluntary involvement on agenda input from representatives from the North Carolina Public Staff and the South Carolina Office of Regulatory Staff, as they see fit. This meeting will be for engineers and other technical staff. Attorneys and non-technical business representatives of the DER Industry are asked to not attend, in order to help maintain the open dialogue format for technical discussions.

The meeting will be hosted by Duke Energy, in Raleigh, on Thursday March 15 from 9:00 AM to 4:00 PM, with a break from 11:30 AM to 1:00 PM. In order to assure productive discussions, this meeting is intended to be an in-person meeting only with a maximum group size of 24 individuals. A telephone conference line will be arranged primarily to allow members of the North Carolina Public Staff and the South Carolina Office of Regulatory Staff to be able actively listen and/or participate as they see fit without having to attend in-person. For the sake of transparency and information, the call-in line will also be available for others, but on a "listen-only" basis (in order to respect the intent of an effective meeting format, especially if there are many callers).

Of the group, Duke is reserving the following:

- Three "primary" positions for the DER industry technical representatives to support agenda development (one each from NCCEBA, NCSEA, and SCSBA)
- Up to six "secondary" positions for other DER industry technical representatives (as collectively determined by NCCEBA, NCSEA, and SCSBA)
- Three "primary" positions for the Duke Energy engineers involved in agenda development
- Up to six "secondary" positions for the Duke Energy engineers/technical staff
- Up to three positions for technical representatives from the North Carolina Public Staff
- Up to three positions for representatives from the South Carolina Office of Regulatory Staff

(If you are skilled at math, you will notice this equals 24, not 23. The conference room we were able to secure for March 15 has a fire code limit of 23. In the event the regulatory representatives involved happen to send their full complement of people in person, Duke will pull one of its own allotted representatives. In the future we will be securing a slightly larger room.)

Since Duke Energy is solely accountable and responsible for maintaining adequate customer reliability and power quality, Duke Energy expects that attendees to the meeting understand that the meeting is strictly a discussion forum and not a decision making venue, and Duke Energy maintains the final decision over technical standards employed for the purposes of DER interconnection to its distribution and transmission system.

Pre-Meeting Logistics

Duke Energy asks that NCCEBA, NCSEA, and SCSBA each identify their primary technical representative (to participate in agenda input and attend the meeting) by no later than February 21, and their secondary representatives (to attend the meeting) by March 2. Duke also asks that, at their option, the North Carolina Public Staff and the South Carolina Office of Regulatory Staff identify any individuals they wish to participate in agenda input by no later than February 21. The regulatory staffs can decide, at their option and at any time, whom they may send or have call in to the meeting.

Duke Energy will then arrange a conference call for the week of February 26 to facilitate the development of an agenda, and will then publish the agenda the week of March 5 (via means to be determined).

I look forward to hearing back from each of you, and truly look forward to engaging discussions in this new technical forum. Please feel free to contact me with any questions.

Sincerely,

John W. Gajda, P.E.

3/12/2018

NCSEA Mail - announcement: Duke Energy (DEC & DEP) Interconnection Technical Standards Review Group (TSRG)

Director, DER Technical Standards

Distributed Energy Technologies department

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Mar 12 2018