

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-100, SUB 140
DOCKET NO. E-100, SUB 148

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Docket No. E-100, Sub 140

In the Matter of
Biennial Determination of Avoided Cost)
Rates for Electric Utility Purchases from)
Qualifying Facilities – 2014)

Docket No. E-100, Sub 148)

**COMMENTS OF THE PUBLIC
STAFF**

In the Matter of)
Biennial Determination of Avoided Cost)
Rates for Electric Utility Purchases from)
Qualifying Facilities – 2016)

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and, pursuant to the Commission's April 5, 2018, *Order Conditionally Approving Revised PPAs and Rate Schedules* in the above captioned dockets, respectfully submits the following comments.

On March 27, 2018, Duke Energy Progress, LLC ("DEP") and Duke Energy Carolinas, LLC ("DEC") filed a revision to their avoided cost rate schedules, Schedules PP-3A and PP respectively. On March 29, 2018, Dominion Energy North Carolina ("DENC") filed a revision to their avoided cost rate schedules, 19-FP and 19-LMP. These revisions were made in response to Session Law 2017-192, commonly referred to as HB 589, of which section 1.(c) provides:

A small power production facility which would otherwise be eligible for the standard offer rate schedules and power purchase agreement terms and conditions approved by the Commission in Docket No. E-100, Sub 140, but which fails to commence delivering power to the utility on or before September 10, 2018, shall, notwithstanding such failure, remain eligible for such rate schedules and terms and conditions, unless the nameplate capacity of the generation facility when taken together with the nameplate capacity of other generation facilities connected to the same substation transformer exceeds the nameplate capacity of the substation transformer. The term of a power purchase agreement eligible for such rate schedules and terms and conditions pursuant to this section shall House Bill 589 Session Law 2017-192 Page 3 commence on September 10, 2018, and shall end on the date that is 15 years after the commencement date. An electric public utility shall have the option in its discretion of electing not to interconnect to its distribution system a solar photovoltaic facility with a nameplate capacity of 10 megawatts (MW) or greater that had not executed an interconnection agreement prior to July 1, 2017, and instead requiring such facility to interconnect to the utility's transmission system.

On April 5, 2018, the Commission issued its *Order Conditionally Approving Revised PPAs and Rate Schedules*, which called for comments from parties who had not yet assented to the changes made by DEC, DEP, and DENC.

The proposed modifications consist of language inserted within the rate schedules and PPAs which specifies that eligible sellers with a Legally Enforceable Obligation established on or before November 15, 2016, but which fail to deliver power to the utility on or before September 10, 2018, continue to be eligible for such rates, with the exceptions put forth in Section 1.(c) of HB 589.

DEC and DEP also reduce their carrying charge to 1.0%, per the carrying charge rate approved by the Commission in DEP's most recent general rate case, Docket No. E-2, Sub 1142.

DEC, DEP, and DENC all attached their respective rate schedules showing revisions in blackline, as well as filed clean versions. Both filings indicated that all parties of record in Dockets No. E-100, Subs 140 and 148, had been served with the proposed revisions.

The Public Staff had the opportunity to review drafts of the proposed rate schedule revisions on March 20, 2018, and March 29, 2018, and had no objections to the proposed changes, which we believe are straightforward and appropriate to clarify implementation of Section 1.(c) of HB 589. The Public Staff has also reviewed the revisions as filed and has no objections to the revised rate schedules and PPAs.

Respectfully submitted this the 20th day of April, 2018.

PUBLIC STAFF
Christopher J. Ayers
Executive Director

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Electronically submitted
/s/ Tim Dodge
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CERTIFICATE OF SERVICE

I certify that a copy of these Comments have been served on all parties of record or their attorneys, or both, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 20th day of April, 2018.

Electronically submitted
/s/ Tim Dodge