

STATE OF SOUTH CAROLINA )

(Caption of Case)

Joint Application of Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; South Carolina Electric & Gas Company for Approval of the Revised South Carolina Interconnection Standard )

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

COVER SHEET

DOCKET NUMBER: 2015 - 362 - E

(Please type or print)

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Request for item to be placed on Commission's Agenda expeditiously

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STATE OF SOUTH CAROLINA  
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DOCKET NO. 2015-362-E

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| Joint Application of Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; South Carolina Electric & Gas Company for Approval of the Revised South Carolina Interconnection Standard | ) | Responsive Statement of Interstate Renewable Energy Council, Inc. |
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The Interstate Renewable Energy Council, Inc. (“IREC”) hereby submits its Response to the Direct Statements filed by Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together “Duke Energy,”) and South Carolina Electric & Gas Company (“SCE&G”) on November 11, 2016 pursuant to the Amended Notice of Workshop issued on September 29, 2016, and the subsequent Standing Hearing Officer Directive issued on November 4, 2016. IREC appreciates that the Public Service Commission (“Commission”) is being attentive to ensuring that there are adequate interconnection standards in place sufficient to meet the state’s policy goals in the Distributed Energy Resources Program Act (“Act 236”). IREC unfortunately will not be able to attend the scheduled December 15, 2016 workshop in person, thus we particularly appreciate the opportunity to submit this responsive statement.

IREC is a 501(c)(3) non-partisan, non-profit organization working nationally to expand and simplify customer access to reliable and affordable distributed clean energy. IREC works independently from renewable energy industries, trade associations, and advocacy organizations. Though we promote the creation of robust, competitive clean energy markets, IREC does not have a financial stake in those markets. The scope of

IREC's work includes updating interconnection processes to facilitate deployment of distributed energy resources and remove constraints to their integration on the grid.

IREC was involved in the most recent process to update the interconnection standards in this docket, and we have been involved in interconnection proceedings in North Carolina, Minnesota, Iowa, Ohio, New York, California, and Massachusetts, amongst others, in recent years.

In the Amended Notice of Workshop, the Commission indicated that parties should report on their progress in meeting the requirements of the South Carolina Distributed Energy Resources Act, including reporting progress on the backlog of interconnection studies and the amount of small residential installations. IREC has comments on three aspects of the utilities' Direct Statements.

**I. Utilities' Reporting on Timeliness of the Interconnection Process Under the Revised Standards**

One of the critical and most quantifiable indicators of whether an interconnection process is working well is whether the utility and the interconnection customers are able to keep up with the timelines set forth in the interconnection standards. While there are many factors that contribute to interconnection backlogs, compliance with identified timelines is a critical component to keeping the process moving and can be essential to the health of a renewable energy market, where time equals money.

Although IREC appreciates the opportunity to review the utilities' Direct Statements, and we found them generally informative, they were rather light on detail regarding whether the utilities, or the interconnection applicants, are on track with respect to the timelines set forth in the newly revised standards. In addition to the Direct Statements from the utilities, IREC also reviewed the semi-annual reports required by

Order No. 2016-191 which include some information status of the projects in the interconnection queue.<sup>1</sup> Unfortunately, these reports also do not provide sufficient information in order to be able to determine whether projects are proceeding in a timely manner since they do not provide any incremental timelines beyond the application date and online date.

The Direct Statement of Duke Energy states that the utilities “are on track to meet the goals of Act 236 by 2021,”<sup>2</sup> they describe some specific efforts they have undertaken to help process the increased volume of applications,<sup>3</sup> and acknowledge the “need for improvement with regard to the length of time it takes a project in the DEC or DEP queue to move from initial interconnection request to interconnection agreement”<sup>4</sup> but does not further illuminate how the utilities’ actions taken on interconnection comply with the Commission’s interconnection procedures. SCE&G’s Report states in similar fashion that the utility is “up to date on its application and study requirements associated with the SCGIP and interconnecting projects,”<sup>5</sup> but does provide details on timelines and other metrics of compliance with their obligations under the standards.

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<sup>1</sup> Duke Energy’s first report was filed on July 27, 2016 and SCE&G’s report was filed on August 1, 2016.

<sup>2</sup> See Direct Statement of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (“Duke Energy Statement”) filed in Docket No. 2015-362-E (November 10, 2016), at page 1.

<sup>3</sup> *Id.* at 6-9.

<sup>4</sup> *Id.* at 9.

<sup>5</sup> See Direct Statement of Matthew J. Hammond on Behalf of South Carolina Electric & Gas Company (“SDE&G Statement”), filed in Docket No. 2015-362-E at page 5.

As IREC noted in its comments in this proceeding filed on November 23, 2015,<sup>6</sup> transparent reporting on compliance with interconnection procedures is essential for regulators, interconnection customers, and utilities to understand how the interconnection process is working and to identify areas that may need modification to ensure the process continues to work smoothly. The benefits of reporting transparency outweigh any burden. Requiring the utilities to provide more detail on the status of their compliance with the standards would give stakeholders a better sense of whether the utilities and the interconnection applicants are on track with the timelines in the interconnection procedures, and if not, the extent of and reasons for the noncompliance. While there are many reasons why delays can emerge in the interconnection process (including some reasons that are not within the utilities' control), the best way to prevent serious queue problems (such as those that have recently arisen in North Carolina and New York) is to address them proactively. It is also difficult to accurately address where the "problem points" may be without accurate tracking of the process. Better tracking and transparent reporting will increase efficiency, reduce costs, and accelerate solar penetration of the grid. We thus urge the Commission to further inquire into the status of the timelines at the Workshop, and to also consider adopting enhanced reporting requirements and more specific metrics going forward.<sup>7</sup>

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<sup>6</sup> See Comments of the Interstate Renewable Energy Council, Inc. on the Joint Application of Duke Energy Carolinas, LLC, Duke Energy Progress, LLC and South Carolina Electric & Gas Company for Approval of the Revised South Carolina Interconnection Standard, filed in Docket No. 2015-362-E (November 23, 2015), at pages 17-20.

<sup>7</sup> For further details on the specific reporting categories that IREC believes should be adopted, please see our November 23, 2015 comments at pages 17-20.

## II. Duke Energy's Implementation of "Circuit Stiffness Ratio Review"

The paramount goal of interconnection is maintaining the safety and reliability of the electric system. IREC was thus particularly interested in the discussion in Duke Energy's Direct Statement of a "Circuit Stiffness Ratio" ("CSR") Review the utility is implementing to respond to "events that suggest that large solar generators interconnected to the distribution circuits have the potential to detrimentally impact normal distribution system operations and reliability."<sup>8</sup> IREC believes a meaningful discussion of this issue in Duke Energy's Direct Statement requires more information than the utility has provided, including details on the "events" referred to in the prior sentence. While safety is indeed a critical concern, it is important that there be sufficient information to understand if the issue is being caused by solar generators, and what the appropriate review and response should be. While we are aware that Duke has sought to conduct a similar review in North Carolina,<sup>9</sup> the record there has offered conflicting information on this topic, and therefore we believe it is important for each state to evaluate the issue carefully.

Moreover, although IREC has participated in interconnection proceedings across the United States, including in all of the states with high penetrations of solar PV and

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<sup>8</sup> Duke Energy Statement at pages 9-10.

<sup>9</sup> See North Carolina Utilities Commission, Docket No. E-100, SUB 101, comments by Strata Solar, O2 EMC, Public Staff and Duke Energy regarding the proposed Settlement Agreement with Generation Interconnection Customers; *see also* Complaint by Salisbury Solar, LLC, Bear Poplar Solar, LLC against Duke Energy Carolinas, LLC, NCUC Docket No. E-7, Sub 1123 at ¶¶ 37-38 ("To date, it has not been substantiated to Complainants that the use of CSR is based on accepted industry practices or that the selected CSR threshold of 25 bares any relationship to power quality issues that Respondent may have experienced on its system.") and Complaint by Wadesboro Solar, LLC, against Duke Energy Progress, LLC, NCUC Docket No. E-2, Sub 1124 at ¶¶ 33, 35, 40.

other distributed generation, we are unaware of any utility adopting a “technical screen” similar to CSR Review, which evidently would apply to all projects presently in the interconnection queue, and possibly even to those for which interconnection agreements have already been signed. Duke does not define the exact standard it is using, it has not provided any technical support for the screen or explained its origin, nor has it indicated when the screen is applied and how it may impact the timeliness of the interconnection process. The Commission should further explore this issue in the Workshop and should require Duke Energy to provide more technical details in writing. Greater transparency around this issue will help the Commission ensure that any such screen is indeed needed to protect system safety and reliability, and if so, that it is designed and implemented appropriately to protect system safety and reliability and supported by appropriate research.

### **III. SCE&G’s Discussion of “Complexities Associated with the Interconnection Process”**

SCE&G’s Report includes a discussion of “complexities” associated with reviewing multiple queued projects that are electrically interrelated and assigning costs to those projects.<sup>10</sup> The Report does a fine job of describing the general issue, and we agree that this is a particularly challenging problem that arises often in states with high or rapidly increasing volumes of interconnection applications. It would be helpful if SCE&G could clarify whether they see this as a current problem that would interfere with its ability to comply with the interconnection procedures, and if so, whether it believes immediate action should be taken to find a way to better manage this issue.

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<sup>10</sup> See SDE&G Statement at pages 6-8.

While this indeed can be a significant interconnection issue, particularly as higher volumes of interconnection applications are submitted, SCE&G should more clearly explain and provide additional information to clarify whether and to what extent this issue is a problem for the utility. To the extent SCE&G demonstrates the nature of the challenge, IREC would suggest the Commission consider and examine how other states are managing this issue,<sup>11</sup> which could provide models for how the Commission should address it, whether through cost-sharing among projects or another approach. For the same reasons, the Commission should also require additional information from Duke Energy, and developers engaged in this proceeding, about whether they foresee this issue becoming significant in South Carolina in order to determine whether the Commission should take a proactive stance and work to actively test out some possible solutions.

#### **IV. Conclusion**

In conclusion, IREC hopes that the Commission will further explore these topics in the Workshop and consider asking the utilities to submit additional information in writing as appropriate. We regret that we are not able to attend in person but look forward to staying engaged and participating in future discussions on these issues. We thank the Commission for proactively inquiring into the implementation of the new procedures and believe this approach will help to ensure that the interconnection process in South Carolina continues to function smoothly and to avoid some of the pitfalls that other states have experienced.

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<sup>11</sup> For example, the following state proceedings have adopted, or are currently considering, a variety of measures designed to help address how to sequentially review multiple interrelated queued projects. These steps have included group or cluster studies, cost sharing mechanisms, as well as increased adherence to timelines and other queue management techniques. New York Dockets 16-E-0560 and 15-E-0557; North Carolina Docket E-100, Sub 101; California Docket R.11-09-011; Massachusetts Docket 11-75-E.

DATED: December 1, 2016

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STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 2015-362-E

Joint Application of Duke Energy Carolinas, ) Certificate of Service  
LLC; Duke Energy Progress, LLC; South )  
Carolina Electric & Gas Company for Approval )  
of the Revised South Carolina Interconnection )  
Standard )  
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I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is 396 Hayes Street, San Francisco, CA 94102.

On December 1, 2016, I served a true and correct copy of

**Responsive Statement of Interstate Renewable Energy Council, Inc.**

on all parties identified on the Service List for the South Carolina Public Service Commission Docket Number 2015-362-E by serving said document by electronic mail to all parties.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in San Francisco, California on December 1, 2016.

\_\_\_\_\_  
/s/Amy Zehring  
Amy Zehring

**SERVICE LIST**

***Joint Application of Duke Energy Carolinas, LLC; Duke Energy Progress, LLC; South Carolina Electric & Gas Company for Approval of the Revised South Carolina Interconnection Standard.***

**Docket No. 2015-362-E**

**Public Service Commission of the State of South Carolina**

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