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April 23, 2019

Via Electronic Filing
Joycelyn Boyd, Chief Clerk
SC Public Service Commission
Post Office Drawer 11649
Columbia SC 29211

RE: Ecoplexus Inc. vs. South Carolina Electric & Gas Company
Docket No. 2019-130-E
NMRS File No.: 56122/01500

Dear Ms. Boyd,

On behalf of Ecoplexus Inc. ("Ecoplexus"), I respectfully submit this letter in response to the April 22, 2019 letter of South Carolina Electric & Gas Company ("SCE&G"), submitted in the above-captioned proceeding (the "SCE&G April 22 Letter"). The SCE&G April 22 Letter responds to the letter submitted by Ecoplexus on April 19, 2019, (the "Ecoplexus April 19 Letter"), in which Ecoplexus described how SCE&G sent two letters to Ecoplexus on April 17, 2019, which Ecoplexus received on April 18, 2019, (the "Termination Letters") stating that SCE&G was terminating the interconnection agreements ("IAs") for Barnwell PV1, a 74.9 MW-ac solar qualifying facility ("QF"), queue position 332 ("Barnwell"), and Jackson PV1, a 71 MW-ac solar QF, queue position 331 ("Jackson") (each a "Project" and collectively, the "Projects") because Ecoplexus had not paid the first milestone payment for either Project.

The SCE&G April 22 Letter is more notable for what it does not say than for what it does say. Specifically, *nowhere* in the SCE&G April 22 Letter does SCE&G acknowledge that the main reason Ecoplexus is seeking to stay its obligation to make the first milestone payments for the Projects is because it is Ecoplexus' position that the interconnection costs for the Projects, and therefore the milestone payments, were calculated in a discriminatory, *and therefore illegal*, manner. Ecoplexus set forth a litany of facts supporting its position in both its complaint against SCE&G ("Complaint") and Motion to Maintain Status Quo ("Motion"), both submitted on April 15, 2019, *before* the Projects' IAs' deadlines for submitting the first milestone payments. As Ecoplexus explained in the Motion:

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> As outlined in the Complaint, the interconnection costs assigned to the Projects by SCE&G were made in a discriminatory manner, in violation of 18 C.F.R. Section 292.306(a). In light of this, as well as additional violations of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), several provisions of 18 C.F.R. Section 292, and Commission orders outlined in the Complaint, the Projects should not be required to make any milestone payments required under the IAs until the issues raised in the proceeding initiated by the Complaint are resolved by the Commission.[1]

Nothing in the SCE&G April 22 Letter responds to this argument. Instead, SCE&G takes the position that Ecoplexus should pay the milestone payments associated with the Projects despite the fact that Ecoplexus' Complaint has challenged the underlying premise that such milestone payments were calculated in a legally permissible manner.

Ecoplexus should not have to pay any milestone payments associated with the Projects until the Commission resolves the issues pending before it in the proceeding initiated by the Complaint. Any other result would significantly and materially harm Ecoplexus by requiring it to pay *millions of dollars* to SCE&G that Ecoplexus has alleged were calculated in a discriminatory, and therefore illegal, manner. While the Commission will have a full opportunity to make a final determination on this issue as part of the proceeding initiated by the Complaint, staying Ecoplexus' obligation to make such milestone payments will cause "no harm to SCE&G, other parties, or the public interest."[2]

Moreover, Ecoplexus stands by its arguments and analysis outlined in the Ecoplexus April 19 Letter explaining why SCE&G's actions failed to comply with Section 7.6.1 of the IAs. Importantly, SCE&G did not explain why Section 7.6 of the IA does not apply to the missed milestone payments, and instead merely concludes that "[t]he Missed Milestone Payments are not governed by Section 7.6 of the IAs."[3] Ecoplexus also notes that the Termination Letters did not reference Section 6.2 of the IA and Section 5.2.4 of the Procedures to the South Carolina Standard, which SCE&G used to support its position in the SCE&G April 22 Letter. These facts further weaken SCE&G's position.

Ecoplexus appreciates the Commission's time in reviewing this letter, and respectfully reiterates its request that the Commission grant the Motion and the relief sought therein in an expedited manner.

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[1] *See* Motion at 2.

[2] *See id.*

[3] *See* SCE&G April 22 Letter at 1.

Very truly yours,

s/

Weston Adams, III

Cc: Jeremy Hodges, Esq.
Jennifer Pittman, Esq.
J. Ashley Cooper, Esq.

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