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February 26, 2016

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk and Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

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

Dear Ms. Boyd:

Over the past few months, the Office of Regulatory Staff ("ORS") has worked diligently with Duke Energy Carolinas, LLC ("DEC"), Duke Energy Progress, LLC ("DEP"), South Carolina Electric & Gas Company ("SCE&G") and numerous stakeholders, including the Electric Cooperatives of South Carolina, Inc., Central Electric Power Cooperative, Inc., South Carolina Solar Business Alliance, The Alliance for Solar Choice, Southern Alliance for Clean Energy, Coastal Conservation League, numerous solar developers, and the Interstate Renewable Energy Council regarding the proposed South Carolina Generator Interconnection Procedures ("SCGIP") filed with the Public Service Commission of South Carolina ("Commission") on October 9, 2015.

The proposed SCGIP provides uniform interconnection standards for projects sized up to 80 megawatts, at which point the Federal Energy Regulatory Commission has jurisdiction. The proposed SCGIP allows for expedited treatment for smaller projects and clarifies the study process for larger projects that are not eligible for the expedited, fast-track option. ORS supports the proposed SCGIP as filed and believes it furthers the goals of Act 236 and allows for safe and reliable interconnection of distributed energy resources in South Carolina.

(Continued...)

ORS is aware that DEC and DEP have experienced a backlog in processing interconnection requests in North and South Carolina. In an effort to mitigate and resolve any backlogs in South Carolina, ORS recommends, in part, that DEC and DEP institute an Interdependent Project Review Process ("Interdependency Process") for projects in their South Carolina queues. ORS has worked with DEC, DEP and various stakeholders to draft an Interdependency Process and recommends that the Commission approve the attached Interdependency Process (Attachment A) to apply to projects in the DEC and DEP South Carolina interconnection queues.

Additionally, ORS recommends that DEC and DEP reduce the System Impact Study completion timeframe, as set forth in Paragraph 17.0 of the System Impact Study Agreement (Attachment 8 to the proposed SCGIP), for projects with distribution system impacts by 10%. These two recommendations are designed to reduce the backlog in DEC and DEP's South Carolina interconnection queues and should only apply to DEC and DEP. ORS will continue to monitor the status of SCE&G's interconnection queue and make recommendations to the Commission if any changes become necessary.

ORS appreciates the patience of the Commission as this involved numerous stakeholders and varying viewpoints working together to modify the current interconnection process. ORS is also grateful for the ongoing collaborative spirit of the stakeholders as we continue to improve the opportunities for distributed energy resources in South Carolina.

Thank you for the opportunity to provide comments in this matter.

Sincerely,

Handwritten signature in blue ink that reads "John W. Flitter /sw".

John W. Flitter

JWF/sw

Enclosure

cc: All Parties of Record  
Jeffrey M. Nelson, Chief Counsel and Director of Legal Services, ORS  
Andrew M. Bateman, Counsel, ORS  
Dr. James Spearman, Executive Assistant, PSCSC

**ATTACHMENT A**  
**Memorandum of Understanding Between Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, South Carolina Office of Regulatory Staff and South Carolina Solar Business Alliance**  
**Docket No. 2015-362-E**

**Interdependent Project Review Process for Projects in the Duke Energy Carolinas, LLC and Duke Energy Progress, LLC Interconnection Queues**

1. For purposes of this section of the Agreement:

“Interdependent Customer” (or “Project”) shall mean an Interconnection Customer (or Project) whose Upgrade or Interconnection Facilities requirements are impacted by another Generating Facility, as determined by the Utility.

“Project A” shall mean an Interconnection Customer that has a lower Queue Number than Interdependent Project B.

“Project B” shall mean an Interconnection Customer that has a higher Queue Number than Interdependent Project A.

“Utility” shall mean Duke Energy Carolinas, LLC or Duke Energy Progress, LLC, whichever entity owns, controls and operates the System to which the Interconnection Customer is seeking to connect its Generating Facility.

All other defined terms included within this Agreement shall have the same meaning as set forth in the Glossary of the proposed Revised South Carolina Interconnection Standard (“the Standard”), as filed in Docket No. 2015-362-E on October 9, 2015.

2. All references to Sections included herein refer to the relevant Sections of the Standard.

3. Upon an Interconnection Customer’s submission of a Section 1.3 Interconnection Request for the Section 3 Fast Track Process or Section 4 Study Process, the Utility shall review the Interconnection Request and make a preliminary determination whether any known Interdependency exists between the Interconnection Customer’s proposed Generating Facility and any other Interconnection Customer with a lower Queue Number and notify the Interconnection Customer of the preliminary determination of whether Interdependency would be created by the Generating Facility within 10 business days. Any preliminary determination by the Utility that the Generating Facility does not create an Interdependency will result in the Interconnection Request being preliminarily designated as a Project A and the Utility shall proceed immediately to either the Section 3 Fast Track Process or the Section 4 Study process, as applicable. A Generating Facility designated and reviewed for system impacts as a Project A may still be determined to create an Interdependency and may be designated by the Utility as an Interdependent Project during the Section 4.3 System Impact Study Process. Once the System Impact Study report is issued by the Utility designated a Generating Facility as a Project A for purposes of the Section 4.4 Facilities Study, the Interconnection Request shall retain this designation without change.

4. If the Utility determines that that the Interconnection Customer’s proposed Generating Facility is Interdependent with one (1) other Interconnection Request with a lower Queue Number, the Utility shall notify the Interconnection Customer at the Section 4.2 Scoping Meeting that the Interconnection Request is designated as a Project B.

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a. Following the Section 4.2 Scoping Meeting and execution of the System Impact Study Agreement, the Project B shall proceed to the Section 4.3 System Impact Study process. Project B shall receive a System Impact Study report that assumes the Interdependent Project A Interconnect Request with the lower Queue Number completes construction and interconnection and another System Impact Study report that assumes the Interdependent Project A Interconnect Request with the lower Queue Number is not constructed and is withdrawn.

b. The Utility shall not proceed to a Project B Facilities Study until after the Project B Interconnection Customer returns a signed Facilities Study Agreement to the Utility and the Utility has issued the Section 4.4.4 Facilities Study report for the Interdependent Project A. The Project B Interconnection Customer shall then have the option of whether to proceed with a Facility Study, or wait until the Interdependent Project A executes a Final Interconnection Agreement and makes payment for any required Upgrade, Interconnection Facilities, and other charges under Section 5.2. If the Project B Interconnection Customer with a signed Facilities Study Agreement proceeds prior to Interdependent Project A committing to Section 5 construction, the Project B's Facility Study shall assume that the interdependent Project A Interconnection Request with the lower Queue Number completes construction and interconnection. If Project A is later cancelled prior to the Project A Interconnection Customer making payment for the required Upgrade, the Utility will revise the Project B Facility Study at Project B Interconnection Customer's expense. If Project B Interconnection Customer chooses to wait to request the Project B Facility Study, Project B is not required to adhere to the timeline in Section 4.4.1 until Project A has signed an Interconnection Agreement and paid the payment charge specified in Section 5.2.4 of the Standard or withdrawn.

5. If the Utility determines that that the Interconnection Customer's proposed Generating Facility is Interdependent with more than one (1) other Interconnection Request with lower Queue Numbers, the Utility shall make a preliminary determination and notify the Interconnection Customer within 10 business days, or at the Section 4.2 Scoping Meeting, whichever occurs sooner, describing generally the number and type of Interdependencies of Interconnection Requests with lower Queue Numbers.

a. The Utility shall not study a project if it is interdependent with more than one project, each of which has a lower Queue Number. The utility will study a project when interdependency with only one lower Queue Number project exists. The removal of interdependency with multiple projects may be the result of 1) upgrades to the Utility System which eliminate the cause of the interdependency, 2) withdrawal of interdependent project(s) with lower Queue Numbers, or 3) a lower Queue Number project signing an Interconnection Agreement and making payments required in Section 5.2.4.

b. Within five (5) Business Days of an Interconnection Request becoming a Project B Interconnection Request that is Interdependent with only one (1) other Interconnection Request with a lower Queue Number, the Utility shall schedule the Section 4.2 Scoping Meeting and provide the new Project B an executable System Impact Study Agreement. Upon being designated by the Utility as a Project B the Interconnection Customer's Queue Number will be used to determine the order in which the Interconnection Request is studied under section 4.3 relative to all other Interconnection Requests.

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6. Nothing in this Agreement affects an Interconnection Customer's Queue Number assigned before the effective date of the Standard. Interconnection Requests which have received a System Impact Study report as of the effective date of the Standard that did not identify any interdependency with another project shall be deemed a Project A. Any Interconnection Requests for which the Utility has not completed the System Impact Study and issued a System Impact Study report to the Interconnection Customer as of the effective date of the Standard shall be reviewed for Interdependency pursuant to the terms of this Agreement.