PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CHIEF HEARING OFFICER DIRECTIVE

DOCKET NO. 2021-3-E ORDER NO. 2021-86-H

JUNE 24, 2021

CHIEF HEARING OFFICER: David Butler

DOCKET DESCRIPTION:
Annual Review of Base Rates for Fuel Costs of Duke Energy Carolinas, LLC ("DEC")

MATTER UNDER CONSIDERATION:
Petition to Intervene of South Carolina Coastal Conservation League ("CCL") and Southern Alliance for Clean Energy ("SACE") (or together, the "Petitioners")

CHIEF HEARING OFFICER'S ACTION:
This matter comes before the Chief Hearing Officer on the Petition to Intervene of the South Carolina Coastal Conservation League and Southern Alliance for Clean Energy. The Petition is timely filed, and no objections to the intervention have been filed.

The Commission opened this proceeding pursuant to S.C. Code Ann. Section 58-27-865, which establishes the procedure for annual hearings for the Commission and all interested parties to review the fuel purchasing practices and policies of Duke Energy Carolinas, LLC ("DEC" or "Company") and for the Commission and the Company to make adjustments as necessary. S.C. Code Ann. Section 58-27-865 provides the procedure for review and recovery of fuel costs and of "incremental and avoided costs of distributed energy resource programs and net metering as authorized and approved under Chapters 39 and 40, Title 58[, which] shall be allocated and recovered from customers under a separate distributed energy component of the overall fuel factor that shall be allocated and recovered based on the same method that is used by the utility to allocate and recover variable environmental costs."

S.C. Code Ann. Section 58-39-140 of the South Carolina Distributed Energy Resource Act and Commission Order 2015-194 allow the Company to recover certain reasonable and prudent costs incurred to implement approved distributed energy resource ("DER") programs, including certain costs related to net energy metering ("NEM"). Recoverable costs are capped in Section 58-39-150 "[f]or the protection of consumers and to ensure that the cost of DER programs do not exceed a reasonable threshold." 4. Pursuant to the South Carolina Distributed Energy Resource Act and the Settlement Agreement approved by the Commission in Order No. 2015-194, the Company will also compute and update annually the "costs and benefits of net metering and the required amount of the DER NEM Incentive" coincident in time with the Utility's filing under the fuel clause. Under S.C. Code Ann. Section 58-40-20(B) of the Energy Freedom Act and Order No. 2015-194, the

DER NEM incentive will apply to customer-generators who apply for net metering prior to June 1, 2021, and will be available to these customers until May 31, 2029.

After it has been determined that the Petition has been timely filed, the next question for the Commission is to determine whether or not the petitioning party has clear factual support or grounds for the proposed intervention. S.C. Regs. 103-825A(3) requires that a party making a Petition to Intervene in a matter pending before the SC Public Service Commission must:
set forth clearly and concisely:
(a) The facts from which the nature of the petitioner's alleged right or interest can be determined;
(b) The grounds of the proposed intervention;
(c) The position of the petitioner in the proceeding.

The Petition asserts that CCL is a nonprofit corporation organized under the laws of the State of South Carolina whose mission is to protect the natural environment of the South Carolina coastal plain and to enhance the quality of life in its communities by working with individuals, businesses, and government to ensure balanced solutions. The Petition further states that CCL and its members support the development of energy policy that is in the public interest of South Carolinians. CCL has members in South Carolina who receive electricity service from DEC and CCL states that they will be impacted by the decisions made in this proceeding regarding renewable energy and the recovery of fuel costs and incremental and avoided costs of distributed energy resource programs and net metering.

The Petition also asserts SACE is a nonprofit organization whose mission is to promote responsible and equitable energy choices to ensure clean, safe and healthy communities throughout the Southeast. The Petition notes that SACE and its members are interested in promoting greater reliance on clean energy resources to meet the South's energy needs. Like CCL, SACE has members in South Carolina who receive electricity service from DEC and the Petition states that they will be impacted by the decisions made in this proceeding regarding renewable energy and the recovery of fuel costs and incremental and avoided costs of distributed energy resource programs and net metering.

Petitioners and their members assert that they have direct and substantial interests that will be impacted by the decisions made in this proceeding regarding renewable energy and the recovery of fuel costs and incremental and avoided costs of distributed energy resource programs and net metering, and their interests cannot be adequately addressed by any other party. Petitioners seek to ensure that DEC's fuel purchasing practices and policies result in the lowest reasonable costs to customers and that the Company's fuel costs are just and reasonable. Petitioners also seek to ensure a full and proper valuation of NEM generation and appropriate cost recovery consistent with the Settlement Agreement approved in Docket No. 2014-246-E that will accurately reflect and support an effective and diversified portfolio of distributed energy resources and lead to cleaner, safer, and healthier communities for all South Carolinians. According to the Petitioners, their support for these policies and involvement in this proceeding will promote their members' interests as well as the broader public interest.

From these facts, this Chief Hearing Officer holds that CCL and SACE have successfully satisfied the three criteria for intervention stated in the Regulation. Their interest in this matter can clearly be discerned, as can the grounds for the intervention, and their position.

Further, the Petition to Intervene was timely filed and there are no objections to the intervention. Accordingly, the Petition to Intervene of SACE and CCL is hereby granted in this Docket. This ends the Chief Hearing Officer's Directive.