

SOUTHERN ENVIRONMENTAL LAW CENTER

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February 7, 2014

Jocelyn Boyd, Esquire
Chief Clerk
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

RE: In the Matter of: Joint Application of Duke Energy Carolinas, LLC and North Carolina Electric Membership Corporation for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 750MW Combined Generating Plant Near Anderson, SC
Docket No. 2013-392-E

Dear Ms. Boyd:

Enclosed for filing in the referenced docket is Late-filed Exhibit summarizing a number of projects in which renewable energy has been paired with or supplanted fossil fuel plants. This information responds to a question raised at the hearing by Commissioner Fleming.

Thank you and please contact me if you have further questions.

Sincerely,

s/ J. Blanding Holman, IV
Attorney for Petitioners

Cc: Parties of Record

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2013-392-E

Late-Filed Exhibit
South Carolina Coastal Conservation League and Southern Alliance for Clean Energy
Examples of Solar Projects Linked to Natural Gas Generation

FPL: Martin Next Generation Solar Energy Center

Florida Power & Light's ("FPL") is a hybrid facility in which a 75 megawatt ("MW") solar thermal power plant is directly connected to a 1,142 MW combined-cycle natural gas power plant at FPL's Martin Plant. The solar facility entered commercial operation in December 2010 after construction was completed ahead of schedule and under budget. FPL estimates that the solar facility will save customers \$178 million in fuel costs over its lifetime.¹ As explained by FPL, the solar facility is a "fuel-substitute facility" that "displaces the use of fossil fuel," and is "not a facility that provides additional capacity and energy."²

Xcel Colorado: Utility-Scale Wind/Solar/Gas Portfolio³

Xcel Colorado recently proposed adding 450 MW of wind power, 170 MW of utility-scale solar power, and 317 MW of natural gas generation. In announcing the proposal, Xcel that the natural gas generation "would provide operational flexibility the utility relies on to reliably integrate renewable resources into its electric supply mix."⁴ The proposal was developed through a competitive Request For Proposals process approved by the Colorado Public Utilities Commission and overseen by an independent evaluator. According to the independent evaluator's report, the wind and solar resources reduce the overall portfolio cost by \$262 million.⁵ Notably, the operating cost would be reduced by \$246 million (i.e., total cost savings less surplus capacity cost benefits), consistent with CCL and SACE's finding that a utility-scale solar power project could help to offset the operating costs of the proposed Lee natural gas combined cycle unit.

Northern States Power: Hearing Officer Recommendation for Solar/Gas Portfolio

In a competitive bidding process overseen by the Minnesota Public Utilities Commission to determine the most reasonable and prudent way to meet a capacity need demonstrated by

¹ Florida Power & Light, "FPL's Martin Next Generation Solar Energy Center," available at <http://www.fpl.com/environment/solar/pdf/Martin.pdf>.

² FPL, "Ten Year Power Plant Site Plan: 2013-2022," filed with the Florida Public Service Commission, available at http://www.fpl.com/about/ten_year/pdf/plan.pdf.

³ Note: This example is discussed on pages 18-19 of the Joint Direct Testimony of Hamilton Davis and John D. Wilson that was filed in this docket on December 10, 2013 on behalf of CCL and SACE.

⁴ Xcel Energy News Release, "Xcel Energy proposes adding economic solar, wind to meet future customer energy demands" (Sept. 10, 2013), available at http://www.xcelenergy.com/About_Us/Energy_News/News_Archive/Xcel_Energy_proposes_adding_economic_solar_wind_to_meet_future_customer_energy_demands.

⁵ Accion Group, Independent Evaluator's Final Report (Public Version): Public Service Company of Colorado, 2013 All-Source Solicitation, Colorado Public Utilities Commission Proceeding 11A-869E (October 9, 2013) at 27, available at https://www.dora.state.co.us/pls/efi/efi.show_document?p_dms_document_id=252561&p_session_id=.

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Northern States Power Company (d/b/a Xcel Energy), the Administrative Law Judge recommended that 71 MW of capacity need be met by Geronimo Energy's solar energy project proposal, and that a second competitive bidding process be undertaken for any remaining capacity.⁶ Among other findings of fact, the ALJ found that "[t]he solar project has no associated fuel costs, and, therefore, provides for a fixed and certain price for the life of the project."⁷

LG&E / KU: New Natural Gas /Solar Plant Proposal

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") recently submitted a joint application to the Kentucky Public Service Commission for certificates of public convenience and necessity for the construction of a 700 MW natural gas combined cycle facility at KU's Green River Generating Station in Muhlenberg County, KY and the a 10 MW solar photovoltaic facility at KU's E.W. Brown Generating Station in Mercer County, KY.⁸ After an RFP process, the companies determined that the gas-solar combination was the "least-cost reasonable alternative for meeting customer needs."⁹

⁶ The hearing officer laid out specific steps for determining the amount, type and schedule for the additional capacity resources. State of Minnesota Office of Administrative Hearings for the Public Utilities Commission, , In the Matter of the Petition of Northern States Power Company to Initiate a Competitive Resource Acquisition Process, Findings of Fact, Conclusions of Law, and Recommendation, , MPUC Docket No. E-002 / CN-12-1240 (December 31, 2013) at 45-46, available at <http://mn.gov/oah/images/2500-30760-NSP-competitive-resource-report.pdf>.

⁷ Id. at 17.

⁸ LG&E and KU, Joint Application, Kentucky Public Service Commission Docket 2014-00002 (January 14, 2014), available at http://psc.ky.gov/pscecf/2014-00002/rick.lovekamp@lge-ku.com/01172014091513/LGE_KU_CPCN_App_Test_Exh_1-17-14.pdf.

⁹ Id. at 4-5.

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
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In the Matter of:)
)
Joint Application of Duke Energy)
Carolinas, LLC and North Carolina)
Electric Membership Corporation)
for a Certificate of Environmental)
Compatibility and Public)
Convenience and Necessity for the)
Construction and Operation of a)
750MW Combined Generating Plant)
Near Anderson, SC)

CERTIFICATE OF SERVICE

I certify that the following persons have been served with one (1) copy of Late-Filed Exhibit by electronic mail and/or U.S. First Class Mail at the addresses set forth below:

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This 7th day of February, 2014.

s/ Robin Dunn