

R8-72 COMMUNITY SOLAR PROGRAM

(a) Purpose. The purpose of this Rule is to implement the provisions of G.S. 62-126.8 as they relate to each offering utility's implementation of a Community Solar Program for the participation of retail customers.

(b) Definitions. Unless listed below, the definitions of all terms used in this Rule shall be as set forth in G.S. Chapter 62. The following terms are defined for purposes of this Rule as:

- (1) "Community solar energy facility" or "facility" means a solar photovoltaic energy system that complies with the requirements set forth in G.S. 62-126.8(b) and (c), and is used to satisfy a portion of the generating capacity required by G.S. 62-126.8(a).
- (2) "Community Solar Program" or "Program" means the program offered by an offering utility for the procurement of electricity by the offering utility for the purpose of providing subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the facility.
- (3) "Community Solar Program Plan" or "Program Plan" means the plan for implementation of the Community Solar Program, to be filed by each offering utility for the Commission's review and approval.
- (4) "Solar photovoltaic energy system" means equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect.
- (5) "Subscriber" means a retail customer of the offering utility who subscribes to one or more blocks of community solar energy facility generating capacity, and is located in the state of North Carolina and in the same county or county contiguous to the facility, unless subject to an exemption pursuant to G.S. 62-126.8(c) and Section (e)(4) of this Rule.
- (6) "Subscription" means the individual block of community solar energy facility generating capacity, which represents 200 watts or more of such generating capacity but not more than 100% of each subscriber's maximum annual peak demand of electricity at the subscriber's premises, to be purchased by a subscriber for a set term of up to twenty-five (25) years, throughout which the subscriber receives a bill credit for the subscribed amount of electricity generated by the facility.
- (7) "Subscription fee" means any charge paid by a retail customer in exchange for a subscription to an approved Program.

(c) Community Solar Program Plan Filing Requirements.

- (1) Each offering utility shall file, on or before January 23, 2018, an initial proposed Program Plan, which shall meet the requirements of G.S. 62-126.8(e), and shall contain the following:
 - (i) the standards and processes for the offering utility to recover reasonable interconnection costs, administrative costs, fixed and variable costs associated with each facility, and any other forecasted costs and intended cost recovery mechanisms;
 - (ii) an explanation of how non-subscribing customers of the offering utility will be held harmless from the Program, including a description of how the offering utility intends to avoid cross-subsidization of Program costs with non-subscribing customers;
 - (iii) a description of and justification for Program participation options available to subscribers, including a description of any available payment plans or financing options, information on the treatment of subscriptions if a subscriber moves within or outside of the offering utility's service territory, and whether and how subscriptions may be transferred from a subscriber to another customer who is eligible to participate in the Program;
 - (iv) the methodology for determining the subscription fee, including whether a subscriber would retain his or her existing rate tariff, and a description and justification for any proposed upfront subscription fee and the projected impact of each such fee on overall participation in the Program;
 - (v) the methodology for determining the avoided cost rate at which subscribers will receive bill credits;
 - (vi) the methodology for determining nameplate capacity of a facility;
 - (vii) a discussion of how the Program will be promoted, including the projected costs associated with marketing and promotion efforts, examples of communications or marketing materials to be used, and identification of information to be provided to customers, including but not necessarily limited to: an itemized list of any and all charges composing the subscription fee and the schedule upon which the charges would be due,

- the process by which a subscriber can file a complaint with the Commission, and all offering utility and Commission rules governing the Program;
- (viii) a tariff, pro forma contract between the subscriber and the offering utility, a statement of terms and conditions, or any or all of these, that contain all terms and conditions regarding costs, risks, and benefits to the subscriber, an itemized list of any one-time and ongoing subscription fees, an explanation of renewable energy certificates, and when and how the subscriber will receive notifications regarding project status and performance;
 - (ix) a description of a subscriber's option to own the renewable energy certificates produced by the facility, including how this information will be distributed to subscribers;
 - (x) an estimate of economic costs and benefits for an average program subscriber, estimated time period for a subscriber to receive a return on investment, and a description of any quantifiable economic or environmental benefits to non-subscribing customers;
 - (xi) a description of siting considerations and site selection process;
 - (xii) a description and analysis of how the offering utility's Program design will minimize costs and maximize benefits for each subscriber;
 - (xiii) a description of the offering utility's intended method for the procurement of solar energy for the Program, including a cost estimate and justification for each method proposed;
 - (xiv) an implementation schedule for installing 20 MW of solar energy, including a cost estimate and justification for the proposed schedule; and
 - (xv) a description of how the Program Plan is consistent with the public interest.
- (2) The offering utility shall file annually with the Commission a report that includes any proposed amendments or revisions to its existing Program Plan and updates on Program implementation progress, marketing efforts, the number of participants subscribed, and capacity subscribed.
 - (3) An offering utility shall provide additional updates upon request by the Public Staff, or as required by the Commission.
 - (4) An offering utility shall apply for and obtain Commission approval before implementing any amendment to an existing Program Plan, including whether to delay, suspend, or close a Program to new subscribers.
- (d) Minimum Program requirements and procedures.
- (1) The offering utility may elect to own and operate facilities to procure energy for the Program, may procure energy for the Program through power purchase agreements with qualifying "small power production facilities" as defined in 16 U.S.C. § 796, or both.
 - (2) Retail customers of each offering utility may voluntarily subscribe to the Program on a first-come, first-served basis in a manner consistent with any Program Plan approved by the Commission.
 - (3) No single subscriber shall subscribe to more than a forty percent (40%) interest in an offering utility's Program.
 - (4) Subscribers may subscribe to individual blocks, sized to represent 200 watts or more, of a facility's generating capacity.
 - (5) Subscribers are responsible to pay the subscription fee for each block of facility capacity to which they subscribe.
 - (6) Subscribers may purchase multiple subscriptions consistent with G.S. 62-126.8, subject to each offering utility's cap for residential, commercial, and industrial customers limited to no more than one hundred percent (100%) of the maximum annual peak demand of electricity of each subscriber at the subscriber's premises.
 - (7) A subscriber shall be notified of Program enrollment prior to first being billed and credited in accordance with his or her subscription.
 - (8) If enrollment exceeds availability, the offering utility shall add potential subscribers to a subscriber waiting list.
- (e) Procedure for Review of Community Solar Program Plans.
- (1) The Commission may approve, disapprove, or modify an offering utility's initial Program Plan, annual report, or any proposed amendments to an existing Program Plan.
 - (2) After the filing of an offering utility's Program Plan or request to amend an existing Program Plan, the Commission will issue a procedural order setting deadlines for intervention and comments, and will proceed as appropriate and in a manner consistent with this Rule and G.S. 62-126.8.
 - (3) The Commission, for good cause shown, may order any investigation, hearing, or required filings as it deems necessary and appropriate to address the issues raised in a Program Plan, annual report,

or any proposed amendments to an existing Program Plan filed by an offering utility. The scope of any such investigation, hearing, or required filings shall be limited to such issues as identified by the Commission.

- (4) To the extent the offering utility seeks an exemption of the requirement in G.S. 62-126.8(c) that subscribers must be located in the same county or county contiguous to where the facility is located, the offering utility shall file with the Commission a request for such an exemption. If the Commission determines the request is in the public interest, it shall approve the request, provided that the subscriber remains a resident of the State and that the facility is located no more than 75 miles from the county of the subscriber.
- (5) The offering utility shall have the burden of proof to demonstrate that the offering utility's Program Plan, annual reports, and any proposed amendments to an existing Program Plan are reasonable and comply with the requirements in G.S. 62-126.8 and this Rule.

(NCUC Docket No. E-100, Sub 155, 12/19/2017.)