

Minutes
August 25, 2010
NC-RETS Stakeholder Meeting

1. How to use the “cost recovered” flag in NC-RETS

A sub-team was established to develop at least one option for how to align use of the “cost-recovered” REC flag in NC-RETS with cost recovery via the REPS rider. Because each cost-recovery year is made up of both a true up amount (EMF) and prospective/forecasted amount of spending, it is not possible for the utility to flag all of the RECs at the same time it makes its rider filing. The RECs associated with the prospective period have not yet been purchased and might not yet exist. Mike Maness, Kim Smith, Salud Layton and Jennifer Ellis will work on this sub-team. They will report back to the larger team in mid-September. There is a related issue as to when to use attach the flag for RECs where the incremental costs are capital in nature and are depreciated over a period of years. It is not clear what year to assign to the REC. This issue was not discussed in any depth.

2. Stakeholders identified several timing issues relative to securing RECs for 2010 compliance:

- a. A NC utility has contracted for RECs associated with a solar power facility’s generation, specifically their power generated through the end of 2010. The generator has RECs issued in a registry other than NC-RETS. That registry has a three-month delay in issuing RECs. So, it will not be possible to import these RECs into NC-RETS until April of 2011.
- b. If a solar facility has its meter read in the middle of a month, say January 15, 2011, will RECs associated with the first half of the meter-read period count toward the 2010 solar obligation? (Kim’s understanding is that such RECs will be vintage 2011, and will not be eligible for 2010 compliance.)
- c. Does the utility have to purchase the RECs by the end of 2010? Paid for them? Have them under contract? Be the legal owner? Have them in an account under their name in a registry? Have them in their own NC-RETS account? Where, exactly, do these RECs need to be, when do they need to be there, and in what state of legal ownership, to count toward 2010 compliance?
- d. The Commission’s rules state that a small, self-reporting generator is not required to enter its annual production data until April each year. This is too late for Duke.
- e. It is possible that resolution of these issues will require rule changes. The Commission has an open docket right now, E-100, Sub 113, where it is amending its REPS rules. Deadline for comments in that proceeding is 9/20/10.

3. The next meeting will be Wednesday, September 1 at 10 AM, in the Wells Room, Dobbs Building. We will focus on the timing issues identified in #2 above.