



# North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (REPS)

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## Who We Are

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### **NORTH CAROLINA UTILITIES COMMISSION**

#### **Commissioners**

**Edward S. Finley, Jr., Chairman**

**Lorinzo L. Joyner  
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Bryan E. Beatty**

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## Renewable Energy and Energy Efficiency Portfolio Standard (REPS)

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- In 2007, North Carolina became the first State in the Southeast to adopt a renewable portfolio standard – Session Law 2007-397 (Senate Bill 3)
- REPS requirement may be met through combination of renewable energy generation and energy efficiency savings
- REPS requirement applies to investor-owned electric utilities (electric public utilities), electric membership corporations (EMCs), and municipally-owned electric suppliers

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## REPS Compliance Requirement

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- General REPS requirement increases from 3% in 2012 to 12.5% by 2021 (for electric public utilities)
- Specific set-asides established for energy derived from the sun (beginning in 2010) and from poultry and swine waste
- REPS compliance costs are recovered through a rate rider
- Cap imposed on incremental cost of compliance

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## REPS Implementation by the Commission

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- On February 29, 2008, the Commission issued an Order addressing 105 issues (identified in the comments received from 24 entities) and adopting final rules
- The Commission has selected APX, Inc., to develop, implement, and maintain NC-RETS, an Internet web site for the online tracking of RECs
- The Commission has accepted registration of 127 generating facilities as renewable energy facilities or new renewable energy facilities, including over 30 MW new solar photovoltaic generating capacity in North Carolina
- The Commission is currently considering amendments to its rules to streamline the REPS compliance process

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## Implementation Issues Resolved by the Commission

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- The REPS obligations are based on electric power suppliers' prior year's actual North Carolina retail sales
- The REPS requirement applies to all electric suppliers making retail sales in North Carolina except university-owned electric suppliers
- An electric public utility's existing hydroelectric generation may not be used for its own REPS compliance, only increments of capacity 10 MW or less installed after January 1, 2007
- Biomass includes: sewer sludge, biogas from anaerobic digestion, and natural rubber content of used tires; the inclusion of all woody biomass is currently before the Commission

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## Implementation Issues Resolved by the Commission (cont'd)

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- The 25% limitation on the use of out-of-state RECs applies to the general REPS obligation and each of the individual set-aside provisions; Dominion is expressly exempted from the 25% limitation
- The set-aside requirements have priority over the general REPS requirement where both cannot be met without exceeding the per-account cost cap
- A pro-rata allocation method proposed by the electric power suppliers was approved to meet the aggregate swine and poultry waste set-aside requirements

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## REPS Compliance by the Electric Power Suppliers

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- Required to file annual REPS compliance plan, a forward-looking forecast of its REPS requirement and plan for meeting that requirement
- Also required to file annual REPS compliance report, a look back at the RECs earned or purchased and energy savings actually realized during the prior calendar year
- Electric public utilities recover REPS compliance costs through rate rider
- Current monthly REPS rider charge per residential account: Progress, \$0.65; Duke, \$0.16

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## Contact Information

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