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Renewables Alert

DUKE ENERGY NORTH CAROLINA UTILITIES TO ADD 602MW OF SOLAR FOLLOWING FIRST CPRE SOLICITATION

- Duke Energy recently announced that its first solicitation under North Carolina's Competitive Procurement of Renewable Energy ("CPRE") program resulted in 14 utility-scale projects that will be constructed in the Duke Energy Carolinas ("DEC") and Duke Energy Progress ("DEP") service territories. The projects were selected by the CPRE program independent administrator. Six of the 14 projects will be constructed by Duke Energy, who was allowed by law to participate in the solicitation. The developers of the other eight projects were not named.
- Overall, Duke Energy will produce or purchase a total of 602MW of solar power from projects in the CPRE Program. According to Duke Energy and independent administrator Accion Group, the projects will results in savings of around US$375 million to customers over the 20-year contract period.
- The CPRE program intends to solicit 2.6 GWac of solar power from January 2018 until the end of 2021. A total of 78 projects were submitted when bidding opened for the first program solicitation in July 2018.

CUBICO SUSTAINABLE INVESTMENTS CLOSES ON 100MW SOLAR PV PROJECT IN SOUTH CAROLINA

- Earlier this month, renewable energy investor Cubico Sustainable Investments announced that it financially closed on the 100MW Huntley solar PV project in Orangeburg County, South Carolina. The Huntley project is one of five projects in a portfolio Cubico acquired from U.S.-based solar developer Cypress Creek Renewables at the beginning of 2019. The other projects in the portfolio are located in North Carolina and Texas.
- According to Cubico, construction on the Huntley project is underway and Cubico anticipates the project will be fully operational by the summer of 2020.

REGULATORS APPROVE GEORGIA POWER'S RENEWABLE ENERGY INITIATIVE

- On July 16, 2019, the five members of Georgia's Public Service Commission ("Commission"), all Republican, unanimously approved Georgia Power Company's 2019 Integrated Resource Plan ("IRP"). The IRP is an ambitious renewable energy initiative that adds renewable generation and development, as well as energy storage to the state's power mix with a target date of 2024. Initially, the Commission sought to increase renewable and solar power to 1,650MW, but during the IRP's hearing Chairman Lauren "Bubba" McDonald moved, and the Commission approved, a further increase to 2,210MW.

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- The IRP will increase Georgia Power's renewable generation by 72 percent. The energy will come from both distributed sources, such as rooftop-solar, and commercial-solar projects, as well as some biomass resources. The IRP provides no state subsidies for this development, but rather relies on a market-based approach.
- The IRP also commits Georgia Power to add 80MW of battery storage. Trade press noted that this commitment may position the Southeast as a new market for energy storage.

SOUTH CAROLINA ADDS 101MW SOLAR PROJECT

- On July 8, 2019, Pine Gate Renewables announced the start of construction for the largest solar project in South Carolina to date, Bowman Solar. The new project will encompass 651 acres in Orangeburg County with 849,840 photovoltaic panels. CIT's Power and Energy group organized the construction and permanent financing arrangements with additional arrangements by U.S. Bank and assistance from Momentum Energy Advisors. Commercial operation for the project is expected in the first quarter of 2020.
- Bowman Solar project is an example of a recent increase in solar development for South Carolina. In the wake of its failed nuclear development, the state recently revamped its power sector policies under its Energy Freedom Act to allow for greater participation by solar producers. For the past decade, solar power growth in North Carolina and Georgia far outpaced South Carolina. However, since passage of the act, South Carolina's solar developments have increased precipitously.

CHATTANOOGA, TENNESSEE PLANS TO IMPLEMENT WIRELESS CHARGING FOR CITY ELECTRIC BUSES

- In 2018, Chattanooga became the third American city to install a wireless inductive charging station for its public transit system. Although the charging station is not yet in service, Chattanooga Area Regional Transportation Authority ("CARTA") intends to continue testing and implement the unit for downtown buses soon.
- Chattanooga became the first American city to operate a fleet of electric buses in 1992. The city recently released a new fleet of 17 electric buses in March and anticipates a fully electric bus system by 2030.
- Momentum Dynamics developed the US$400,000 charging station, which is embedded in the pavement at CARTA's downtown bus station. The charging unit is powerful enough to fully recharge a bus in an hour simply by parking on top of the four panels, which emit a magnetic field that reaches the underside of the bus.

SOLAR DEVELOPERS SCRAMBLE TO TAKE ADVANTAGE OF EXPIRING FEDERAL SOLAR SUBSIDIES

- Some of the U.S.'s biggest solar developers are stockpiling solar panels to capture the full 30 percent federal investment tax credit ("ITC"), which will begin phasing out in 2020. The full subsidy is available to companies that begin construction or spend 5 percent of a project's capital costs before the end of 2019. If Congress does not extend the ITCs, the tax credit sill drop to 26 percent in 2020, 22 percent in 2021,

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and will settle at 10 percent in 2022 for utility and commercial projects. ITCs for residential systems will be eliminated altogether.

- Wood Mackenzie projects developers to "safe harbor" roughly 31.2 gigawatts ("GW") of solar, an investment totaling US$30 billion. 8minute Solar Energy alone plans to build 6GW in the next five years. Duke Energy intends to claim the credit on 2GW worth of panels, even though some of these projects may not come online for years.

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