

McGuireWoods LLP
501 Fayetteville St.
Suite 500
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

Andrea R. Kells
Direct: 919.755.6614

McGUIREWOODS

akells@mcguirewoods.com

November 2, 2020

VIA Electronic Filing

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket No. E-100, Sub 167
Biennial Determination of Avoided Cost Rates for Electric Utility
Purchases from Qualifying Facilities – 2020**

Dear Ms. Campbell:

Pursuant to Federal Energy Regulatory Commission Regulation 18 C.F.R. § 292.302(b)(1)-(3) (2018), which requires electric utilities to file certain avoided cost information with their respective state commissions on a biennial basis, Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (the “Company”), herein submits the information required by this regulation.

Portions of this filing contain confidential information. Information designated by the Company as confidential qualifies as “trade secrets” under N.C. Gen. Stat. § 66-1 52(3). Public disclosure of this information would allow access by external vendors to the projected or actual costs for services that will be or have been competitively bid, which may provide commercial value to such external vendors and may ultimately result in harm to ratepayers. Pursuant to N.C. Gen. Stat. § 132-1.2, the Company has redacted this confidential information from the public version of this filing and is contemporaneously filing these confidential pages under seal. The Company will make this information available to other interested parties pursuant to an appropriate nondisclosure agreement.

Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Andrea R. Kells

Enclosures

Avoided Cost Information as Required by 18 C.F.R. § 292.302(b)

Dominion Energy North Carolina

Docket No. E-100, Sub 167

November 2, 2020

292.302(b)(1) REQUIREMENT:

The estimated avoided cost on the electric utility’s system, solely with respect to the energy component, for various levels of purchases from qualifying facilities. Such levels of purchases shall be stated in blocks of not more than 100 megawatts for systems with peak demand of 1,000 megawatts or more, and in blocks equivalent to not more than 10 percent of the system peak demand for systems of less than 1,000 megawatts. The avoided costs shall be stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods, by year, for the current calendar year and each of the next five years.

RESPONSE:

Dominion North Carolina Power									
Avoided Energy Cost by Period (cents/kWh)									
	<u>Sub1</u>	<u>Sub2</u>	<u>Sub3</u>	<u>Sub4</u>	<u>Sub5</u>	<u>Sub6</u>	<u>Sub7</u>	<u>Sub8</u>	<u>Sub9</u>
2021	3.676	2.849	1.993	3.747	3.152	3.211	2.746	2.756	2.035
2022	3.934	3.048	2.076	4.422	3.758	3.780	2.815	2.824	2.065
2023	4.186	3.241	2.265	3.993	3.385	3.415	2.749	2.622	2.080
2024	4.477	3.475	2.383	4.199	3.587	3.610	3.056	2.687	2.183
2025	4.716	3.665	2.539	4.047	3.460	3.499	3.067	2.750	2.228
2026	5.213	4.045	2.833	4.275	3.584	3.669	3.163	3.036	2.423

Subperiod	Name	Abr.	Months	Weekday Hours	Weekend Hours
Sub1	Summer Premium Peak	(S-PP)	Jun-Sep	15-18	
Sub2	Summer On-Peak	(S-On)	Jun-Sep	11-14,19-22	
Sub3	Summer Off-Peak	(S-Off)	Jun-Sep	1-10,23-24	1-24
Sub4	Winter Premium Peak	(W-PP)	Dec-Feb	7-8,18-19	
Sub5	Winter On-Peak(am)	(W-On-AM)	Dec-Feb	9-12	
Sub6	Winter On-Peak(pm)	(W-On-PM)	Dec-Feb	20-22	
Sub7	Winter Off-Peak	(W-Off)	Dec-Feb	1-6,23-24	1-24
Sub8	Shoulder On-Peak	(Sh-On)	Shoulder	7-22	
Sub9	Shoulder Off-Peak	(Sh-Off)	Shoulder	1-6,23-24	1-24

292.302(b)(2) REQUIREMENT:

The electric utility’s plan for the addition of capacity by amount and type, for purchases of firm energy and capacity, and for capacity retirements for each year during the succeeding 10 years.

RESPONSE:

The Company’s 2020 IRP includes the following planned capacity additions and retirements:

Capacity Additions

<u>Unit Name</u>	<u>Type</u>	<u>Planned COD</u>	<u>Summer MW</u>
US-4 Solar Project	Solar	December 2020	100
IRP Future Solar	Solar	2021-2035	14,820
Solar DG	Solar	2022-2030	1,110
CVOW	Off-Shore Wind Project	Winter 2020/2021	11
Generic CTs	Combustion Turbine	May 2024	970
Commercial Off-Shore Wind	Off-Shore Wind Project	2026-2034	5,112
Battery Pilot_16MW	Battery	December 2021	16
Battery Pilot_14MW	Battery	December 2022	14
Battery_400 MW	Battery	2026	400
Battery_500 MW	Battery	2027-2034	2,000
Pumped Storage	Pumped Storage	2030	300

Retiring Units

Per the Company’s 2020 IRP the generators listed below are likely units for retirement. The Company’s final decision regarding any unit retirement will be made at a future date. For the purpose of this filing, the assumptions regarding generation unit retirements are as follows:

- Possum Point 5 retiring 12/31/2020
- Yorktown 3 retiring 5/1/2023
- Chesterfield 5 and 6 retiring 5/1/2023
- Clover 1 and 2 retiring 1/1/2025
- Rosemary retiring 1/1/2027
- Altavista, Hopewell and Southampton units retiring 1/1/2029

292.302(b)(3) REQUIREMENT:

The estimated capacity cost at completion of the planned capacity additions and planned capacity firm purchases, on the basis of dollars per kilowatt, and the associated energy cost of each unit, expressed in cents per kilowatt-hour. These costs shall be expressed terms of individual generating units and of individual planned firm purchases.

CONFIDENTIAL INFORMATION REDACTEDRESPONSE:ESTIMATED CAPITAL AND ENERGY COSTS FOR PLANNED CAPACITY ADDITIONS

The Company's 100 MW US-4 Solar Project is expected to have an overnight installed cost of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] /kW and a first-year fuel cost of 0 cents/kWh.

The Virginia "Future IRP Solar" solar additions shown above are a combination of Company-built utility scale solar resources and PPA contracts. The company-built solar projects are estimated to have overnight installed costs ranging from [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] depending upon the year of commercial operation. The first-year fuel cost is 0 cents/kWh. For the PPA projects, the price for year 1 is expected to be [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/MWh for contracts beginning in 2021 and [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/MWh for contracts beginning in 2022 and beyond.

The Company's 1,100 MW of smaller scale distributed solar energy resources are estimated to have overnight installed costs of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] /kW and a first-year fuel cost of 0 cents/kWh. generation

The overnight installed cost of the CVOW offshore wind facility is [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL], excluding financing costs. The first-year fuel cost is 0 cents/kWh.

The Company's IRP includes two 458 MW CT facilities in 2024. The estimated overnight installed cost is [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] /kW. The first-year fuel commodity cost is estimated to be 2.90 cents/kWh.

The commercial offshore wind project is estimated to have overnight capital costs of roughly [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/kW and first-year fuel cost of 0 cents/kWh.

The Company's two battery pilot projects have estimated overnight installed costs of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/kW for the 16MW project and [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/kW for the 14MW project. Both projects have a first-year fuel cost of 0 cents/kWh.

The Company's 400 MW and 500 MW battery projects are estimated to have overnight installed costs of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/kW and first-year fuel cost of 0 cents/kWh.

The Company's 300 MW pumped storage project is projected to be in service in 2030. It is estimated to have overnight installed costs of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]/kW and a first-year fuel cost of 0 cents/kWh.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Information Regarding Avoided Costs as Required by 18 C.F.R. § 292.302(b)(1)-(3)*, filed in Docket No. E-100, Sub 167, were served electronically or via U.S. mail, first-class postage prepaid, upon all parties of record.

This the 2nd day of November, 2020.

/s/Andrea R. Kells

Andrea R. Kells

McGuireWoods LLP

501 Fayetteville Street, Suite 500

Raleigh, North Carolina 27601

Telephone: (919) 755-6614

akells@mcguirewoods.com

*Attorney for Virginia Electric and Power
Company, d/b/a Dominion Energy North
Carolina*