



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

October 29, 2019

Ms. Kimberly A. Campbell, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. E-22, Subs 577  
Dominion Energy North Carolina

Dear Ms. Campbell:

In connection with the above-referenced docket, the Public Staff filed the testimony of David M. Williamson, on October 22, 2019. We erroneously included a reference to an offshore wind unit on page 7 of Williamson's testimony. The testimony should be corrected on page 7, lines 7-8 of his testimony to delete the phrase "a combustion turbine (CT), and the cost of a Virginia offshore wind unit" and substitute the phrase "and market purchases" in its place. I have attached a corrected version of page 7 of Williamsons' testimony.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s/ Heather D. Fennell  
Staff Attorney  
[heather.fennell@psncuc.nc.gov](mailto:heather.fennell@psncuc.nc.gov)

HDF/cla

Attachment

Executive Director (919) 733-2435	Communications (919) 733-5610	Economic Research (919) 733-2267	Legal (919) 733-6110	Transportation (919) 733-7766
Accounting (919) 733-4279	Consumer Services (919) 733-9277	Electric (919) 733-2267	Natural Gas (919) 733-4326	Water (919) 733-5610

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1 March 7, 2019 in Docket No. E-100 Sub 157) and the Mechanism.  
2 However, the Public Staff noted in its review of the new EE programs,  
3 that the Company modeled those programs in a manner that the  
4 Public Staff believes could raise some concern with the inputs used  
5 to value the avoided capacity benefits. DENC's modeling for the  
6 programs included avoided capacity benefits that, in certain years,  
7 are based on the cost per kW of a generic solar unit and market  
8 purchases as outlined in Plan E of its filed 2018 Compliance IRP.  
9 The Public Staff notes that the Compliance IRP calls for new capacity  
10 resources in 2021, which requires that the next resource to be  
11 renewable capacity. The Public Staff believes that the use of a CT is  
12 the appropriate input to the methodology used to determine the  
13 avoided cost rate for capacity; as compared to, the use of other  
14 generation units which overstate the avoided capacity benefits of the  
15 programs. However, the impact was not material to the calculations  
16 of the cost effectiveness for the new EE programs. The Public Staff  
17 intends to discuss the issue of avoided cost modeling with the  
18 Company further in the context of the upcoming Mechanism review  
19 and the next rider proceeding.

20 **Q. PLEASE DISCUSS THE COST EFFECTIVENESS OF THE**  
21 **PORTFOLIO OF PROGRAMS.**