

Ms. M. Lynn Jarvis, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

RE: Docket No. E-100, Sub 150

Dear Ms. Jarvis:

I am the owner of the Spencer Mountain hydroelectric generating plant, licensed by this Commission in docket SP-7844 Sub 0. I oppose the reduction in capacity payment for small hydro and believe that small hydro should not be subject to capacity payment reduction under G.S. 62-110.8.

Existing small hydro plants in North Carolina have consistently produced power around the clock for many years. This contribution should be accounted for in each utility's IRP, in every year. Then, based on that capacity contribution in the IRP, small hydro plants should be paid for this capacity. This is especially true for existing small hydro plants, which have been planned, financed and built with the understanding that they would be paid for capacity.

Environmental compliance costs are simply another component of the total cost of producing electricity. All forms of electric generation have environmental effects to varying degrees, and have associated compliance costs to mitigate these effects. Separating the environmental compliance costs of an energy source from the other costs (such as construction, fuel and maintenance) results in a fictitious source that does not reflect the true total cost of electricity production.

Small hydro in North Carolina has produced hundreds of millions of kWh of clean electricity in recent decades. This energy has displaced some of that produced from other sources, including coal plants. Because of this reduced coal-fired production, less coal ash has been produced and the recent coal ash cleanup costs have been reduced. As a result, small hydro has produced an avoided cost in the form of reduced environmental compliance costs. To date, the small hydro producers have not been paid for this avoided cost.

Thank you for your time and consideration.

Sincerely,

Kevin Edwards

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Aug 16 2017

08/16/2017