

1 PLACE: Dobbs Building, Raleigh, North Carolina

2 DATE: Wednesday, November 9, 2022

3 TIME: 10:02 a.m. - 10:21 a.m.

4 DOCKET NO: E-22, Sub 644

5 BEFORE: Hearing Examiner Derrick Mertz

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12 IN THE MATTER OF:

13 Application by

14 Virginia Electric and Power Company,

15 d/b/a Dominion Energy North Carolina,

16 for Authority to Adjust its Electric Rates and

17 Charges and Revise its Fuel Factor Under N.C. Gen.

18 Stat. § 62-133.2 and Commission Rule R8-55

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A P P E A R A N C E S:

FOR VIRGINIA ELECTRIC AND POWER COMPANY, d/b/a

DOMINION ENERGY NORTH CAROLINA:

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NORTH CAROLINA UTILITIES COMMISSION

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T A B L E O F C O N T E N T S

E X A M I N A T I O N S

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As a panel,

BRIAN ENNIS, TIM CONWAY, and ANDREW WATERS

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IDENTIFIED/ADMITTED

Waters Exhibit 1 -- / 17

P R O C E E D I N G S

MR. MERTZ: Good morning. Let's come to order, please, and go on the record. I am Derrick Mertz, Staff Attorney for the North Carolina Utilities Commission, and Hearing Examiner for this proceeding.

I now call for hearing Docket Number E-22, Sub 644, which is the Application by Dominion Energy North Carolina pursuant to North Carolina General Statute § 62-133.2 and Commission Rule R8-55 Regarding Fuel and Fuel-Related Charge Adjustments for Electric Utilities.

On August 9th, 2022, Dominion Energy North Carolina filed its Application to address the fuel and fuel-related cost components of its electric rate, excuse me, electric rates.

We are here this morning to accept public witness testimony on this application.

Pursuant to North Carolina General Statute 138A-15, members of the Commission and its legal counsel have a duty to avoid conflicts of interest. I state for the record that I have no known conflict of interest with respect to this proceeding.

I now call on the parties to announce

NORTH CAROLINA UTILITIES COMMISSION

1 their appearances, starting with the Applicant.

2 MS. GRIGG: Good morning, Hearing Examiner
3 Mertz. Mary Lynne Grigg with McGuireWoods on behalf
4 of Dominion Energy North Carolina.

5 MR. FREEMAN: Good morning, Hearing
6 Examiner Mertz. I am William Freeman and with me is
7 Zeke Creech and Thomas Felling, attorneys with the
8 Public Staff, here on behalf of the Using and
9 Consuming Public.

10 HEARING EXAMINER MERTZ: I understand that
11 the Public Staff has identified three witnesses who
12 wish to speak in this proceeding.

13 MR. FREEMAN: We have, Hearing Examiner.
14 If they can come forward, please.

15 HEARING EXAMINER MERTZ: And I understand
16 they wish to speak as a panel.

17 MR. FREEMAN: Yes, Hearing Examiner.

18 HEARING EXAMINER MERTZ: Before we begin,
19 I would like to say a few words about procedure. In
20 conducting this hearing, the Commission functions in
21 a judicial capacity. Because the Commission
22 functions as a court, we cannot respond to questions
23 in this proceeding, instead, we are here to receive
24 evidence from you-all in the form of your testimony.

1 The Public Staff, which represents the
2 Using and Consuming Public, is made a party to this
3 proceeding pursuant to Statute, and in this
4 proceeding the Public Staff represents you, the
5 Using and Consuming Public, and the Public Staff
6 will assist you in providing your testimony tonight.

7 Please refrain from offering opinions on
8 matters that are not related to the Application that
9 is at issue in this docket. In lieu of oral
10 testimony you may also submit written testimony as
11 long as you swear to its accuracy. Any written
12 statements must be submitted and identified by a
13 person under oath during this hearing.

14 Counsel for any party may ask you
15 questions following your testimony. In addition,
16 the Hearing Examiner will also have an opportunity
17 to ask you questions.

18 Because you-all are testifying as a panel,
19 I will allow you to speak for no more than 10
20 minutes in this proceeding.

21 Are you ready to be sworn?

22 THE PANEL: Yes.

23 As a panel,

24 BRIAN ENNIS, TIM CONWAY and ANDREW WATERS;

1 having been duly affirmed,

2 testified as follows:

3 HEARING EXAMINER MERTZ: Could you each
4 state your name for the record?

5 MR. ENNIS: I'll start. Brian Ennis.

6 COURT REPORTER: You will need to move the
7 microphone closer.

8 MR. ENNIS: Brian Ennis.

9 MR. CONWAY: Tim Conway.

10 MR. WATERS: Andrew Waters.

11 HEARING EXAMINER MERTZ: And are you each
12 Dominion customers in a sense?

13 MR. ENNIS: In a sense, let's say
14 potential.

15 HEARING EXAMINER MERTZ: You each have an
16 interest in this particular proceeding?

17 MR. ENNIS: (Nods in agreement).

18 MR. CONWAY: Yes.

19 MR. WATERS: Yes.

20 HEARING EXAMINER MERTZ: If you would
21 please proceed.

22 DIRECT STATEMENTS BY THE PANEL:

23 MR. ENNIS: If I may start, so my group
24 owns the Edgecombe Genco -- former Edgecombe Genco

1 facility in Battleboro, North Carolina. It was a
2 coal-fired power plant that produced 115 megawatts
3 of power. It started running in the late '80's.
4 And my group, we actually buy and redevelop retired
5 power plants, mostly coal plants. Edgecombe is one
6 of our projects we currently own. We shut down
7 Edgecombe in 2019 and looked for the next
8 development and for that project to bring jobs and
9 revenue to Battleboro.

10 Currently, we have a potential buyer for
11 the property that will bring a large amount of power
12 to the site, buying from Dominion Energy, and this
13 is Tim Conway. I'll introduce these guys here in a
14 second. But just to finish my point on this, yes,
15 we are the owner of the property. We are interested
16 in Dominion's rate case -- well, fuel rate case in
17 addition to a demand response program that we
18 understand that is not in North Carolina right now
19 under PJM.

20 So there's kind of two subjects here, if
21 you will, talking a little bit about the fuel
22 increase and also a suggestion on demand response,
23 which I'll bring these guys in for that.

24 So I guess I'll introduce the potential

1 buyer, Tim Conway, and then his representative for
2 energy, Andrew Waters.

3 MR. CONWAY: Hello. Again, my name is Tim
4 Conway. I am a principal with 98-6 Redevelopment
5 Partners. We purchase former industrial sites and
6 redevelop them. We are in a Purchase and Sale
7 Agreement for the property that Mr. Ennis here
8 mentioned, and we're here today to talk about the
9 rate, proposed rate increase.

10 Our -- as Brian said, we're looking to
11 bring back a hundred or more megawatts of power to
12 the site to create a data, as well as other
13 manufacturing at the site, utilizing the rail that
14 is there in addition to the Dominion substation.
15 And the rate increase that has been proposed of
16 \$0.89, given if we were to just bring in initially
17 50 megawatts and then increase the -- for us, that
18 increase would end up being about \$320,000 plus per
19 month for us and that could have a huge effect of
20 whether the project can go forward for us.

21 In addition, we will have a very large
22 infrastructure buildout that the development, its
23 plan, and we will also be bringing multiple jobs to
24 the Battleboro area if this project can go forward

1 and we can close on the facility.

2 As Brian indicated, one of the
3 possibilities although not in place right now that
4 could help offset that would be a direct response
5 program. And, you know, to talk about that and give
6 some more in particulars, particulars is our energy
7 consultant Andrew Waters with EnergyMark.

8 MR. WATERS: Good morning, Andrew Waters
9 from EnergyMark. I'm on behalf of 96 Redevelopment
10 Partners (sic). We've done some lookbacks in
11 reference to assisting Tim and his group as well as
12 Brian in relation to what the rate case affects his
13 project, and some of the secondary components that
14 will assist not only Dominion North Carolina and
15 him, make the project work well.

16 Collectively, looking at the total energy
17 price is one of the things that as you can imagine,
18 as Tim referenced, helps him finalize and Brian also
19 finalize redevelopment of the site here in North
20 Carolina. One of the goals is to be sustainable and
21 renewable for the site. Other projects including
22 solar, battery ads, and things collectively are in
23 process or in expectation of this site. The
24 curtailment program component as you can imagine

1 from previous locations that Tim and his group
2 develop and redevelop and establish nice projects
3 at, is curtailment programs of reducing power and
4 load demand on the grid. And those programs are not
5 available yet in North Carolina but are familiar
6 with Dominion and PJM in Virginia, same exact
7 program would make a dramatic impact on whether this
8 works or not as Tim referenced.

9 But the secondary thing is the carbon
10 reduction or the CO2 emission improvements to the
11 air quality of North Carolina is one of the things
12 we'd like to submit today just for reference. If
13 allowable, we would like to submit that for
14 documentation to the committee.

15 HEARING EXAMINER MERTZ: Any objection
16 from the parties?

17 MS. GRIGG: No objection.

18 MR. FREEMAN: No objection.

19 MR. WATERS: Thank you.

20 HEARING EXAMINER MERTZ: It will be
21 submitted.

22 MR. ENNIS: Can I just -- one more point
23 on that. Curtailment, demand response, they're the
24 same thing; different definitions but they are the

1 same thing.

2 MR. WATERS: That's pretty much what --
3 yeah. We'd ask is this the right time to discuss
4 that briefly or is that for a separate time and
5 discussion as it relates to the project is really --
6 I know we can't ask questions.

7 HEARING EXAMINER MERTZ: I mean, in terms
8 of --

9 MR. WATERS: I don't want to take up your
10 time if it's not allowable, sir.

11 HEARING EXAMINER MERTZ: I mean, you have
12 three minutes remaining if you would wish to proceed
13 with discussing that at this time or if you wish to
14 hold it for the next proceeding you can do so.

15 MR. WATERS: Sure. We'd like to -- I'll
16 take my time if that works -- is agreeable?

17 HEARING EXAMINER MERTZ: Please proceed.

18 MR. WATERS: Similar to many other states,
19 these demand response or curtailment programs which
20 briefly reducing your power use to the tune of a 50,
21 100 megawatts. To give you a summary, reducing
22 100 megawatts on the grid on Dominion would be
23 reducing 500 metric tons of CO2 every year into the
24 air and a phenomenal improvement, which also

1 Governor Cooper established one year ago on October
2 13th that the Commission has to or is really
3 encouraged to reduce all CO2 emissions. And we
4 believe collectively it works a great partnership
5 here in North Carolina for Tim's group, Brian's
6 group, and certainly the environment, right. Which
7 is a win-win for everybody at the community, the
8 utility level, Dominion, and certainly healthier
9 communities and great projects like Tim hopes to
10 redevelop that are green, sustainable,
11 solar-included projects which also increase the tax
12 base and the job encouragement here in North
13 Carolina. I would stipulate that that would
14 probably all be a win-win situation for everybody
15 and the curtailment programs.

16 In the large scale
17 forest-through-the-trees viewpoint is one of the
18 reasons why the rate case collectively is the
19 discussion, right, today for us, right, because it
20 really makes that project fly and is a great
21 solution for Tim and 98-6 Redevelopment Group.

22 HEARING EXAMINER MERTZ: Understood. Does
23 that conclude your testimony?

24 MR. ENNIS: Very briefly. Rocky Mount,

1 Nash County, Edgecombe County Economic Development
2 Group is very high on this project. They want the
3 jobs and they want the investment in the community.
4 There is an inner molding facility, brand new
5 nextdoor, that CS6 built, so that's just perfect for
6 this location to bring even more jobs to this area.

7 HEARING EXAMINER MERTZ: Are there any
8 questions from the Applicant or the parties?

9 MS. GRIGG: I have just a couple.

10 HEARING EXAMINER MERTZ: Please.

11 MS. GRIGG: Good morning, gentlemen.

12 Thank you for coming.

13 THE PANEL: (Jointly) Good morning.

14 MS. GRIGG: As I said previously, I'm Mary
15 Lynne Grigg. I represent Dominion in North Carolina
16 and I am familiar from the Company about your
17 proposed project. They've asked me some questions
18 about it.

19 EXAMINATION BY MS. GRIGG:

20 Q Mr. Conway, I'll direct the first question to
21 you, but anyone may answer. I did not hear or
22 maybe I -- well, I did not hear. What do you
23 propose to do with the Edgecombe Genco plant?

24 A (Mr. Conway) It will be multi-development

1 where we'll utilize each of the assets that the
2 property has to offer. So, for example, the
3 substation where we plan to build a data
4 services center in one area; the rail, we'll
5 plan to build some warehousing; and then
6 possibly on the other portion, we're doing an
7 analysis for some type of solar battery usage
8 as well.

9 Q Thank you.

10 A (Mr. Ennis) And just to confirm, the plant has
11 been demoed. The plant is no longer there.

12 Q I did not understand that. That's what was
13 confusing me. Thank you for that
14 clarification.

15 And you said that you had hoped
16 this would bring job opportunity to the
17 Battleboro area. Do you have an estimate as to
18 how many jobs you project it could bring?

19 A (Mr. Conway) Yes. It will be over time as the
20 developments happen but in Phase 1, we're
21 looking at probably about 20 full-time jobs.
22 That's not including any of the construction.
23 Those are just once the development is up and
24 running. And those jobs will also be related

1 to the data center so they will be higher
2 paying jobs. The average salary will probably
3 be high five to low six figure area. And then
4 as we build out each other phase, additional
5 jobs will be added. Phase 2 would be the
6 warehouse area. And it may be a combination as
7 we're looking in doing the analysis on the
8 battery and solar as well.

9 Q Thank you. And I understand y'all have talked
10 to Bob Trexler at the Company about this --

11 A Yes.

12 Q -- and I'm sure he will continue to have those
13 discussions with you-all. Just thank you for
14 your time for appearing today.

15 MS. GRIGG: No further questions.

16 MR. WATERS: Thank you for your questions.

17 HEARING EXAMINER MERTZ: Public Staff?

18 MR. FREEMAN: If you wouldn't mind giving
19 the court reporter the mailing address for you. It
20 doesn't have to be a personal address but your
21 business address.

22 MR. ENNIS: Sure. Brian Ennis, 592
23 Captain Beam Boulevard, B-E-A-M, Hampstead, North
24 Carolina 28443.

1 MR. CONWAY: Tim Conway, 98-6
2 Redevelopment Partners, 311 Meadowsweet Drive, State
3 College, Pennsylvania 16801.

4 MR. WATERS: Andrew Waters, EnergyMark,
5 LLC, that's at 6653 Main Street, Buffalo, New York
6 14221.

7 MR. FREEMAN: Thank you. I have no more
8 questions.

9 HEARING EXAMINER MERTZ: As Hearing
10 Examiner, I do not have any follow-up questions. I
11 do want to thank you for your testimony.

12 MR. CREECH: Hearing Examiner Mertz, could
13 we -- would it be appropriate to enter into evidence
14 the Waters Exhibit?

15 HEARING EXAMINER MERTZ: Absolutely.

16 MR. CREECH: We'd like to mark this
17 exhibit Waters Exhibit 1 for the record.

18 HEARING EXAMINER MERTZ: It will be
19 received into evidence.

20 (WHEREUPON, Waters Exhibit 1
21 is received into evidence.)

22 MR. WATERS: Thank you very much.

23 HEARING EXAMINER MERTZ: The testimony
24 you've given and the exhibit will be considered by

1 the Commission.

2 Normally, I would excuse you, but if you
3 would please remain in your seats for the next
4 proceeding.

5 If there is nothing further, this
6 concludes the hearing for the Fuel Rider proceeding.

7 MR. ENNIS: Sorry. Quick question. So
8 for the rest of the group that's watching, will
9 there be follow-up questions by email or any
10 questions from the rest of the Commission? How will
11 they come to us?

12 HEARING EXAMINER MERTZ: There will not be
13 follow-up questions to this proceeding. They would
14 be at this proceeding.

15 For the record, if I did not restate that
16 the Fuel Rider proceeding has been concluded, it has
17 been concluded.

18 (The proceedings were adjourned)
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C E R T I F I C A T E

I, KIM T. MITCHELL, do hereby certify that the Proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

Kim T. Mitchell_____

Kim T. Mitchell