

ERRATA

To: Chief Clerk's Office
From: Kim Mitchell
CC: Janice Fulmore
Date: August 22, 2019
Re: Docket Number E-100, Sub 158

OFFICIAL COPY

General Electric - Biennial Determination of Avoided Cost Rates for Electric
Utility Purchases from Qualifying Facilities - 2018
VOLUME: 4

Please accept for filing attached pages 215 through 219 of the Volume 4 transcript that was not included in the electronic filing on July 26, 2019. Please distribute to the following parties:

Mr. Dodge	Ms. Cummings	Ms. Harrod	Ms. Fentress
Ms. Grigg	Mr. Dantonio	Mr. Smith	Ms. Bowen
Ms. Hutt	Ms. Kemerait	Mr. Levitas	Ms. Ross
Mr. Snowden	Ms. Wills	Mr. Quinn	

Thank you.

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Clerk's Office
N.C. Utilities Commission

1 last 100 megawatts to be expected to be installed by
2 the end of 2020 based on the Company's IRP. So that's
3 the level solar there. And looking at that last
4 100 megawatts and calculating the incremental cost of
5 the 100 megawatts. Very similar to the other tranches,
6 it's just now we're looking at the 100 megawatt
7 increments. So we run it before and after that
8 100 megawatts and determine what the cost of that last
9 hundred megawatts is.

10 Q. Well, I'm having trouble following the logic
11 of that, because let's imagine a five-year PPA that's
12 entered into today. And under this proposal, the
13 charge is going to be adjusted every two years, as I
14 understand it, subject to a cap.

15 A. Yeah. Well, again, you're beyond my scope.
16 Ratemaking piece of this --

17 MR. BREITSCHWERDT: Objection.

18 THE WITNESS: I'm not familiar with
19 exactly --

20 MR. LEVITAS: Well, if I may,
21 Mr. Breitschwerdt, I'm not going to ask this
22 witness to testify to anything he doesn't know, but
23 I don't know how I can get to the question about
24 what he does know without just -- we can stipulate

1 and you can tell me if I've got it wrong, but I
2 need to ask him a question about how this cap is
3 calculated, which he said is within his area of
4 testimony.

5 MR. BREITSCHWERDT: He said how the cap
6 is calculated. So nothing to do with a five-year
7 PPA. And I would submit that Mr. Wheeler's
8 testimony for the Company addressed that, and I
9 also replied that the Public Staff was a party to
10 that stipulation. And I think Mr. Thomas is well
11 qualified to answer the question that you might
12 have. So please answer if you are able to.

13 MR. LEVITAS: Well, let me try to get
14 the question on the table and see if he can answer
15 it.

16 Q. What I'm trying to understand is the basis
17 for charging -- for potentially charging a PPA over the
18 life of a five-year term a cap that is based on the
19 incremental charge.

20 What is the logic in using that incremental
21 charge when that solar facility is only going to pay an
22 average charge over the life of its PPA?

23 A. And I --

24 Q. Let me -- I'll try to rephrase the question.

1 The problem that I'm trying to ask you about is that
2 you've proposed caps that are roughly three times the
3 average -- the initial average cost; is that right?

4 MR. BREITSCHWERDT: Objection.

5 Mr. Wintermantel did not propose a cap.

6 Mr. Wintermantel quantified the cost -- the
7 incremental cost of those load file reserves for
8 that amount of penetration. The Company proposed a
9 cap. And I would reiterate that that was in
10 Mr. Wheeler's testimony and a witness for the
11 Public staff who is also a party to the stipulation
12 that purported the cap will be available later in
13 this proceeding. I'd also note that NCCCEBA had
14 five minutes to cross that was reserved, and we're
15 now an hour and 20 minutes in. So it seems like,
16 if it's beyond the scope of this witness'
17 testimony, we should leave it at that.

18 MR. LEVITAS: Well, we'll be happy to
19 take that up with the Public Staff witness at this
20 point. I have nothing further, thank you. Thank
21 you, Mr. Wintermantel.

22 Ms. Hutt: Madam Chair, if we may, we
23 would like to now move SACE Wintermantel cross
24 Exhibit 1 into the record.

1 CHAIR MITCHELL: Without objection, that
2 motion is allowed.

3 (SACE Wintermantel Cross Exhibit Number
4 1 was admitted into evidence.)

5 CHAIR MITCHELL: Redirect?

6 MR. BREITSCHWERDT: Just one topic very
7 briefly.

8 REDIRECT EXAMINATION BY MR. BREITSCHWERDT:

9 Q. So, counsel for SACE asked you a few
10 questions, Ms. Hutt, about Figure 7 on page 31 of your
11 testimony, and then Mr. Kirby's figure on page 37, and
12 the differences between the two, in terms of solar
13 penetration versus the actual nominal solar that was
14 being set on the system.

15 Can you just take a minute and explain to the
16 Commission what is the relevant consideration and why
17 you think Mr. Kirby's analysis is inappropriate?

18 A. Yeah. So again, my Figure 7, it's a
19 comparison between our study and the Idaho study. And
20 it's simply comparing the operating reserve increase as
21 a function of the solar capacity. So when you look at
22 our study, you look at the Idaho study, the operating
23 reserve increases are driven by the actual nominal
24 amount of solar capacity. I mean, that is what's

1 driving the additional operating reserves.

2 What I think Mr. Kirby has done is somewhat
3 confused the situation is try to tie the solar divided
4 by the load which is a percentage penetration. Yeah,
5 sure, Idaho has a higher solar penetration, but not
6 more solar capacity. And so the solar capacity is the
7 right comparison.

8 When I add 100 megawatts in DEC and I add
9 100 megawatts in Idaho, the volatility -- let's say
10 they're the exact same solar projects -- we realize
11 they're different jurisdictions, but the volatility on
12 those would be exactly the same. So you have to
13 address the same amount of volatility. So the increase
14 in operating reserves on those 100 megawatts is what
15 should be compared. It should be compared based on the
16 100 megawatts, not the solar penetration which takes
17 that solar 100 megawatts divided by the load and really
18 starts to distort the figure.

19 MR. BREITSCHWERDT: That's all I have.

20 CHAIR MITCHELL: Questions from the
21 Commission? I do have one question for you.

22 EXAMINATION BY CHAIR MITCHELL:

23 Q. I understand from your testimony that the
24 model, in accounting for the blocks of solar, or