



434 Fayetteville Street
 Suite 2800
 Raleigh, NC 27601
 Tel (919) 755-8700 Fax (919) 755-8800
 www.foxrothschild.com

DAVID T. DROOZ
 Direct No: 919.719.1258
 Email: ddrooz@foxrothschild.com

November 1, 2023

Ms. A. Shonta Dunston
 Chief Clerk
 North Carolina Utilities Commission
 430 N. Salisbury Street
 Raleigh, NC 27603

Via Electronic Submittal

Re: In the Matter of
Biennial Determination of Avoided Cost Rates for Electric Utility
Purchases from Qualifying Facilities -- 2023
Docket No. E-100, Sub 194
Joint Comments and Proposed Rates of Western Carolina University and
Appalachian State University d/b/a New River Light & Power Company

Dear Ms. Dunston:

Under cover of this letter and at the request of New River Light & Power (NRLP) and Western Carolina University (WCU), we herewith provide Joint Comments and Proposed Rates in compliance with the Commission’s August 7, 2023, Order Establishing Biennial Proceeding, Requiring Data, and Scheduling Public Hearing, specifically ordering paragraph 3.

If you should have any questions concerning this filing, please let me know.

Thank you and your staff for your assistance.

Sincerely,
/s/ David T. Drooz
 David T. Drooz
 Attorney for
 New River Light & Power
 and Western Carolina University

pbb
 Enclosures



Ms. A. Shonta Dunston
Page 2
November 1, 2023

cc: All parties and counsel of record
NC Public Staff

OFFICIAL COPY

Nov 01 2023

DOCKET E-100, SUB 194

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

**IN THE MATTER OF
BIENNIAL DETERMINATION OF AVOIDED
COST RATES FOR ELECTRIC UTILITY PURCHASES
FROM QUALIFYING FACILITIES – 2023**

**JOINT COMMENTS AND PROPOSED RATES OF
WESTERN CAROLINA UNIVERSITY AND APPALACHIAN STATE
UNIVERSITY d/b/a NEW RIVER LIGHT & POWER COMPANY**

November 1, 2023

OFFICIAL COPY

Nov 01 2023

TABLE OF CONTENTS

- I. Procedural History
- II. Avoided Cost Calculation and Proposed Rate Design Formula
- III. Status of QF's on WCU and NRLP Systems

I. Procedural History

On or about February 6, 1984, Western Carolina University ("WCU") filed with the North Carolina Utilities Commission ("Commission") an application setting forth proposed rates, terms and conditions to be offered to small power producers and co-generators. That filing was in Docket No. E-100, Sub 41A. Since then, Western Carolina University has filed with the Commission rates, terms and conditions to be offered to small power producers and co-generators. Those filings were in Docket No. E-100, Sub 53; Docket No. E-100, Sub 57; Docket No. E-100, Sub 59; Docket No. E-100, Sub 66; Docket No. E-100, Sub 74; Docket No. E-100, Sub 79; Docket No. E-100, Sub 81; Docket No. E-100, Sub 87; Docket No. E-100, Sub 96; Docket No. E-100, Sub 100; Docket No. E-100, Sub 106; Docket No. E-100, Sub 117; Docket No. E-100, Sub 127; Docket No. E-100, Sub 136; Docket No. E-100, Sub 140; Docket No. E-100, Sub 148; Docket No. E-100, Sub 158; Docket No. E-100, Sub 167; and Docket No. E-100, Sub 175.

New River Light & Power Company ("NRLP") filed comments in the last seven avoided cost dockets: Docket No. E-100, Sub 127; Docket No. E-100; Sub 136; Docket No. E-100, Sub 140; Docket No. E-100, Sub 148; Docket No. E-100, Sub 158; Docket No. E-100, Sub 167; and Docket No. E-100, Sub 175.

In the last avoided cost rate proceeding, which was Docket No. E-100, Sub 175, the Commission granted the formula rates proposed by WCU and NRLP.

WCU and NRLP both take power supplies from Carolina Power Partners ("CPP"). Because they have the same power supplier, and avoided costs are tied to the wholesale power supply cost, WCU and NRLP will follow the same format for the development of avoided cost rates in this filing. However, NRLP has a new avoided cost rate option, Schedule PPR, for sellers of solar photovoltaic (PV) generation which was approved by Order of the Commission in Docket No. E-34, Subs 54 and Sub 55. Schedule PPR was developed as part of NRLP's cost of service analysis as filed in these dockets. NRLP's net billing rider, Schedule NBR, was also approved by Order of the Commission in these same dockets. Schedule NBR was also developed through the cost-of-service analysis ensuring those customers providing solar PV generation participating in the net billing rider would

pay their share of NRLP's fixed costs not avoided. Any customer supplying solar PV generation to NRLP would be compensated under Schedule PPR or Schedule NBR. This cost-of-service analysis identified some avoided transmission costs that were incorporated into Schedules PPR and NBR rate designs specific to solar PV generation. Any other renewable power provided to NRLP would be compensated under one of NRLP's SPP schedules as discussed below.

II. Avoided Cost Calculation and Proposed Formula Rate

Proposed Formula Rates

The wholesale rate that WCU and NRLP pay to their supplier, CPP, varies by year. As a result, the attached formulas, as found in Exhibits WCU-1, WCU-2, NRLP-1, and NRLP-2, encompass the avoided costs of WCU and NRLP with respect to small power producers and co-generators wishing to provide electricity back to the WCU and NRLP distribution systems at variable rates. The costs on which these WCU and NRLP rates are based are the actual wholesale costs of power that WCU and NRLP will avoid by not purchasing a like amount from their supplier. To be specific, Exhibits WCU-1 and NRLP-1 set out the formulas to be used by WCU and NRLP when calculating the credit to be paid to small power producers or co-generators that wish to receive the demand credit. Exhibits WCU-2 and NRLP-2 provide the formula for aggregate WCU and NRLP customer loads where the customer foregoes the demand credit. Exhibits WCU-3 and NRLP-3 establishes the formula for WCU and NRLP customer loads where the provider wishes a long-term avoided cost rate. These exhibits are the same formula rates approved by the Commission in Docket No. E-100, Sub 175.

Standard Contracts:

The standard contract used for a small generator when the total WCU small power load is equal to, or less than 1 MW is attached hereto as Exhibit No. WCU-4 and entitled "Purchase Power Agreement for Aggregate WCU Loads". Any potential generation over 1 MW would need to be negotiated with WCU to ensure its distribution system can accept that level of output.

The standard contract used for a small generator when the total NRLP small power load is equal to, or less than 1 MW is attached hereto as Exhibit No. NRLP-4 and entitled "Purchase Power Agreement for NRLP Loads". Any potential generation over 1 MW would need to be negotiated with NRLP to ensure its distribution system can accept that level of output.

By-All/Sell-All

At the time of this filing, WCU did not offer a net metering or net billing rate. NRLP's new Net Billing Rider was approved by the Commission through an Order dated October 16, 2023, for Docket No. E-34, Subs 54 and 55. All rates discussed herein are buy-all/sell-all arrangements for the energy generated by renewable small power generators. NRLP has a new avoided cost rate option specifically for sellers of solar photovoltaic (PV) generation through its Rate Schedule PPR which was approved by Order of the Commission in Docket No. E-34, Subs 55. The Rate Schedule PPR will be adjusted with the Commission approval of NRLP's Purchased Power Adjustment factor.

III. Status of QFs on WCU and NRLP System

WCU currently has 3 solar suppliers and 1 coming online. NRLP currently has 24 solar suppliers and 1 wind supplier. NRLP anticipates 13 of these solar suppliers moving to Schedule PPR and 9 of these solar suppliers moving to Schedule NBR.

Respectfully submitted this 1st day of November, 2023.

FOX ROTHSCHILD LLP

/s/ David T. Drooz

David T. Drooz
434 Fayetteville Street, Suite 2800
Raleigh, NC 27601
E-mail: DDrooz@foxrothschild.com
Telephone: 919-719-1258

*Attorneys for Western Carolina University
and Appalachian State University d/b/a
New River Light & Power Company*

Nov 01 2023

OFFICIAL COPY

WESTERN CAROLINA UNIVERSITY
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
VARIABLE RATE WITH DEMAND CREDIT

Rate SPP DEMAND

$$\text{MPSS} = ((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA})) - \$25.00$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Current month Demand Rate per KW, as shown on the University's current bill from its supplier, Carolina Power Partners.

CDA = Actual demand avoided as a result of the KW supplied by the Small Power Production Supplier.

\$25 = A charge of \$25.00 for meter reading, billing and administrative overhead.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit and the Demand Credit reduced by a special meter reading and billing of \$25.00.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

WESTERN CAROLINA UNIVERSITY
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
VARIABLE RATE WITH NO DEMAND CREDIT

Rate SPP NO DEMAND

$$\text{MPSS} = (\text{CER} \times \text{CES}) - \$8.25$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier.

\$8.25 = A charge of \$8.25 for meter reading and administrative overhead.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit reduced by a meter reading and billing charge of \$8.25.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

WESTERN CAROLINA UNIVERSITY
SMALL POWER PRODUCTION SUPPLIER REIMBURSEMENT FORMULA
FOR LOADS FOR SEEKING LONG-TERM FIXED RATES

SPP- FIXED

$$\text{MPSS} = ((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA})) - \$25.00$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Average demand rate per KW over the length of the requested term of the proposed term (5 years, 10 years, 15 years)

CDA = Actual demand avoided as a result of the KW supplied by the Small Power Production Supplier.

\$25 = A charge of \$25.00 for meter reading, billing and administrative overhead.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit and the Demand Credit reduced by a special meter reading and billing of \$25.00.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

PURCHASED POWER AGREEMENT FOR AGGREGATE WCU LOADS

THIS AGREEMENT executed in duplicate is made this _____ day of _____, 20__, by between WESTERN CAROLINA UNIVERSITY, Cullowhee, North Carolina (the "University"), a party of the first part, and _____ (the "Supplier"), party of the second part.

In consideration of the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby agree that, subject to the following conditions, the Supplier shall sell and deliver electric power to the University, and the University shall purchase, receive, use and pay for the same:

1. Service Requirements. The electric power to be delivered hereunder shall be made in Jackson County at or near Cullowhee, North Carolina at a delivery point described as follows: _____. The maximum amount of electric power to be delivered under this agreement under normal operating conditions shall be 1,000 kilowatts.
2. MONTHLY PAYMENTS. University shall pay the Supplier the sum of the energy credit and the demand credit reduced by a charge of \$25 or \$8.25 (depending on the rate schedule under which service is provided) for meter reading, billing, and administrative overhead.
3. Energy Credit. The energy credit shall consist of the sum of the energy rate per KWH, as determined in Rates SPP DEMAND, SPP NO DEMAND, or SPP-FIXED for all KWH purchased from the Supplier during the current billing period and the purchased power adjustment per KWH, if any, for all KWH purchased from the Supplier during the current billing period.
4. Demand Credit. The demand credit, if any, shall consist of the sum of the demand rate per KW, as found in Rates SPP DEMAND and SPP-FIXED for the metered KW output of the Supplier's generator during the current billing period.
5. General Requirements for Parallel Generation Operation. The Supplier understands and agrees to comply with the General Requirements for Parallel Generator Operation which are attached hereto and incorporated by reference. The provisions stated therein become terms and conditions signed by the Supplier is attached hereto and incorporated by reference. In reliance upon the accuracy of the information stated therein, the University has agreed to. enter into the Agreement. Therefore, if the information is not true, such shall constitute a breach and the University's remedy shall be to cease all payments

to Supplier and disconnect the small power production facility from the WCU grid.

6. Contract Period. The initial term of this agreement shall be for a period for five (5) years with automatic renewal each year thereafter. The University reserves the right to terminate the contract at any time upon written notice to the Supplier in the event that the Supplier violates any of the terms or conditions of this agreement or operates his generation facilities in a manner which is detrimental to the University or any of its customers. Supplier may terminate the contract on thirty (30) days written notice to the University. In the event of early termination of a contract, the Supplier will be required to pay to the University to purchase power from Supplier at times when such power is not required on University's system or when such purchase would detrimentally impact the University's other customers.
7. Assignability. The parties agree that this contract is not assignable.

IN WITNESS WHEREOF, on the day and year first above written, the parties hereto have caused their names to be hereunto subscribed.

WESTERN CAROLINA UNIVERSITY

SUPPLIER

NEW RIVER LIGHT AND POWER
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
VARIABLE RATE WITH DEMAND CREDIT

Rate SPP DEMAND

$$\text{MPSS} = ((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA}))$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Current month Demand Rate per KW, as shown on the University's current bill from its supplier, Carolina Power Partners.

CDA = Actual demand avoided as a result of the KW supplied by the Small Power Production Supplier.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit and the Demand Credit.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

NEW RIVER LIGHT AND POWER
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
VARIABLE RATE WITH NO DEMAND CREDIT

Rate SPP NO DEMAND

$$\text{MPSS} = (\text{CER} \times \text{CES})$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

NEW RIVER LIGHT AND POWER
SMALL POWER PRODUCTION SUPPLIER REIMBURSEMENT FORMULA
FOR LOADS FOR SEEKING LONG-TERM FIXED RATES

SPP- FIXED

$$\text{MPSS} = ((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA})) - \$25.00$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Estimated annual energy rate per KWH.

CES = Current month Energy Supplied, in KWH, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Average demand rate per KW over the length of the requested term of the proposed term (5 years, 10 years, 15 years)

CDA = Actual demand avoided as a result of the KW supplied by the Small Power Production Supplier.

MONTHLY PAYMENT

Company shall pay Seller the sum of the Energy Credit and the Demand Credit.

Any changes in the CPP wholesale cost of power will necessarily require a revision in the provisions of the above Schedule.

PURCHASED POWER AGREEMENT FOR AGGREGATE NRLP LOADS

THIS AGREEMENT executed in duplicate is made this _____ day of _____, 20____, by between NEW RIVER LIGHT AND POWER (NRLP), Boone, North Carolina, a party of the first part, and _____ (the "Supplier"), party of the second part.

In consideration of the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby agree that, subject to the following conditions, the Supplier shall sell and deliver electric power to NRLP and NRLP shall purchase, receive, use and pay for the same:

1. Service Requirements. The electric power to be delivered hereunder shall be made in Watauga County at or near Boone, North Carolina at a delivery point described as follows: _____. The maximum amount of electric power to be delivered under this agreement under normal operating conditions shall be 1,000 kilowatts.
2. MONTHLY PAYMENTS. NRLP shall pay the Supplier the sum of the energy credit and the demand credit.
3. Energy Credit. The energy credit shall consist of the sum of the energy rate per KWH, as determined in Rates SPP DEMAND, SPP NO DEMAND, or SPP-FIXED for all KWH purchased from the Supplier during the current billing period and the purchased power adjustment per KWH, if any, for all KWH purchased from the Supplier during the current billing period.
4. Demand Credit. The demand credit, if any, shall consist of the sum of the demand rate per KW, as found in Rates SPP DEMAND and SPP-FIXED for the metered KW output of the Supplier's generator during the current billing period.
5. General Requirements for Parallel Generation Operation. The Supplier understands and agrees to comply with the General Requirements for Parallel Generator Operation which are attached hereto and incorporated by reference. The provisions stated therein become terms and conditions signed by the Supplier is attached hereto and incorporated by reference. In reliance upon the accuracy of the information stated therein, NRLP has agreed to. enter into the Agreement. Therefore, if the information is not true, such shall constitute a breach and NRLP's remedy shall be to cease all payments to Supplier and disconnect the small power production facility from the NRLP grid.

6. Contract Period. The initial term of this agreement shall be for a period for five (5) years with automatic renewal each year thereafter. NRLP reserves the right to terminate the contract at any time upon written notice to the Supplier in the event that the Supplier violates any of the terms or conditions of this agreement or operates his generation facilities in a manner which is detrimental to the NRLP or any of its customers. Supplier may terminate the contract on thirty (30) days written notice to NRLP. In the event of early termination of a contract, the Supplier will be required to pay to NRLP to purchase power from Supplier at times when such power is not required on NRLP's system or when such purchase would detrimentally impact the NRLP's other customers.

7. Assignability. The parties agree that this contract is not assignable.

IN WITNESS WHEREOF, on the day and year first above written, the parties hereto have caused their names to be hereunto subscribed.

NEW RIVER LIGHT AND POWER

SUPPLIER

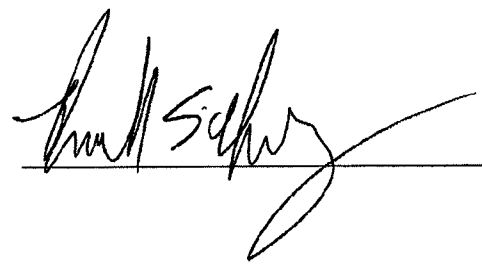
STATE OF FLORIDA)

VERIFICATION

COUNTY OF ORANGE)

Randall E. Halley, being first duly sworn, deposes and says:

He is a consultant for Summit Utility Advisors, Inc., acting on behalf of Western Carolina University and New River Light & Power, and he has read the foregoing **Joint Comments and Proposed Rates of Western Carolina University and New River Light & Power** and knows the contents thereof, that the same is true except as to the matters stated therein on information and belief, and as to those matters, he believes them to be true.



Sworn to and subscribed before me

This 1st day of November 2023

* please see attached *

Notary Public

My Commission Expires: _____

Jurat Certificate

State of Florida

County of Orange

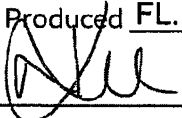
Sworn to (or affirmed) and subscribed before me this 1st day

of November, 20 23, by means of physical presence or online notarization

Randall E Halley (name of person making statement).

Personally known to me _____

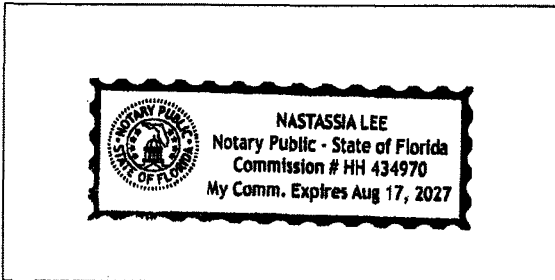
Produced Identification
Type of Identification Produced FL. Driver License

Notary Signature 

Title Notary Public

My appointment expires August 17 2027

Place Seal Here



Description of Attached document

Type or Title of Document

Verification _____

Document Date

Number of Pages

November 1 2023

2 including this page

Signer(s) Other Than Named Above

N/A

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Joint Comments and Proposed Rates of Western Carolina University and Appalachian State University d/b/a New River Light & Power Company upon all parties of record in this proceeding by e-mailing the parties, or their respective counsel of record, an electronic copy of same or by causing a paper copy of the filing to be hand-delivered or deposited in the United States Mail, postage prepaid, properly addressed to each.

This 1st day of November, 2023.

Electronically Submitted
/s/ David T. Drooz