



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

November 9, 2020

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

Re: Docket No. EMP-92, Sub 0 – Petition for Certificate for 500MW  
Natural Gas Fired Electric Generating Facility Located @ the  
Reidsville Energy Center in Rockingham Co.

Dear Ms. Campbell:

In connection with the above-referenced docket, I transmit herewith for filing on behalf of the Public Staff the testimony of Dustin R. Metz, Utilities Engineer, Electric Section, Energy Division.

By copy of this letter, I am forwarding a copy of the above to all parties of record.

Sincerely,

Electronically submitted  
/s/ John D. Little  
Staff Attorney  
[john.little@psncuc.nc.gov](mailto:john.little@psncuc.nc.gov)

Attachment

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**NTE CAROLINAS II, LLC**  
**DOCKET NO. EMP-92, SUB 0**

**TESTIMONY OF DUSTIN R. METZ**  
**ON BEHALF OF THE PUBLIC STAFF**  
**NORTH CAROLINA UTILITIES COMMISSION**

**November 9, 2020**

1   **Q.   PLEASE STATE YOUR NAME AND ADDRESS FOR THE**  
2       **RECORD.**

3   A.   My name is Dustin R. Metz. My business address is 430 North  
4       Salisbury Street, Raleigh, North Carolina.

5   **Q.   WHAT IS YOUR POSITION WITH THE PUBLIC STAFF?**

6   A.   I am an engineer with the Energy Division of the Public Staff  
7       representing the using and consuming public.

8   **Q.   WOULD YOU BRIEFLY DISCUSS YOUR EDUCATION AND**  
9       **EXPERIENCE?**

10  A.   A summary of my education and experience is outlined in detail in  
11       Appendix A of my testimony.

1    **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
2            **PROCEEDING?**

3    A.    The purpose of my testimony is to respond to the supplemental  
4            testimony of the Applicant's witness, Michael Green, filed on October  
5            12, 2020. The Commission asked specific questions from the  
6            Applicant on September 9, 2020 and required the Public Staff to file  
7            additional testimony in response.

8    **Q.    IS IT YOUR OPINION THAT THE APPLICANT ANSWERED THE**  
9            **COMMISSION'S    QUESTIONS    IN    A    COMPLETE    AND**  
10          **SATISFACTORY MANNER?**

11   A.    After my review of the Applicant's additional testimony filed on  
12          October 12, 2020, I believe that the Applicant answered the  
13          Commission's questions in a complete and satisfactory manner  
14          except for Question 5 below:

15                    If the Applicant proposes to sell energy and capacity  
16                    from the facility to a distribution utility not regulated by  
17                    the Commission but serving retail customers in North  
18                    Carolina (e.g., a co-op or muni), provide a discussion of  
19                    how the facility's output conforms to or varies from the  
20                    purchasing distribution utility's long-range resource  
21                    plan.

22   **Q.    PLEASE SUMMARIZE WITNESS GREEN'S RESPONSE TO THE**  
23          **COMMISSION QUESTION 5.**

24   A.    Witness Green provides an answer to Question 5 on pages 6 through  
25          10 of his supplemental testimony. He stated that the Applicant had

1 previously executed three contracts with distribution utilities,<sup>1</sup> and is  
2 currently engaged in active discussion with three other distribution  
3 utilities. The Applicant is also in discussions with other distribution  
4 utilities to provide capacity and energy. On page 9, lines 15 through  
5 20, witness Green states:

6 As demonstrated by the success of the Kings Mountain  
7 Energy Center and the executed PPAs and expressions  
8 of interest from additional wholesale customers for the  
9 Reidsville Energy Center, the output from the Reidsville  
10 Energy Center will certainly conform to and meet the  
11 needs of these wholesale customers' long-range  
12 resource plans, for the reasons explained in this  
13 answer. The Reidsville Energy Center success is  
14 contingent upon meeting the needs of utilities' long-  
15 range resource plans. If long-range resource plans were  
16 not met, output from the Facility would not be subscribed,  
17 construction of the Facility could not be financed, and the  
18 Facility would not be built — under any scenario, at no risk  
19 to ratepayers

20 **Q. PLEASE PROVIDE YOUR OPINION OF WITNESS GREEN'S**  
21 **RESPONSE TO QUESTION 5.**

22 A. From witness Green's response, it is not clear if the distribution  
23 utilities under contract or under consideration have long-range  
24 resource plans, nor does witness Green explain how the Applicant  
25 will meet all or some these utilities' future long-range needs.<sup>2</sup> He

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<sup>1</sup> These contracts were with the City of McCormick, SC, Western Carolina University, and the City of Camden, SC. It is unclear if these contracts are still active. On October 9, 2020, in Docket Nos. E-2, Sub 1202 and E-7, Sub 1200, DEP and DEC filed a Joint Advanced Notice of Affiliate Agreement with the Commission stating that they would be jointly providing dynamic transfer services for the City of Camden, SC to purchase power from the Kings Mountain Energy Complex (formerly NTE Kings Mountain).

<sup>2</sup> The Public Staff notes that the requirement for developing and keeping current a biennial integrated resource plan (IRP) under Commission Rule R8-60 does not apply to

1           merely states that the Applicant must be able to meet the needs of  
2           utilities' long-range plans, or else the generating facility will not be  
3           built.

4   **Q.   WHAT DO YOU RECOMMEND REGARDING WITNESS GREEN'S**  
5   **RESPONSE TO QUESTION 5?**

6   A.   I recommend that the Commission accept the Applicant's response.  
7           Should the Commission consider the Applicant's response to be  
8           unsatisfactory, I recommend that the Commission require that the  
9           Applicant provide the distribution utilities' long-range resource plans  
10          or have the Applicant provide a statement from the distribution  
11          utilities on how the energy/capacity from NTE Reidsville would help  
12          meet their long term needs. Then, if the Commission thinks that there  
13          is merit, require an analysis of how the Applicant will meet specific  
14          elements of the distribution utilities long term plans.

15   **Q.   DO YOU AGREE WITH THE APPLICANT'S LEVELIZED COST OF**  
16   **TRANSMISSION (LCOT)?**

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municipal distribution utilities. Prior to July 1, 2013, Commission Rule R8-60(b) specified that the IRP process was applicable to the North Carolina Electric Membership Corporation (NCEMC) and any individual electric membership corporation (EMC) to the extent that it is responsible for procurement of any or all of its individual power supply resources. However, Session Law 2013-187 exempted individual EMCs and NCEMC from filing IRPs with the Commission, effective July 1, 2013.

1 A. Yes. I believe the Applicant's LCOT is reasonable based upon the  
2 same method I used in the joint testimony filed on December 6, 2019,  
3 in Docket No. EMP-105, Sub 0.<sup>3</sup>

4 **Q. DO YOU HAVE ANY CONCERNS REGARDING THE**  
5 **TRANSMISSION UPGRADE COSTS AT THIS TIME?**

6 A. Yes. My concerns arise out of the Applicant's untimely temporary  
7 removal from the interconnection queue by Duke Energy Carolinas,  
8 LLC (DEC)<sup>4</sup> and the passage of a significant amount of time from  
9 when the network and system upgrade costs were originally provided  
10 by DEC. My concerns are: (1) , that DEC improperly removed the  
11 Applicant from the interconnection queue and might have given  
12 another generation plant (or equivalent) the transmission capacity<sup>5</sup>  
13 that was originally allocated to the Applicant, and (2) that the system  
14 impact study, feasibility report, and network upgrade cost estimates,  
15 are now nearly three years old.

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<sup>3</sup> See Docket No. EMP-105 Sub 0, Lawrence and Metz Joint Testimony, Table 2. Based on Public Staff reasonable estimations of capacity factor and discount rate in EMP-105, the LCOT was \$0.92/MWh. The minor deviations from the Applicant's stated value and Public Staff preliminary analysis are mostly due to the refined (increased) capacity factor and likely a minor change in the discount rate.

<sup>4</sup> The Applicant's testimony and the FERC ruling listed in the Applicant's testimony provide sufficient information to lead me to the conclusion that Duke incorrectly removed the Applicant from its interconnection queue.

<sup>5</sup> It was brought to the Public Staff's attention that during the CPRE Tranche 2 baseline analysis, this project was not included in the baseline. Thus, there is the potential that power flows expected from this plant were not modeled, and CPRE Tranche 2 projects could have acquired the capacity that would have been allotted to the Applicant originally, or else modified the power flows.

1    **Q.    ARE YOU CONCERNED THAT THE DATA USED TO**  
2            **CALCULATE THE LCOT MAY NOW BE INCORRECT OR**  
3            **OUTDATED?**

4    A.    Yes. While using the LCOT as a benchmark to compare and contrast  
5            the reasonableness of transmission cost allocation to those entities  
6            who are not responsible for cost causation, the values should reflect  
7            current conditions.

8    **Q.    WHAT RECOMMENDATIONS DO YOU HAVE TO ALLEVIATE**  
9            **YOUR CONCERNS?**

10   A.    I request that the Commission require DEC to file the following  
11            information, at a minimum, to ensure the Commission has the most  
12            current information prior to making its ruling in this proceeding:

13            1)    Explain whether the Applicant has been  
14                   restored to its original queue position,  
15                   and the date in which it was restored;

16            2)    Complete a new facility study (or  
17                   equivalent) based on current information,  
18                   and file the study with the Commission in  
19                   this docket. The study should include all  
20                   updated load data and required system  
21                   constraints;

22            3)    Describe how the removal of the  
23                   Applicant's project from the CPRE  
24                   Tranche 2 baseline influenced or did not  
25                   influence the power flows and ultimately  
26                   the bid results. Explain if any of the  
27                   Applicant's allocated capacity by its initial  
28                   queue position used in the October 2017  
29                   Facility Study was utilized by or set aside  
30                   to a market participant(s). Explain if  
31                   CPRE winning projects and post power

- 1 flow analysis exacerbate or cause the  
2 need for higher or more system upgrades  
3 be borne by the Applicant;
- 4 4) Explain whether this facility is triggering  
5 affected system upgrades in neighboring  
6 Balancing Areas (BA) (i.e., because this  
7 facility is being interconnected in DEC,  
8 are there system upgrades triggered in  
9 the Duke Energy Progress, LLC (DEP)  
10 BA?). If it is, provide a summary of any  
11 required upgrades along with associated  
12 costs, or at least a date an affected  
13 system study is expected to be  
14 completed;
- 15 5) Describe whether the addition of this  
16 facility, for both the system upgrades and  
17 power added onto the grid, will help  
18 alleviate potential future upgrades  
19 associated with the retirement or partial  
20 retirement of DEP's Mayo or Roxboro  
21 coal-fired generation units.<sup>6</sup> In  
22 responding to this request, Duke should  
23 use test years of 2025 and 2030, both  
24 with and without the aforementioned coal  
25 generation units.

26 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

27 **A.** Yes, this concludes my testimony.

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<sup>6</sup> See Public Staff Witness Metz's DEP Confidential Testimony in Docket No. E-2, Sub 1219 at p. 19-20.



## **APPENDIX A**

### **QUALIFICATIONS AND EXPERIENCE**

DUSTIN R. METZ

Through the Commonwealth of Virginia Board of Contractors, I hold a current Tradesman License certification of Journeyman and Master within the electrical trade, awarded in 2008 and 2009 respectively. I graduated from Central Virginia Community College, receiving Associates of Applied Science degrees in Electronics and Electrical Technology (Magna Cum Laude) in 2011 and 2012 respectively, and an Associates of Arts in Science in General Studies (Cum Laude) in 2013. I graduated from Old Dominion University in 2014, earning a Bachelor of Science degree in Engineering Technology with a major in Electrical Engineering and a minor in Engineering Management.

I have over 12 years of combined experience in engineering, electromechanical system design, troubleshooting, repair, installation, commissioning of electrical and electronic control systems in industrial and commercial nuclear facilities, project planning and management, and general construction experience, including six years with direct employment with Framatome, where I provided onsite technical support, craft oversight, engineer change packages and participated in root cause analysis teams at commercial nuclear power plants, including plants owned by both Duke and Dominion.

I joined the Public Staff in the fall of 2015. Since that time, I have worked on general rate cases, fuel cases, applications for certificates of public convenience and necessity, service and power quality, customer complaints, North American Electric Reliability Corporation (NERC) Reliability Standards, nuclear decommissioning, National Electric Safety Code (NESC) Subcommittee 3 (Electric Supply Stations) member, avoided costs and PURPA, interconnection procedures and power plant performance evaluations; I have also participated in multiple technical working groups and been involved in other aspects of utility regulation.