

1 STAFF CONFERENCE

JULY 12, 2021

2 CHAIR MITCHELL: Good morning. Let's come  
3 to order and go on the record. I'm Charlotte  
4 Mitchell, Chair of the Utilities Commission, and with  
5 me this morning are the following Commissioners. When  
6 I call your name, please announce your presence.  
7 Commissioner Brown-Bland.

8 COMMISSIONER BROWN-BLAND: Are you calling  
9 my name?

10 CHAIR MITCHELL: I'm calling your name.

11 COMMISSIONER BROWN-BLAND: I'm present. I  
12 couldn't hear. I'm making adjustments.

13 CHAIR MITCHELL: Commissioner Gray.

14 COMMISSIONER GRAY: Yes, ma'am.

15 CHAIR MITCHELL: Commissioner Clodfelter.

16 COMMISSIONER CLODFELTER: Good morning.  
17 Yes.

18 CHAIR MITCHELL: Commissioner Duffley.

19 COMMISSIONER DUFFLEY: Good morning.

20 CHAIR MITCHELL: Commissioner Hughes.

21 COMMISSIONER HUGHES: Happy to be here.

22 CHAIR MITCHELL: And Commissioner McKissick.

23 COMMISSIONER MCKISSICK: Good morning.  
24 Present.

NORTH CAROLINA UTILITIES COMMISSION

1 CHAIR MITCHELL: In compliance with the  
2 State Government Ethics Act, I remind members of the  
3 Commission of their duty to avoid conflicts of  
4 interest, and inquire as to whether any member of the  
5 Commission has a known conflict of interest with  
6 respect to matters coming before us this morning?

7 (No response)

8 The record will reflect that no conflicts  
9 have been identified, so we'll proceed with Electric  
10 Item P1. Mr. Saillor, you're up. Actually, I see  
11 Mr. Lucas speaking. Mr. Lucas, are you presenting?

12 MR. SAILLOR: He is on mute.

13 CHAIR MITCHELL: Mr. Saillor, are you  
14 presenting or is Mr. Lucas?

15 MS. CUMMINGS: Chair Mitchell --

16 MR. SAILLOR: Mr. Lucas.

17 MS. CUMMINGS: -- Mr. Lucas. Yes.

18 MR. LUCAS: Yeah, I'm presenting Item P1.  
19 For some reason, my computer keeps flicking over to  
20 mute.

21 CHAIR MITCHELL: Go ahead, Mr. Lucas.

22 MR. LUCAS: Okay. Item P1 consists of a  
23 Registration Statement Amendment and an Amended  
24 Certificate of Public Convenience and Necessity for

1 solar photovoltaic facilities.

2 The Public Staff recommends that the  
3 Commission approve the Applications, issue the  
4 Certificates and accept the Registration Statement.

5 COMMISSIONER BROWN-BLAND: Move approval of  
6 the recommendation.

7 COMMISSIONER GRAY: Second.

8 CHAIR MITCHELL: It's been moved and  
9 seconded that the item be approved as recommended by  
10 the Public Staff. Are there any questions or  
11 discussion on the motion?

12 COMMISSIONER BROWN-BLAND: Yes, Madam Chair.  
13 We would like to know if construction has begun on  
14 either of the projects. Do we know the answer,  
15 Mr. Lucas?

16 MR. LUCAS: I don't know if construction has  
17 begun because they already have approved Certificates.  
18 They've come in for amendments. But I can find out if  
19 they actually have started construction. I mean,  
20 they've been authorized to.

21 COMMISSIONER BROWN-BLAND: Well, in lieu of  
22 that answer, do we know when it's expected to begin  
23 possibly or when it was expected?

24 MR. LUCAS: I can find out. I --

1 MS. CUMMINGS: Commissioner Brown-Bland, I  
2 do have some information on that.

3 MR. LUCAS: Okay.

4 MS. CUMMINGS: Homer has not started  
5 construction and they intend to enter the transition  
6 cluster, so it will be sometime before they start  
7 construction. And DEC Aquadale Solar was a Tranche 2  
8 award winner and they intend to begin construction by  
9 the end of next year.

10 COMMISSIONER BROWN-BLAND: Thank you for  
11 that, Ms. Cummings.

12 CHAIR MITCHELL: Any additional questions or  
13 discussion?

14 (No response)

15 Hearing none, I'll call the roll for a vote.  
16 Indicate your support for the motion with an aye and  
17 your opposition with a no. Commissioner Brown-Bland?

18 COMMISSIONER BROWN-BLAND: Aye.

19 CHAIR MITCHELL: Commissioner Gray?

20 COMMISSIONER GRAY: Aye.

21 CHAIR MITCHELL: Commissioner Clodfelter?

22 COMMISSIONER CLODFELTER: Aye.

23 CHAIR MITCHELL: Commissioner Duffley?

24 COMMISSIONER DUFFLEY: Aye.

1 CHAIR MITCHELL: Commissioner Hughes?

2 COMMISSIONER HUGHES: Aye.

3 CHAIR MITCHELL: Commissioner McKissick?

4 COMMISSIONER MCKISSICK: Aye.

5 CHAIR MITCHELL: And for the record I  
6 support the motion as well and the motion carries.

7 (MOTION PASSES)

8 CHAIR MITCHELL: We will proceed to Public  
9 Staff, Electric Item P2.

10 MR. SAILLOR: I'm Scott Saillor with the  
11 Energy Division. Electric Item P2 is a Petition filed  
12 by New River Light and Power requesting approval of a  
13 Renewable Energy Rider. The Rider will allow New  
14 River to offer its customers the option to purchase  
15 blocks of energy from renewable energy resources.  
16 Each block will cost participating customers an  
17 additional \$5.00 per month, and for the initial year  
18 of the program each block is anticipated to equate to  
19 250 kilowatt hours per month. Participation in the  
20 Rider will be voluntary and will not change New  
21 River's base rates and charges approved by the  
22 Commission which will continue to be paid by all  
23 customers. Renewable energy purchased pursuant to the  
24 Rider will displace energy that would have otherwise

1 been purchased pursuant to New River's wholesale power  
2 supply contract.

3           At the end of each calendar year, New River  
4 will perform a true-up to determine the block size for  
5 the following year. The annual true-up process will  
6 ensure that only revenue received from participating  
7 customers under the Rider will be used to pay the  
8 renewable energy cost differential incurred by New  
9 River. The true-up will not result in bill  
10 adjustments for customers. As part of the true-up  
11 process, New River will file reports of participation  
12 detailing program participation, lot size adjustments,  
13 and renewable energy purchases.

14           New River is requesting that the Rider  
15 become effective on July 15, 2021, to enable new  
16 customers opening accounts prior to the beginning of  
17 the academic year of Appalachian State University to  
18 be eligible to participate in the Program.

19           The Public Staff has reviewed New River's  
20 request and recommends that the Commission issue our  
21 proposed order approving the Renewable Energy Rider  
22 with the conditions that New River included in its  
23 marketing materials that the expected block size may  
24 differ from the actual block size, and also include in

1 marketing materials the type of generation resource it  
2 intends to purchase.

3 And I believe Gray Styers and Ed Miller are  
4 logged in as attendees and they are representing the  
5 Company if the Commission has any questions for them.

6 CHAIR MITCHELL: Thank you, Mr. Saillor.  
7 The Commission does have several questions. I'll  
8 direct them to you and if the Applicant is available  
9 to answer we'll take answers from the Applicant as  
10 well.

11 Does Public Staff understand how many  
12 customers are expected to participate in this -- in  
13 the Program each year? Mr. Saillor?

14 MR. SAILLOR: Yes. They did conduct a  
15 survey that indicated a certain percentage of their  
16 customers would participate. They did not provide an  
17 exact number as to how many they expected.

18 CHAIR MITCHELL: Okay. Is there a cap on  
19 the number of customers that can participate each  
20 year?

21 MR. SAILLOR: No, there is not.

22 CHAIR MITCHELL: Okay. Is there a cap or is  
23 there a discrete amount of renewable energy that New  
24 River can procure each year under its contract?

1 MR. SAILLOR: Yes. In their initial  
2 contract that have with the hybrid power facility,  
3 they are contracting for I believe it's 12,000  
4 megawatt hours and they also have an option to  
5 purchase additional energy if the demand requires.

6 CHAIR MITCHELL: And last question for you,  
7 Mr. Saillor. How will partial payments by customers  
8 be determined with the context of the -- within the  
9 Rider RER deferred account?

10 MR. SAILLOR: Partial payments?

11 CHAIR MITCHELL: Partial payments. For  
12 example, if a customer were not -- did not pay for an  
13 entire block or did not make payment for an entire  
14 block.

15 MR. SAILLOR: That might be a better  
16 question for the Company representatives.

17 CHAIR MITCHELL: Okay. Mr. Styers, I see  
18 you on camera.

19 MR. STYERS: I'll be happy to try to answer  
20 that question, Chairman Mitchell.

21 CHAIR MITCHELL: Okay.

22 MR. STYERS: The members of -- participants  
23 can exit out of the Program and can enter into the  
24 Program during the year. So it's basically a



1 voluntary \$5.00 extra to approximate the difference  
2 between what the non-renewable cost of energy would be  
3 and a renewable energy that they are purchasing from a  
4 specific supplier that they have a contract negotiated  
5 and ready to execute if this is approved.

6           There's also a very large block that New  
7 River's largest customer Appalachian State has  
8 committed to and can purchase less than that. But  
9 basically if someone stops payment then that amount of  
10 money would not go towards the purchase of any further  
11 additional renewable energy, but there's no  
12 disconnection, there's no right of disconnection  
13 whatsoever if they stop payment.

14           One way of looking at this is really, it's  
15 going to be on the aggregate basis. The number of  
16 customers that we feel like from customer surveys, it  
17 was fully well received and well subscribed to, but  
18 you really need to look at this kind of on an  
19 aggregate basis. You know, it's not as though any  
20 individual kilowatt hour is going to any individual  
21 meter. The customers in New River on an aggregate  
22 basis, you know, if those who want to participate in  
23 the purchase of blocks, total up to 12,000 plus  
24 additional, can contribute an additional \$5.00 a month

1 towards that purchase. So a certain percentage of New  
2 River's energy comes from a renewable resource rather  
3 than from a fossil fuel resource.

4 I hope that answers your question as I  
5 understand it. If not, I'll be happy to see if  
6 Mr. Miller can provide additional information.

7 CHAIR MITCHELL: It does. Just to make sure  
8 I'm clear, Mr. Styers. So, if a customer commits and  
9 then pulls out before it's honored its commitment or  
10 made its payment in full, what happens to -- how does  
11 New River handle the balance? You know, the balance  
12 on the contract with the renewable energy supplier I  
13 guess really is the question.

14 MR. STYERS: Yeah, basically it is looking  
15 at it on an aggregate annual basis. There'll be a  
16 true-up at the end of '23 -- I mean, beginning of '23  
17 there'll be a true-up. And so the amount that's  
18 actually in the block, we had anticipated it would be  
19 250. It could be 247 kilowatt hours. It could be  
20 253. It would affect the actual size of the block at  
21 the time of the true-up.

22 CHAIR MITCHELL: Okay. Thank you,  
23 Mr. Styers.

24 Any additional questions for the Applicant

1 or for the Public Staff? Commissioner Duffley.

2 COMMISSIONER DUFFLEY: Thank you, Chair  
3 Mitchell.

4 So, Mr. Styers, will the renewable energy  
5 resource selection be only resources in North  
6 Carolina?

7 MR. STYERS: Not necessarily. They have to  
8 be registered and produce RECs. But it could be from  
9 a resource -- and again, I don't know exactly where  
10 the hydroelectric facility that we currently have a  
11 contract. I don't know where it is, whether it's the  
12 North Carolina/Tennessee line quite frankly, but it  
13 could -- but we are looking to try to find resources  
14 that would be interconnected and can be delivered  
15 through the Carolina Power Partners that's supplying  
16 all of the energy for New River. But it would not  
17 necessarily be restricted just to North Carolina.

18 COMMISSIONER DUFFLEY: Thank you. But it  
19 sounds like you may be giving priority to North  
20 Carolina resources?

21 MR. STYERS: We would be looking at those  
22 first. Yes.

23 COMMISSIONER DUFFLEY: Okay. Thank you.  
24 And am I correct with respect to the \$5.00 block that

1 this amount would cover the actual purchase of the  
2 renewable energy as well as the cost of implementing  
3 and administering the Program?

4 MR. STYERS: That is correct. And we have  
5 done modeling that we have provided the Public Staff  
6 to show how we came up with that amount, and we do  
7 think that that should be sufficient for that size  
8 block, subject to the true-up which adjust that 250  
9 kilowatt hours slightly at the end of the year.

10 COMMISSIONER DUFFLEY: And is there a cap on  
11 the administrative cost? You know, similar-type  
12 programs will say only 25 percent of the \$5.00 will go  
13 toward administrative cost. Does your program plan  
14 have a cap on that admin cost?

15 MR. STYERS: (Inaudible).

16 COMMISSIONER DUFFLEY: You're on mute.

17 CHAIR MITCHELL: Mr. Styers, you're muted.

18 MR. STYERS: Thank you. I'm sorry. We do  
19 not have a cap as far as the Program at this point.  
20 You know, it's much, much, much less than that. I  
21 mean, we have marketing materials that we have for all  
22 of the students that are coming into Appalachian State  
23 every year. This is just going to be an additional,  
24 you know, flyers; I think a bus wrap or two. We're

1 talking about a very small percentage of the overall  
2 cost, but it's not explicit in the Program.

3 COMMISSIONER DUFFLEY: Okay. Thank you,  
4 Mr. Styers.

5 I move approval of the item.

6 COMMISSIONER HUGHES: I second it.

7 CHAIR MITCHELL: We've got a motion by  
8 Commissioner Duffley that the item be approved as  
9 recommended by the Public Staff. We've got a second  
10 from Commissioner Hughes. Any additional questions or  
11 discussion?

12 (No response)

13 Hearing none, I'll call the roll for a vote.  
14 Indicate your support with an aye and your opposition  
15 with a no. Commissioner Brown-Bland?

16 COMMISSIONER BROWN-BLAND: Aye.

17 CHAIR MITCHELL: Commissioner Gray?

18 COMMISSIONER GRAY: Aye.

19 CHAIR MITCHELL: Commissioner Clodfelter?

20 COMMISSIONER CLODFELTER: Aye.

21 CHAIR MITCHELL: Commissioner Duffley?

22 COMMISSIONER DUFFLEY: Aye.

23 CHAIR MITCHELL: Commissioner Hughes?

24 COMMISSIONER HUGHES: Aye.

NORTH CAROLINA UTILITIES COMMISSION

1 CHAIR MITCHELL: Commissioner McKissick?

2 COMMISSIONER McKISSICK: Aye.

3 CHAIR MITCHELL: And for the record I  
4 support the motion as well and the motion carries.

5 (MOTION PASSES)

6 CHAIR MITCHELL: Thank you, Mr. Saillor.  
7 Thank you, Mr. Styers.

8 The Commission has before it for approval  
9 its minutes of our July 6th, 2021, Staff Conference.  
10 I'll take a motion, please.

11 COMMISSIONER BROWN-BLAND: Move approval of  
12 the minutes.

13 COMMISSIONER GRAY: Second.

14 CHAIR MITCHELL: Any questions or discussion  
15 on the minutes?

16 (No response)

17 All in favor of approving our minutes  
18 indicate with an aye.

19 (All Commissioners say aye)

20 CHAIR MITCHELL: Anyone opposed?

21 (No response)

22 The minutes of July 6th are approved.

23 Before we adjourn, any additional business  
24 for the Commission this morning?

1 (No response)

2 Hearing none, we will be adjourned. Thank  
3 you everybody. Let's go off the record, please.

4 \_\_\_\_\_  
5 WHEREUPON, this conference is adjourned.  
6 \_\_\_\_\_

7  
8  
9 C E R T I F I C A T E

10 I, KIM T. MITCHELL, DO HEREBY CERTIFY that  
11 the Proceedings in the above-captioned matter were  
12 taken before me, that I did report in stenographic  
13 shorthand the Proceedings set forth herein, and the  
14 foregoing pages are a true and correct transcription  
15 to the best of my ability.

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17 Kim T. Mitchell

18 Kim T. Mitchell  
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