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October 2, 2015

**VIA ELECTRONIC FILING**

Mrs. Gail L. Mount, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

Re: Docket No. E-2, Sub 1071  
Docket No. E-7, Sub 1074  
Docket No. E-22, Sub 525  
Docket No. E-100, Sub 113  
Docket No. E-100 Sub 121  
Docket No. E-100, Sub 145

Dear Mrs. Mount:

Enclosed for filing in the above-referenced dockets on behalf of Virginia Electric and Power Company, d/b/a Dominion North Carolina Power, is *Dominion North Carolina Power's Comments on Options for Addressing Poultry REC Shortfall*.

Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

s/ E. Brett Breitschwerdt

EBB:asm

Enclosures

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1071  
DOCKET NO. E-7, SUB 1074  
DOCKET NO. E-22, SUB 525  
DOCKET NO. E-100, SUB 113  
DOCKET NO. E-100, SUB 121  
DOCKET NO. E-100, SUB 145

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1071 )

In the Matter of )  
Application of Duke Energy Progress, )  
LLC, for Approval of Renewable Energy )  
and Energy Efficiency Portfolio Standard )  
Cost Recovery Rider Pursuant to G.S. )  
62-133.8 and Commission Rule R8-67 )

DOCKET NO. E-7, SUB 1074 )

In the Matter of )  
Application of Duke Energy Carolinas, )  
LLC, for Approval of Renewable Energy )  
and Energy Efficiency Portfolio Standard )  
Cost Recovery Rider Pursuant to G.S. 62- )  
133.8 and Commission Rule R8-67 )

DOMINION NORTH CAROLINA  
POWER'S COMMENTS ON  
OPTIONS FOR ADDRESSING  
POULTRY REC SHORTFALL

DOCKET NO. E-22, SUB 525 )

In the Matter of )  
Application of Virginia Electric and )  
Power, d/b/a Dominion North Carolina )  
Power, for Approval of Renewable Energy )  
and Energy Efficiency Portfolio Standard )  
Cost Recovery Rider Pursuant to G.S. 62- )  
133.8 and Commission Rule R8-67 )

DOCKET NO. E-100, SUB 113 )

In the Matter of )  
Rulemaking Proceeding to Implement )  
Session Law 2007-397 )

DOCKET NO. E-100, SUB 121 )  
)  
In the Matter of )  
Implementing a Tracking System for )  
Renewable Energy Certificates Pursuant to )  
Session Law 2007-397 )  
)  
DOCKET NO. E-100, SUB 145 )  
)  
In the Matter of )  
2015 REPS Compliance Plans and 2014 )  
REPS Compliance Reports )  
)

Virginia Electric and Power Company d/b/a Dominion North Carolina Power (“DNCP” or “the Company”), by counsel, hereby submits its comments in response to the North Carolina Utilities Commission’s (“NCUC” or “the Commission”) *Order Requesting Comments on Options for Addressing Poultry REC Shortfall* (“Order”), issued on September 21, 2015, in the above-captioned dockets.

The Commission’s Order stated that the administrator of the North Carolina Renewable Energy Tracking System (“NC-RETS”) had identified that the 2013 retail sales for certain electric power suppliers were incorrect as originally filed and were recently corrected and resubmitted to NC-RETS. Once inputted into NC-RETS’s software in August, 2015, these corrected retail sales caused a reallocation of the aggregate 170,000 MWh poultry waste resource obligation for the 2014 North Carolina Renewable Energy and Energy Efficiency Portfolio Standard (“REPS”) compliance year. According to the Order, the NC-RETS administrator has identified that electric power suppliers’ 2014 compliance sub-accounts, in the aggregate, are currently 599 MWh short of the 170,000 MWh 2014 poultry waste resource obligation as a result of this reallocation. The Commission requested interested parties provide comments on what

actions, if any, the Commission should take to address these circumstances. Accordingly the Company offers the following comments and recommendations for the Commission's consideration.

**1. Electric Power Suppliers should be allowed to elect whether to update their 2014 Poultry Waste Resource Compliance Sub-Accounts before November 1, 2015, or to roll any shortfall into the 2015 Compliance Year.**

The Company recommends that the Commission direct each electric power supplier to notify the Commission by November 1, 2015, whether the electric power supplier has updated its 2014 poultry waste resource compliance sub-account or, alternatively, elects to roll any shortfall into the 2015 REPS compliance year for review in the 2016 REPS reporting year. The Company believes this flexibility is appropriate, as electric power suppliers are not all similarly situated with regard to the Commission's ongoing review of 2014 REPS compliance. For example, the Commission has not yet ruled on DNCP's 2014 REPS Compliance Report nor directed the retirement of the renewable energy credits ("REC") included in the Company's 2014 REPS compliance sub-accounts. Further, the Company has already taken action to update its 2014 poultry waste resource compliance sub-account, and, therefore, is not responsible for any portion of the 599 MWh shortfall identified by the NC-RETS administrator.

If an electric power supplier elects to update its 2014 compliance sub-account this year, the Company recommends that the electric power supplier be required to identify its reallocated 2014 poultry waste resource obligation and verify that the electric power supplier has submitted the poultry RECs required to achieve compliance into its 2014 poultry waste resource compliance sub-account. Electric power suppliers who elect to update their 2014 compliance sub-accounts should also not be required to refile their

2014 REPS Compliance Report or other information filed in support of 2014 REPS compliance.<sup>1</sup>

**2. DNCP supports a limited amendment to Rule R8-67(h)(11) to require Commission approval for amendments to a prior year's retail sales after the mandated filing date.**

The Company, on its own behalf and as compliance aggregator on behalf of Town of Windsor, has not been challenged to submit its prior year's retail electricity sales into NC-RETS by June 1 of the compliance year, as currently required by Commission Rule R8-67(h)(11). To the extent this timeline proves challenging for other electric power suppliers, DNCP is not opposed to extending this filing deadline to a later date during the compliance year (such as September 1, which is when Rule R8-67(c)(3) requires electric membership corporations and municipal electric suppliers to file their REPS Compliance Reports). However, the Company does believe NC-RETS and all other electric power suppliers should have a high level of confidence that an electric power supplier's retail sales data is correct, once filed. Accordingly, the Company recommends an amendment to Rule R8-67(h)(11) would be appropriate to clarify to all parties that "After June 1 [or other date to be identified], no electric power supplier may amend its previous years retail sales without approval of the Commission." Requiring Commission approval of any later adjustments or corrections to prior year retail sales that have been submitted to NC-RETS would enable all electric power suppliers to have knowledge of the adjustments, and would also enable the Commission to consider and, if necessary, address the implications of the late adjustment on the compliance allocations of all other electric power suppliers.

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<sup>1</sup> No change to the Company's requested REPS Rider now pending in Docket No. E-22, Sub 525 will result from the Company's adjusted poultry waste resource compliance obligation.

**3. The Company does not believe an audit of NC-RETS is necessary at this time.**

The circumstances surrounding the 2014 compliance year poultry REC shortfall should not be viewed as suggesting any inherent flaws in the NC-RETS system. While DNCP is not opposed to the Commission and/or the Public Staff auditing the NC-RETS system, the Company also believes that NC-RETS is operating effectively and that the time and potential expense associated with such an audit may not be warranted at this time.

**CONCLUSION**

DNCP recommends and respectfully requests the Commission implement the recommendations presented in the foregoing Comments along with any other relief the Commission determines is necessary or appropriate.

Respectfully submitted, this the 2<sup>nd</sup> day of October, 2015.

DOMINION NORTH CAROLINA POWER

By: s/ E. Brett Breitschwerdt  
Counsel

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### CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Dominion North Carolina Power's Comments on Options for Addressing Poultry REC Shortfall, as filed in Docket Nos. E-2, Sub 1071, E-7, Sub 1074, E-22, Sub 525, E-100, Sub 113, E-100 Sub 121, and E-100, Sub 145, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 2<sup>nd</sup> day of October, 2015.

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