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December 21, 2021

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

**RE: *In the matter of Biennial Determination of Avoided Cost Rates
for Electric Utility Purchases from Qualifying Facilities – 2021
NCUC Docket E-100, Sub 175
JOINT COMMENTS, PROPOSED RATES AND CONTRACTS OF
WESTERN CAROLINA UNIVERSITY AND NEW RIVER LIGHT & POWER***

Dear Ms. Dunston:

On behalf of Western Carolina University and New River Light & Power, we hereby provide Joint Comments, Proposed Rates and Contracts in regard to the above referenced matter and docket.

Thank you for your assistance with this submittal. Should you have any questions concerning same, please do not hesitate to contact me.

Sincerely,

/s/ *David T. Drooz*

David T. Drooz

pbb

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington

DOCKET NO. E-100, SUB 175

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

IN THE MATIER OF
BIENNIAL DETERMINATION OF AVOIDED
COST RATES FOR ELECTRIC UTILITY PURCHASES
FROM QUALIFYING FACILITIES – 2021

JOINT COMMENTS, PROPOSED RATES AND CONTRACTS
OF
WESTERN CAROLINA UNIVERSITY
AND
NEW RIVER LIGHT AND POWER

December 21, 2021

TABLE OF CONTENTS

- I. Procedural History
- II. Avoided Cost Calculation and Proposed Rate Design Formula
- III. Status of QFs 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 an application setting forth proposed rates, terms and conditions to be offered to small power producers and cogenerators. That filing was in Docket No. E-100, Sub 41A. Every two years since then Western Carolina University has filed with the North Carolina Utilities Commission the same proposed rates, terms and conditions to be offered small power producers and cogenerators. 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; and Docket No. E-100, Sub 167.

New River Light and Power Company ("NRLP") filed comments in the last four 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; and Docket No. E-100, Sub 167.

In the last avoided cost rate proceeding, which was Docket No. E-100, Sub 167, the Commission granted the rates proposed by WCU and NRLP.

WCU and NRLP are both changing power suppliers effective Jan. 1, 2022, at which time both will be taking power supplies from Carolina Power Partners (CPP) instead of Duke Energy Carolinas. Due to this simultaneous change to the same new supplier, WCU and NRLP will follow the same format for the development of avoided cost rates in this filing. However, NRLP expects to update its avoided cost rates later in 2022 upon the completion of a cost-of-service study.

II. Avoided Cost Calculation and Proposed Rate Design

Proposed 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 cogenerators 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 cogenerators 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.

The deletion of the \$25.00 administrative service charge in Exhibit WCU-2 and NRLP-2 is in accordance with the Commission's April 12, 1985, Order where the Commission required WCU to eliminate the account servicing charge to a qualifying facility when such qualifying facility agrees to forego capacity credits. If the qualifying facility contracts to receive demand credit, a meter capable of reading hourly demands is required to accurately measure the demand supplied by the renewable/cogenerator power supplier during the interval in which CPP incurs a peak demand. The maintenance cost of electronic meters is greater than the cost of maintaining standard meters. In Docket No. E-100, Sub 41A, the Utilities Commission approved the use of an electronic meter to the extent that it is the same demand metering equipment required for other customers of WCU under similar operating conditions. If the monthly administrative charge is not set to cover all the costs associated with an account, the additional costs will have to be passed on to the other retail customers of the system. These additional costs would actually increase WCU's and NRLP's costs of providing service to its other retail customers as a result of WCU and NRLP purchase of power from a cogenerator or small power producer. If a cogenerator or small power producer is willing to forego a demand credit, WCU and NRLP will forego the \$25 administrative fee since they will not have to pay demand credits. The decision as to whether or not to contract for demand credits is made solely by the cogenerator or small power producer.

The \$8.25 monthly charge for meter reading and administrative overhead is based on a reasonable estimate of the monthly administrative charges of WCU and NRLP.

Standard Contracts:

The standard contract used for a small generator with WCU is attached hereto as Exhibit No. WCU-4 and entitled "Purchased Power Agreement for WCU Loads"

The standard contract used for a small generator with NRLP attached hereto as Exhibit No. NRLP-4 and entitled "Purchased Power Agreement for NRLP Loads"

By-All/Sell-All

At the time of this filing, neither WCU nor NRLP offer net metering or net billing rates. All of their rates for customers who are renewable small power generators are buy-all/sell-all arrangements. NRLP has a cost of service study planned, and that is the first step toward consideration of a possible future net billing rate.

III. Status of QFs on WCU and NRLP System

WCU has 3 solar suppliers and NRLP currently has approximately 15 solar suppliers and 1 wind supplier.

STATE OF NORTH CAROLINA

)

VERIFICATION

COUNTY OF WAKE

)

Kevin W. O'Donnell, being first duly sworn, deposes and says:

He is a consultant for Nova Energy Consultants, Inc. and he has read the foregoing Initial Statement 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.

Kevin W. O'Donnell

Sworn to and subscribed before me

This 21 day of December 2021

Notary Public

Alejandra M. Huntley



My Commission Expires: Nov. 07, 2025

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 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 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.

SUPPLIER

WESTERN CAROLINA UNIVERSITY

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

Rate SPP DEMAND

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

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.

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

Rate SPP NO DEMAND

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

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.

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.

\$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 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 kilowatts.
2. MONTHLY PAYMENTS. NRLP 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, 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.

SUPPLIER

NEW RIVER LIGHT AND POWER

CERTIFICATE OF SERVICE

I hereby certify that all persons on the Commission's docket service list have been served true and accurate copies of the foregoing Joint Comments and Proposed Rates of Western Carolina University and New River Light & Power by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by e-mail transmission with the party's consent.

This the 21st day of December, 2021.

/s/ David T. Drooz

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