

**SECOND SUPPLEMENTAL REPLY  
TESTIMONY OF MICHAEL C. GREEN  
ON BEHALF OF NTE CAROLINAS II, LLC**

**NCUC DOCKET NO. EMP-92, SUB 0**

(filed March 8, 2021)

**I. INTRODUCTION AND SUMMARY**

1 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2 A. My name is Michael C. Green. I am one of the Managing Partners of NTE Carolinas II, LLC,  
3 together with its affiliate entities ("NTE"). I am responsible for the development of the  
4 500 MW natural gas-fired generating facility ("Reidsville Energy Center" or "Facility")  
5 proposed for Rockingham County, North Carolina, by NTE. My business address is: 24  
6 Cathedral Place, Suite 600, Saint Augustine, Florida 32084.

7

8 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?**

9 A. Yes, I filed testimony and an affidavit in support of the granting of the CPCN for the  
10 Reidsville Energy Center in this docket. My Direct Testimony filed on July 29, 2016  
11 describes my professional experience and background. After NTE filed its verified Motion  
12 to Renew the CPCN on November 26, 2019, I filed Supplemental Direct Testimony on  
13 October 12, 2020, and my first Supplemental Reply Testimony on December 8, 2020.

14

15

1   **Q.     WHAT IS THE PURPOSE OF THIS TESTIMONY?**

2   A.     The purpose of my testimony is to respond to the testimony of Edgar A. Bell, III, on behalf  
3           of Duke Energy Carolinas (“DEC”) filed on February 19, 2021.

4  
5   **Q.     DO YOU DISAGREE WITH MR. BELL’S TESTIMONY?**

6   A.     Not necessarily with any of the facts that he stated, but it doesn’t fully explain the  
7           background or implications of NTE’s queue status or the next steps necessary to move  
8           the project forward.

9  
10   **Q.     EXPLAIN THE BACKGROUND AND CONTEXT OF NTE’S SUSPENDED QUEUE STATUS**  
11           **MENTIONED BY MR. BELL?**

12   A.     Under the express terms of the Large Generator Interconnection Agreement (LGIA)  
13           between NTE and DEC, as well as DEC’s Open Access Transmission Tariff (“OATT”), NTE,  
14           as the transmission customer, can suspend work at any time for up to three years. In  
15           order to coordinate customer needs and construction schedules, NTE anticipated the  
16           need for a one-year suspension and provided notice of a suspension in May 2019. We  
17           advised DEC at that time that we wanted to receive from DEC the invoices to substantiate  
18           and verify what NTE owed DEC to effect the suspension, as required in the OATT.

19           Instead of acknowledging the suspension and providing the substantiation  
20           requested, DEC designated the project as “CANCELLED” on OASIS and in financial reports  
21           for all customers and investors to see. NTE objected to the cancellation designation at

1 the United States Federal Energy Regulatory Commission (FERC), and FERC agreed with  
2 us and declared DEC's actions to be invalid by Order dated May 21, 2020, at 171 FERC  
3 1161,128, Docket No. EL20-8-000. ("FERC Order") (A copy of this Order was attached as  
4 Exhibit 8 to my Supplemental Testimony filed in this docket on October 12, 2020.) DEC  
5 also filed a lawsuit against NTE in September 6, 2019.  
6

7 **Q. WHAT WAS THE PRACTICAL EFFECT OF DEC'S IMPROPER "CANCELLATION" OF THE**  
8 **INTERCONNECTION STATUS IN OASIS?**

9 A. It forced a halt of all activities, including discussions with potential customers/offtakers  
10 for the energy and capacity of the Facility. Customers cannot commit to a supplier when  
11 the transmission provider says that the supplier does not have interconnection for its  
12 facilities. In addition, we were finalizing financing sources for the construction of the  
13 facility, but that process stopped as well – no one is going to commit to funding a project  
14 under those circumstances either.

15 Although the OASIS designation has now been corrected to "suspended," three  
16 years have passed since the issuance of the original CPCN for the facility in 2017. NTE  
17 cannot commit to a firm operations date to prospective customers without a renewed  
18 CPCN, which is necessary to lift the suspension and confirm costs and schedules.

19 **Q. IS THAT WHAT LED TO THE MOTION TO RENEW THE CPCN?**

20 A. Yes; even before NTE's notice of suspension, DEC and NTE had agreed to schedule  
21 changes that would have pushed back the commencement of construction. Then, we

1 recognized we would not receive a ruling from FERC on our complaint until after the  
2 required start of construction under the CPCN issued in 2017. So we realized we were  
3 facing an expiration of the CPCN under NCUC Rule R8-63(e)(3). Upon advice of counsel,  
4 we understood that the Rule expressly contemplated an extension or renewal of the CPCN  
5 and that there was precedent for the NCUC to renew a CPCN for a project that had not  
6 begun construction within three years. Therefore, we filed the Motion to Renew our  
7 Certificate of Public Convenience and Necessity in this docket prior to the expiration of  
8 the three-year period.

9  
10 **Q. WHAT IS THE STATUS OF THE PROJECT AT THIS TIME?**

11 A. As stated in our Motion, NTE has obtained – and has maintained -- all major project  
12 permits, certificates and approvals necessary to commence construction, with the  
13 exception of those permits-by-right to be obtained by the selected engineering,  
14 procurement and construction (“EPC”) contractor prior to commencing construction, as  
15 is industry practice. A Table of Permits was attached as Appendix 1 of the verified Motion  
16 to Renew.

17 NTE has executed an Amended and Restated Utilities Agreement with Rockingham  
18 County for the construction of water and wastewater infrastructure to serve the water  
19 and wastewater needs of the Facility. We have also acquired approximately 17 acres  
20 along the Dan River in Rockingham County, where the County will construct a new raw  
21 water intake and water pump station to serve the water needs of the Facility.

1 Immediately following the acquisition, NTE conveyed the land to Rockingham County at  
2 no cost. The unused portion of this 17-acre site will be jointly developed by Rockingham  
3 County and the Dan River Basin Association as a public park with a kayak access and river  
4 overlook.

5  
6 **Q. THEN WHY DOESN'T NTE LIFT THE SUSPENSION OF THE INTERCONNECTION STATUS**  
7 **NOW AND COMMENCE CONSTRUCTION?**

8 A. Just as we couldn't move forward when DEC had announced in OASIS that our  
9 interconnection had been cancelled, now, we can't move forward until the CPCN has been  
10 renewed. In the development of any electric power generation facility, the CPCN is the  
11 first step, and an absolutely necessary step, in the process.

12 As soon as the CPCN is renewed, we will then need to focus our efforts back on  
13 DEC regarding the reinstatement of our interconnection status, and move forward with  
14 whatever steps are needed for the interconnection. Potential customers are waiting to  
15 confirm that we have a renewed CPCN for the facility, and, of course, the CPCN is a  
16 necessary trigger for financing as well.

17 The renewal of the CPCN is essential for the continued development of the  
18 project. Granting the Motion to Renew will enable us to re-engage negotiations and  
19 finalize contracts with additional potential customers, to seek the private investment in  
20 this project, and to move forward with the transmission interconnection with DEC. Until  
21 the Motion is granted, we cannot continue those efforts.

1  
2 **Q. IS THERE STILL A NEED FOR THE REIDSVILLE ENERGY CENTER?**

3 A. Yes. Based upon what our potential customers are telling us and the information  
4 contained in DEC's and DEP's most recent integrated resource planning filings, we  
5 strongly believe that there is clearly a need for additional combined-cycle natural gas fired  
6 generation in the Carolinas, and the Reidsville Energy Center will provide highly reliable,  
7 competitively priced, and necessary new capacity to meet the need. This analysis is  
8 discussed in greater detail in our verified Motion to Renew, paragraphs 10-15, filed on  
9 November 26, 2019, and on pages 4-5 of my Supplemental Testimony filed on October  
10 12, 2020, previously in this docket.

11 But ultimately, like the old English idiom says, "The proof of the pudding is in the  
12 tasting;" in other words, if there is insufficient interest from customers in the Reidsville  
13 Energy Center, it won't be financed and won't be constructed and therefore was not  
14 needed. If, on the other hand, there is sufficient interest from prospective customers,  
15 and the project is financed and constructed, then that is proof of its need. As stated on  
16 pages 9-10 of my Supplemental Testimony filed on October 12, 2020 previously in this  
17 docket, "if long-range resource plans were not met [by the Reidsville Energy Center],  
18 output from the Facility would not be subscribed, construction of the Facility could not  
19 be financed, and the Facility would not be built – under any scenario, at no risk to  
20 ratepayers. That is one of the reasons that the requirements and standards for a CPCN

1 for a merchant plant under R8-63 are very different – and lower – than those for public  
2 utility rate-base generation under N.C.G.S. § 62-110 and R8-61.”  
3

4 **Q. HAS NTE MET THE REQUIREMENTS FOR A RENEWAL/EXTENSION OF THE CPCN?**

5 A. Yes; that will ultimately be up to the Commission to decide, but I believe we have. I do  
6 not know what else we could do or show the NCUC under the circumstances we find  
7 ourselves in. The testimonies and exhibits we have filed in this docket demonstrate that  
8 NTE has met the requirements of the statutes, regulations, and prior NCUC decisions  
9 governing a renewal of the CPCN, and that the need still exists for the Reidsville Energy  
10 Center. Tellingly, absolutely no testimony or exhibits have been filed in this docket by any  
11 party refuting anything that we have said or presented. Having established what, in  
12 essence, is more than a *prima facie* case for renewal, and having seen no evidence to the  
13 contrary, we respectfully request that the Commission issue an Order granting our motion  
14 in this docket.  
15

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

17 A. Yes, at this time.

**CERTIFICATE OF SERVICE**

I, M. Gray Styers, Jr., hereby certify that the foregoing public-redacted **SECOND SUPPLEMENTAL DIRECT TESTIMONY OF MICHAEL C. GREEN ON BEHALF OF NTE CAROLINAS II, LLC** thereto has been served this day on counsel of record by electronic email as follows:

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This 8th day of January, 2021.



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M. Gray Styers, Jr.