

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. SP-5640, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of North Carolina Renewable)	ORDER ACCEPTING AMENDED
Power-Lumberton, LLC, for Registration)	REGISTRATION OF NEW
of a New Renewable Energy Facility)	RENEWABLE ENERGY FACILITY

BY THE CHAIRMAN: On May 15, 2015, in the above-captioned proceeding, the Commission issued an order that, among other things, accepted the registration statement filed by North Carolina Renewable Power-Lumberton, LLC (NCRP-Lumberton), for its 35-MW_{AC} biomass-fueled combined heat and power (CHP) electric generating facility to be registered as a new renewable energy facility. In addition to accepting NCRP-Lumberton's registration statement, that order approved NCRP-Lumberton's proposed methodology for determining the amount and type of RECs earned by the facility through the use of wood waste and poultry litter as fuel sources for the facility.

On October 18, 2018, as revised and supplemented by filings on November 30, and December 21, 2018, NCRP-Lumberton filed a letter and memorandum detailing NCRP-Lumberton's efforts to use the organic waste material resulting from the rendering or processing of poultry products, commonly called "press cake,"¹ as a fuel source for the facility. NCRP-Lumberton states that other than the use of press cake as a fuel source, all other information about the facility upon which the Commission based its May 15 Order, remains unchanged. NCRP-Lumberton further states that the use of press cake requires supplementing the formulas used in determining the RECs earned by the facility to reflect the alteration of the heat inputs, as further detailed in NCRP-Lumberton's letter and memorandum. In addition, NCRP-Lumberton included with its filings as Exhibit D, a revised calculation of RECs reflecting these changes. NCRP-Lumberton filed its Exhibit D under seal on the basis that it contains trade secret information. NCRP-Lumberton requests that the Commission accept the revised multi-fuel

¹ On April 24, 2018, in Docket No. SP-100, Sub 33, the Commission issued an Order determining that (1) organic waste material resulting from the rendering or processing of swine or poultry products (Press Cake), when combusted or combined with swine manure or with poultry manure, wood shavings, straw, rice hulls, or other bedding material, qualifies as "swine waste" or "poultry waste" for the purposes of G.S. 62-133.8(e) or 62-133.8(f), respectively, and that (2) the electric or thermal energy generated by Press Cake, when combusted or combined with swine or poultry manure, wood shavings, straw, rice hulls, or other bedding material, qualifies for the swine waste or poultry waste set-aside, as appropriate, in proportion to the percentage of energy attributable to the swine waste or poultry waste (except that swine waste RECs can only be derived from electrical energy, not thermal energy); and that the organic waste material resulting from the rendering or processing of swine or poultry products, in general, constitutes acceptable material to earn the type of REC attributable to each type of waste, subject to review by the Commission and the Public Staff.

calculations, reflecting the use of press cake to generate electricity, and the revised calculations of RECs the facility expects to earn.

On December 5, 2018, the Public Staff filed the recommendation required by Commission Rule R8-66(e), stating that the Public Staff-Electric Division has completed its review of NCRP-Lumberton's memorandum and revised fuel calculations. In addition, the Public Staff states that it has engaged in discussions with NCRP-Lumberton regarding the proposed methodology to calculate energy production to ensure compliance with Appendix C of the NC-RETS Operating Procedures and Commission Rule R8-67(g)(4). The Public Staff further states that during the course of its review, it evaluated whether the methodology: (1) utilizes adequate testing and sampling systems to determine and verify the BTU content, and the amount of each fuel type used by the facility; (2) properly accounts for all metered electric and thermal generation data; and (3) utilizes the appropriate measurements to ensure that the facility earned renewable energy certificates (RECs) based only upon the energy derived from renewable energy resources in proportion to the relative energy content of the various fuel types used. Based upon its review, the Public Staff states that it believes that the methodology used to calculate the amount of RECs derived from each fuel source for both electrical and thermal energy generation is satisfactory. Therefore, the Public Staff recommends that the Commission accept the multi-fuel methodology and thermal energy calculations proposed by NCRP-Lumberton.

Based upon the foregoing and the entire record in this proceeding, including the multi-fuel methodology and thermal energy calculations proposed by NCRP-Lumberton in its memorandum and the confidential Exhibit D, attached thereto, and the Public Staff's recommendation, the Chairman finds good cause to treat NCRP-Lumberton's memorandum as a request to amend the registration statement previously accepted in this proceeding. The Chairman further finds good cause to accept the amended registration statement, reflecting the change in the multi-fuel source calculation.

Pursuant to Commission Rule R8-67(d)(2), because NCRP-Lumberton is using multiple fuels to generate electricity, the facility shall earn RECs based only upon the energy derived from the various renewable energy resources in proportion to the relative energy contents of the fuels used. Pursuant to N.C.G.S. § 62-133.8(a)(7), a renewable energy facility includes a CHP facility fueled by a renewable energy resource, but does not include a biomass-fueled boiler producing steam without also generating electricity. Therefore, once the facility begins generating both steam and electricity net of "station service," as defined by the Commission in its July 1, 2010 Order Adopting Interim Operating Procedures for REC Tracking System, issued in Docket No. E-100, Sub 121, and clarified in the Commission's August 10, 2012 Order in Docket No. SP-729, Sub 1, the Applicant will be eligible to earn RECs for both the electric generation and thermal energy captured from the waste heat. As stated in the Commission's March 13, 2012 Order on Public Staff's Motion for Reconsideration in docket No. SP-100, Sub 9, only the thermal energy that is a byproduct of the electrical generation, that, if not captured and used, would be wasted, is eligible to earn RECs. Consistent with the Commission's January 20, 2010 Order Accepting Registration issued in Docket No. SP-578, Sub 0, if

any organic material other than poultry waste is used in the CHP facility, only that portion of the electricity generated from the burning of poultry waste is eligible to earn RECs that may be used to meet the poultry waste set-aside requirements of the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard. Further, as stated in the Order issued in this docket on May 20, 2015, NCRP-Lumberton shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year. To the extent that NCRP-Lumberton is not otherwise participating in a REC tracking system, NCRP-Lumberton will be required to participate in the NC-RETS REC tracking system (www.ncrets.org) in order to facilitate the issuance of RECs.

IT IS, THEREFORE, ORDERED as follows:

1. That the amended registration statement filed by North Carolina Renewable Power-Lumberton, LLC for its 35-MW_{AC} CHP electric generating facility located in Robeson County, North Carolina, shall be, and is hereby, accepted;
2. That North Carolina Renewable Power-Lumberton, LLC shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year; and
3. That the Chief Clerk shall transmit a copy of this Order to the NC-RETS Administrator.

ISSUED BY ORDER OF THE COMMISSION.

This the 27th day of December, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a light gray circular stamp.

Janice H. Fulmore, Deputy Clerk