

**Jordan Hydroelectric Limited  
Partnership**

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August 16, 2017

Chief Clerk  
North Carolina Utility Commission  
Raleigh, NC  
Via Email

**Comment on E-100 Sub 150** Rulemaking Proceeding to Implement Session Law 2017-192 9**HB 589**)

Dear Chief Clerk and Commission Staff:

This is a filing of comments by Jim Price, owner of the Jordan Hydroelectric Project at Jordan Dam near Moncure, NC in Chatham County. We completed construction of the Jordan Hydroelectric Project in 2012 and have sold power from the facility to Progress Energy and Duke Progress Energy under a 10 year standard contract, as approved by the Commission for 5.5 years. The plant is a Small Power Producer with a capacity of 4400 kw. Our contract with Duke must be renewed in 2019; the original CSP schedule (CSP 25, Oct. 31, 2008) and the Application for Standard Contract (Oct. 6, 2009) both specify that subsequent contracts will be based on similar terms and conditions. This should mandate the capacity payment for all power delivered during the peak period.

Although this docket is for comments on Part II of HB 589 and only concerns competitive bidding, we might be forced into competitive bidding by this very detrimental legislation. So we are taking this opportunity to initiate comments for the Commission's consideration.

Our plant was well built and should provide many years of service. However, the potential loss of the capacity payments that are part of our existing contract through unfavorable interpretation of the provisions in section 1.b.b.3 of HB 589 would probably make our plant unfeasible. So you can understand the anxiety with which we comment. If Section 1.b.b.3 could greatly reduce or eliminate the capacity payment to our facility, we will not be able to continue operation. We are trying to understand if section 1.b.b.3 would apply to our plant. We believe it should not, because our plant should have been included as available capacity in the last IRP submitted by Duke Power. Since we were included as available capacity in the last IRP, we hope that we will not be affected by implementation of HB 589 or G.S. 62-110.8 and other changes to G.S. 62-1. However, the language of the legislation is not clear on this point.

Our plant has been paid a capacity payment as per our standard contract of Oct. 6, 2008 and related documents, and was built with the anticipation that such a payment would continue throughout the life of the Project. We do realize that energy prices have decreased in recent years with decreasing natural gas prices. However, we provide a capacity benefit to the ratepayers by having our capacity available and generating energy during the peak period. We are only paid for capacity and energy when we are generating, which is about 80% of the time.

In summary, our comment is that we do not believe it is fair, given our existing contract and history of providing capacity, to not be paid for continuing to provide such benefits in the future, especially through any renewals of our contract. We must provide a capacity benefit to deliver energy on peak to the ratepayers; it is unfair for the ratepayers to not pay for that delivered benefit. Contrary to the

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capacity payments made annually to a utility, our Small Power Producer plant only receives payment for delivered capacity.

Any requirements for competitive bidding that would apply to our hydroelectric generating facility should include payment for capacity based on the avoided capacity cost in each year for which we provide capacity. This is an existing facility whose capacity benefit was included in past IRP's submitted by the utility.

Thanks for the opportunity to comment. We look forward to explaining any points that are not clear.

Respectfully submitted,

A handwritten signature in black ink that reads "James B. Price". The signature is written in a cursive, flowing style.

James B. Price  
President, W.V. Hydro, Inc.  
General Partner of Jordan Hydroelectric Limited Partnership