



Fox Rothschild LLP  
ATTORNEYS AT LAW

434 Fayetteville Street  
Suite 2800  
Raleigh, NC 27601  
Tel (919) 755-8700 Fax (919) 755-8800  
www.foxrothschild.com

M. GRAY STYERS, JR.  
Direct No: 919.755.8741  
Email: gstyers@foxrothschild.com

November 26, 2019

Ms. Kimberley A. Campbell  
Chief Clerk  
North Carolina Utilities Commission  
430 N. Salisbury Street  
Raleigh, NC 27603-5919

Re: MOTION TO RENEW CERTIFICATE OF PUBLIC CONVENIENCE AND  
NECESSITY (REDACTED, PUBLIC VERSION)  
In the Matter of Application of NTE Carolinas II, LLC for Certificate of Public  
Convenience and Necessity to Construct a Natural Gas-Fired Electric Generating Facility  
in Rockingham County, North Carolina  
NCUC Docket No: EMP-92, Sub 0

Dear Ms. Campbell:

On behalf of NTE Carolinas II, LLC, I herewith electronically submit the attached REDACTED,  
public version of its Motion to Renew Certificate of Public Convenience and Necessity in the  
above referenced matter and docket.

If you should have any questions concerning this filing, please do not hesitate to contact me.

Thank you.

Sincerely,



M. Gray Styers, Jr.

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

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. EMP-92, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application of NTE  
Carolinas II, LLC, for Certificate of  
Public Convenience and Necessity to  
Construct a Natural Gas-Fired Electric  
Generating Facility in Rockingham  
County, North Carolina

MOTION TO RENEW  
CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY

NTE Carolinas II, LLC (“NTE”), through counsel, moves the North Carolina Utilities Commission (“Commission”), pursuant to Rule R8-63(e)(3), to issue an Order renewing for three years the Certificate of Public Convenience and Necessity (“CPCN”) issued in the Commission’s Order Granting Certificate with Conditions entered in this docket on January 19, 2017 (“January 2017 CPCN Order”). In support of its motion NTE shows the Commission as follows:

1. On January 19, 2017 the Commission issued an order granting a CPCN to NTE for construction of a 500-MW natural gas-fueled combined cycle merchant plant generating facility located in Rockingham County, North Carolina (the “Facility”).
2. As provided by Commission Rule R8-63(e)(3), the January 2017 CPCN Order requires that the CPCN be renewed if NTE does not begin construction within three years after the date of the Commission order granting the certificate.
3. Construction of the Facility has not begun. However, NTE is in discussions with a number of counterparties that would support financing of the Facility and allow for the commencement of construction, just not prior to January 18, 2020 .

**STATUS OF DEVELOPMENT**

4. Since the CPCN was issued the following development activities were completed, all of which are necessary before construction of the Facility can commence:

- a. NTE executed a Large Generator Interconnection Agreement (“LGIA”) with Duke Energy Carolinas, LLC (“DEC”) on November 8, 2017 and provided DEC initial funds to perform the network upgrades necessary for DEC’s transmission system to accommodate the Facility.
- b. NTE executed an Amended and Restated Utilities Agreement with Rockingham County for the construction of water and wastewater infrastructure to serve the water and wastewater needs of the Facility.
- c. NTE has acquired approximately 17 acres along the Dan River in Rockingham County. This location along the Dan River is where Rockingham County will construct a new raw water intake and water pump station to serve the water needs of the Facility. Immediately following the acquisition, NTE conveyed the land to Rockingham County at no cost. The unused portion of this 17-acre site will be jointly developed by Rockingham County and the Dan River Basin Association as a public park with a kayak access and river overlook.
- d. NTE executed a Natural Gas Construction and Redelivery Services Agreement with Piedmont Natural Gas, which has been approved by the Commission.

5. NTE has obtained all major project permits, certificates and approvals necessary to commence construction, with the exception of those permits-by-right to be

obtained by the selected engineering, procurement and construction (“EPC”) contractor prior to commencing construction, as is industry practice. An updated Table of Permits is provided as Appendix 1 attached hereto.

6. NTE’s project development expenses for the Facility since January 2017 are in excess of [REDACTED]

7. Three, 20-year Power Sale Agreements have been executed by municipal utilities in the Carolinas to receive wholesale power supply service from the Facility. NTE also has proposals before nine other wholesale purchasing entities who have opportunities to switch power suppliers between 2023 and 2030, which are referenced in the Statement of Need section below.

8. The original LGIA identified a 4/1/2021 Commercial Operation Date (COD), which was later amended to July 1, 2021. In light of the engineering work required for the interconnection, in January 2019, DEC and NTE mutually agreed to extend the In-service Date (backfeed) and Commercial Operation Date to January 7, 2021 and July 1, 2022, respectively. NTE’s agreement to this second amendment and one-year delay in the In-service Date and Commercial Operation Date was in order to synchronize the anticipated completion of the Facility’s construction, the In-service Date of transmission interconnection, and the timing of the needs of NTE’s offtakers who had committed to the project or with whom negotiations are ongoing.

#### **STATEMENT OF NEED**

9. The need for the Facility remains unchanged since the time the CPCN application was filed in 2016.

10. The DEC 2019 Integrated Resource Plan (“DEC IRP”) forecasts annual retail and wholesale load growth of 1.0% for Summer Peak Demand and 0.8% for Winter Peak Demand even with the impact of energy efficiency measures. This growth in wholesale demand demonstrates the need for additional sources of power supply.

11. The DEC IRP indicates that the need for new generation has increased since 2018, with the timing of the first need accelerated from 2028 to 2026. The IRP also shows approximately 1,800 MW of additional retirements over the 15-year study period, which in part drives the need for additional capacity, forecast to be 6,973 MW between 2020 and 2034.

12. The Duke Energy Progress 2019 Integrated Resource Plan (“DEP IRP”) forecasts annual retail and wholesale load growth of 1.0% for Summer Peak Demand and 0.9% for Winter Peak Demand even with the impact of energy efficiency measures. The DEP IRP shows the need for new generational beginning in 2020 and continuing through the planning horizon.

13. The DEP IRP also shows approximately 3,600 MW of additional retirements between 2019 and 2033.

14. The DEP IRP Base Case Resources capacity additions total 10,407 MW, of which 3,242 MW are attributed to combined cycle facilities.

15. An independent market expert report for the Facility, prepared by the PA Consulting Group for potential investors, concludes that “the Carolinas region is projected to need new capacity in 2024, which is driven by an average peak demand grown rate of 0.5% per year and 1.2 GW in thermal capacity retirements.”

██████ NTE is in discussions with several potential customers nearing expiration of their existing contracts, who have capacity and energy requirements and have the opportunity to evaluate alternative, and more economic power purchase agreements with NTE. These potential customers include, but are not limited to: ██████████

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17. To further show the need for additional capacity in the Carolinas, the Kings Mountain Energy Center, which was developed by NTE Energy, is selling a considerable amount of energy from its uncontracted portions of the combined cycle and duct burner resources to regional utilities on a daily and hourly basis. A total of ██████████ ██████████ of excess wholesale energy has been sold to Duke and other regional utilities in short term markets from its COD of August 2018 through August 2019. ██████████ ██████████ has approached the Kings Mountain Energy Center and the Reidsville Energy Center seeking to purchase the existing uncontracted capacity from King Mountain for a term of two years and for a longer period thereafter from the Reidsville Facility.

18. Granting this Motion to Renew will also encourage private investment in Rockingham County, as well as elsewhere across North Carolina, to meet demonstrated and anticipated wholesale customer electric power needs. Listed below are some of the economic benefits associated with the Facility:

- a. The Facility will be one of the largest taxpayers in Rockingham County.
- b. The Facility will create approximately 400 direct jobs during construction, as well as approximately 20 direct jobs over the 30 years of commercial operations.
- c. The Facility's contribution to the North Carolina economy (property tax, salaries for full time staff, and local procurement of goods and services) will exceed \$4 million per year during operations.

19. An additional benefit of the Facility is it is being developed and financed by private companies, rather than captive ratepayers. The development and construction costs of the Facility will not be considered in a future determination of the rate base of any public utility under N.C.G.S. § 62-130 *et seq.*

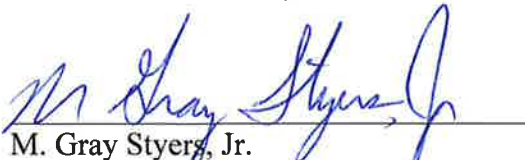
20. The information in this Motion to Renew demonstrates that North Carolina still needs additional electric generation capacity. The Facility will be an integral contributor to the solution of meeting future needs for electricity in the state and region.

WHEREFORE, NTE Carolinas II, LLC respectfully request that the Commission issue an Order renewing for three years, until January 18, 2023, the Certificate of Public Convenience and Necessity issued in the Commission's Order Granting Certificate with Conditions entered in this docket on January 19, 2017.

**REDACTED VERSION**

Respectfully submitted, this 26<sup>th</sup> day of November, 2019.

FOX ROTHSCHILD, LLP

A handwritten signature in blue ink, appearing to read "M. Gray Styers, Jr.", is written over a horizontal line.

M. Gray Styers, Jr.  
434 Fayetteville Street, Suite 2800  
Raleigh, North Carolina 27601  
Telephone: 919-755-8741  
E-mail: [gstyers@foxrothschild.com](mailto:gstyers@foxrothschild.com)

*Counsel for NTE Carolinas II, LLC*

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Nov 26 2019

## Table of Permits and Approvals

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Nov 26 2019

Agency	Permit / Approval	Status
<b>Federal Permits, Notices and Approvals</b>		
United States Army Corps of Engineers	Clean Water Act Section 404 Permit	Received: July 2017
Department of Energy	Fuel Use Act – 10 CFR 503	Completed: September 2017
Federal Aviation Administration	Notice of Proposed Construction or Alteration	Received: December 2016 Extended: June 2018
Federal Energy Regulatory Commission	Exempt Wholesale Generator Status	Completed: October 2017
	Market-based Rate (MBR) Authority	To be requested 180 days prior to startup and performance testing
<b>State Permits and Approvals</b>		
North Carolina Utilities Commission	Certificate of Public Convenience and Necessity (CPCN)	Received: January 2017
N.C. Department of Environmental Quality	Air Quality Permit (PSD)	Received: July 2017 Extended: December 2018
	Title IV Acid Rain Permit	To be submitted at least 24 months prior to operation
	Title V Operating Permit	To be submitted within 12 months following commencement of operation
	NPDES General Permit for Storm water – Construction	To be obtained by contractor prior to construction
	NPDES General Permit for Storm water – Operation	To be submitted at least 180 days prior to operation
	Clean Water Act Section 401 Permit	Received: August 2017
N.C. Department of Transportation	Street and Driveway Access Permit	To be obtained by contractor prior to construction
<b>Local Permits and Approvals</b>		
Rockingham County	Special Use Permit	Received: April 2017
	Building Permit	To be obtained by contractor prior to construction
	Improvement Permit (Septic System)	To be obtained by contractor prior to construction

STATE OF Florida  
COUNTY OF St. Johns

VERIFICATION

I, Stephanie Clarkson, President of NTE Carolinas II, LLC, being first duly sworn, depose and say that I am duly authorized to act on behalf of NTE Carolinas II, LLC as a representative of the Petitioner; that I have read the foregoing Motion to Renew Certificate of Public Convenience and Necessity and that the same is true and accurate to my personal knowledge and belief.

This 26 day of November, 2019.

  
\_\_\_\_\_  
Stephanie Clarkson  
NTE Carolinas II, LLC

Sworn to and subscribed to before me  
this 26<sup>th</sup> day of November, 2019.

  
\_\_\_\_\_  
Notary Public (Signature)

Heather E. Boettcher  
\_\_\_\_\_  
Notary Public (Printed)

My Commission Expires: 4/30/2020



REDACTED VERSION

CERTIFICATE OF SERVICE


It is hereby certified that the foregoing MOTION TO RENEW has been served this 26<sup>th</sup> day of November, 2019, by hand delivery, electronic mail or by depositing copies of same in a depository under the exclusive care and custody of the United States Postal Service in postage prepaid envelopes and properly addressed as follows:

Christopher J. Ayers, Esq.  
Executive Director  
North Carolina Public Staff  
430 N. Salisbury Street  
Raleigh, NC 27611

Dianna Downey, Esq.  
David Drooze, Esq.  
Legal Division  
North Carolina Public Staff  
430 N. Salisbury Street  
Raleigh, NC 27611

John Runkle, Esq.  
2121 Damascus Church Road  
Chapel Hill, North Carolina 27516

FOX ROTHSCHILD, LLP

  
M. Gray Stivers, Jr.

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