

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: November 9, 2022
3 TIME: 10:21 a.m. - 10:32 a.m.
4 DOCKET NO.: E-22, Sub 645
5 BEFORE: Hearing Examiner Derrick Mertz
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12 IN THE MATTER OF:
13 Application by
14 Virginia Electric and Power
15 Company, d/b/a Dominion Energy North Carolina
16 for Approval of Demand-Side Management and Energy
17 Efficiency Cost Recovery Rider Pursuant to
18 G.S. § 62-133.9 and Commission Rule R8-69
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E-22, Sub 645

1 A P P E A R A N C E S:

2 FOR VIRGINIA ELECTRIC and POWER COMPANY, d/b/a

3 DOMINION ENERGY NORTH CAROLINA:

4 Mary Lynne Grigg, Esq.

5 McGuireWoods, LLP

6 501 Fayetteville Street, Suite 500

7 Raleigh, North Carolina 27601

8

9 FOR THE USING AND CONSUMING PUBLIC:

10 William Freeman, Esq.

11 William E.H. Creech, Esq.

12 Thomas Felling, Esq.

13 Public Staff - North Carolina Utilities Commission

14 4326 Mail Service Center

15 Raleigh, North Carolina 27699-4300

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NORTH CAROLINA UTILITIES COMMISSION

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T A B L E O F C O N T E N T S

E X A M I N A T I O N S

PAGE

As a panel,
 BRIAN ENNIS, TIM CONWAY, and ANDREW WATERS
 Docket Number E-22, Sub 644,
 Transcript pages 6 through 17 8
 Direct Statements 20

E X H I B I T S

Identified / Admitted

Waters Exhibit 1 -- / 8

P R O C E E D I N G S

1
2 HEARING EXAMINER MERTZ: Good morning.
3 Let's come to be order, please, and go on the
4 record. I am Derrick Mertz, Staff Attorney for the
5 North Carolina Utilities Commission, and Hearing
6 Examiner for this proceeding.

7 I now call for hearing Docket Number E-22,
8 Sub 645, which is the Application by Dominion Energy
9 North Carolina for Approval of Demand-Side
10 Management and Energy Efficiency Cost Recovery Rider
11 Pursuant to North Carolina General Statute
12 § 62-133.9 and Commission Rule R8-69.

13 On August 9th, 2022, Dominion Energy North
14 Carolina filed its Application to address approval
15 of cost recovery for its Demand-Side Management and
16 Energy Efficiency Programs.

17 We are here this morning to accept public
18 witness testimony for this application.

19 Pursuant to North Carolina General Statute
20 138A-15, members of the Commission and its legal
21 counsel have a duty to avoid conflicts of interest.
22 I state for the record that I have no known conflict
23 of interest as to this proceeding.

24 I now call on the parties to announce

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1 their appearances, starting with the Applicant.

2 MS. GRIGG: Good morning, Hearing Examiner
3 Mertz. Mary Lynne Grigg with McGuireWoods on behalf
4 of Dominion Energy North Carolina.

5 MR. FREEMAN: Good morning, Hearing
6 Examiner Mertz. I am William Freeman and with me is
7 Zeke Creech and Thomas Felling, attorneys with the
8 Public Staff, which is here on behalf of the Using
9 and Consuming Public. Thank you.

10 HEARING EXAMINER MERTZ: And I understand
11 that there are three persons present here to testify
12 in this proceeding.

13 MR. FREEMAN: Yes, there are. Thank you.

14 HEARING EXAMINER MERTZ: Would you all
15 identify yourselves for the record?

16 MR. ENNIS: Brian Ennis.

17 MR. CONWAY: Tim Conway.

18 MR. WATERS: Andrew Waters.

19 HEARING EXAMINER MERTZ: And could you
20 give your address or your business address for the
21 proceeding?

22 MR. ENNIS: 592 Captain Beam Boulevard,
23 Hampstead, North Carolina 28443.

24 MR. CONWAY: 311 Meadowsweet Drive, State

E-22, Sub 645

1 College, Pennsylvania 16801.

2 MR. WATERS: 6653 Main Street, Buffalo,
3 New York 14221.

4 HEARING EXAMINER MERTZ: And you have just
5 recently given testimony in the Docket Number E-22,
6 Sub 44 (sic) proceeding. Do you wish to restate
7 your comments from that proceeding or would you like
8 to have the court reporter -- excuse me. Would you
9 like to adopt and incorporate by reference those
10 statements given in that proceeding to be copied
11 into the record in this proceeding?

12 MR. ENNIS: I would like personally our
13 comments copied into this proceeding. If we may
14 expand on that a little bit in this section.

15 HEARING EXAMINER MERTZ: I will allow you
16 to do so. And would you swear that that testimony
17 that you gave is accurate and true?

18 MR. ENNIS: I do.

19 MR. WATERS: I do.

20 MR. CONWAY: I do.

21 HEARING EXAMINER MERTZ: Okay. That
22 testimony will be copied into the record. The
23 exhibit submitted in that docket will also be
24 submitted into this record so long as there is no

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1 objection.

2 MR. FREEMAN: No objection from the Public
3 Staff.

4 MS. GRIGG: No objection.

5 HEARING EXAMINER MERTZ: We'll give you an
6 additional five minutes to speak as to this docket.

7 MR. ENNIS: Okay.

8 MR. FREEMAN: And Hearing Examiner, I will
9 remind the panel that they still remain under oath
10 from the prior swearing.

11 MR. ENNIS: Right.

12 As a panel,

13 BRIAN ENNIS, TIM CONWAY and ANDREW WATERS;

14 having been previously affirmed,

15 testified as follows:

16 (WHEREUPON, Waters Exhibit 1
17 is received into evidence.)

18 (WHEREUPON, the testimony of
19 witnesses BRIAN ENNIS, TIM
20 CONWAY, and ANDREW WATERS in
21 Docket Number E-22, Sub 644
22 is copied into the record as
23 if given orally from the
24 stand.)

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As a panel,

BRIAN ENNIS, TIM CONWAY and ANDREW WATERS;

NORTH CAROLINA UTILITIES COMMISSION

1 having been duly affirmed,

2 testified as follows:

3 HEARING EXAMINER MERTZ: Could you each
4 state your name for the record?

5 MR. ENNIS: I'll start. Brian Ennis.

6 COURT REPORTER: You will need to move the
7 microphone closer.

8 MR. ENNIS: Brian Ennis.

9 MR. CONWAY: Tim Conway.

10 MR. WATERS: Andrew Waters.

11 HEARING EXAMINER MERTZ: And are you each
12 Dominion customers in a sense?

13 MR. ENNIS: In a sense, let's say
14 potential.

15 HEARING EXAMINER MERTZ: You each have an
16 interest in this particular proceeding?

17 MR. ENNIS: (Nods in agreement).

18 MR. CONWAY: Yes.

19 MR. WATERS: Yes.

20 HEARING EXAMINER MERTZ: If you would
21 please proceed.

22 DIRECT STATEMENTS BY THE PANEL:

23 MR. ENNIS: If I may start, so my group
24 owns the Edgecombe Genco -- former Edgecombe Genco

1 facility in Battleboro, North Carolina. It was a
2 coal-fired power plant that produced 115 megawatts
3 of power. It started running in the late '80's.
4 And my group, we actually buy and redevelop retired
5 power plants, mostly coal plants. Edgecombe is one
6 of our projects we currently own. We shut down
7 Edgecombe in 2019 and looked for the next
8 development and for that project to bring jobs and
9 revenue to Battleboro.

10 Currently, we have a potential buyer for
11 the property that will bring a large amount of power
12 to the site, buying from Dominion Energy, and this
13 is Tim Conway. I'll introduce these guys here in a
14 second. But just to finish my point on this, yes,
15 we are the owner of the property. We are interested
16 in Dominion's rate case -- well, fuel rate case in
17 addition to a demand response program that we
18 understand that is not in North Carolina right now
19 under PJM.

20 So there's kind of two subjects here, if
21 you will, talking a little bit about the fuel
22 increase and also a suggestion on demand response,
23 which I'll bring these guys in for that.

24 So I guess I'll introduce the potential

1 buyer, Tim Conway, and then his representative for
2 energy, Andrew Waters.

3 MR. CONWAY: Hello. Again, my name is Tim
4 Conway. I am a principal with 98-6 Redevelopment
5 Partners. We purchase former industrial sites and
6 redevelop them. We are in a Purchase and Sale
7 Agreement for the property that Mr. Ennis here
8 mentioned, and we're here today to talk about the
9 rate, proposed rate increase.

10 Our -- as Brian said, we're looking to
11 bring back a hundred or more megawatts of power to
12 the site to create a data, as well as other
13 manufacturing at the site, utilizing the rail that
14 is there in addition to the Dominion substation.
15 And the rate increase that has been proposed of
16 \$0.89, given if we were to just bring in initially
17 50 megawatts and then increase the -- for us, that
18 increase would end up being about \$320,000 plus per
19 month for us and that could have a huge effect of
20 whether the project can go forward for us.

21 In addition, we will have a very large
22 infrastructure buildout that the development, its
23 plan, and we will also be bringing multiple jobs to
24 the Battleboro area if this project can go forward

1 and we can close on the facility.

2 As Brian indicated, one of the
3 possibilities although not in place right now that
4 could help offset that would be a direct response
5 program. And, you know, to talk about that and give
6 some more in particulars, particulars is our energy
7 consultant Andrew Waters with EnergyMark.

8 MR. WATERS: Good morning, Andrew Waters
9 from EnergyMark. I'm on behalf of 96 Redevelopment
10 Partners (sic). We've done some lookbacks in
11 reference to assisting Tim and his group as well as
12 Brian in relation to what the rate case affects his
13 project, and some of the secondary components that
14 will assist not only Dominion North Carolina and
15 him, make the project work well.

16 Collectively, looking at the total energy
17 price is one of the things that as you can imagine,
18 as Tim referenced, helps him finalize and Brian also
19 finalize redevelopment of the site here in North
20 Carolina. One of the goals is to be sustainable and
21 renewable for the site. Other projects including
22 solar, battery ads, and things collectively are in
23 process or in expectation of this site. The
24 curtailment program component as you can imagine

1 from previous locations that Tim and his group
2 develop and redevelop and establish nice projects
3 at, is curtailment programs of reducing power and
4 load demand on the grid. And those programs are not
5 available yet in North Carolina but are familiar
6 with Dominion and PJM in Virginia, same exact
7 program would make a dramatic impact on whether this
8 works or not as Tim referenced.

9 But the secondary thing is the carbon
10 reduction or the CO2 emission improvements to the
11 air quality of North Carolina is one of the things
12 we'd like to submit today just for reference. If
13 allowable, we would like to submit that for
14 documentation to the committee.

15 HEARING EXAMINER MERTZ: Any objection
16 from the parties?

17 MS. GRIGG: No objection.

18 MR. FREEMAN: No objection.

19 MR. WATERS: Thank you.

20 HEARING EXAMINER MERTZ: It will be
21 submitted.

22 MR. ENNIS: Can I just -- one more point
23 on that. Curtailment, demand response, they're the
24 same thing; different definitions but they are the

1 same thing.

2 MR. WATERS: That's pretty much what --
3 yeah. We'd ask is this the right time to discuss
4 that briefly or is that for a separate time and
5 discussion as it relates to the project is really --
6 I know we can't ask questions.

7 HEARING EXAMINER MERTZ: I mean, in terms
8 of --

9 MR. WATERS: I don't want to take up your
10 time if it's not allowable, sir.

11 HEARING EXAMINER MERTZ: I mean, you have
12 three minutes remaining if you would wish to proceed
13 with discussing that at this time or if you wish to
14 hold it for the next proceeding you can do so.

15 MR. WATERS: Sure. We'd like to -- I'll
16 take my time if that works -- is agreeable?

17 HEARING EXAMINER MERTZ: Please proceed.

18 MR. WATERS: Similar to many other states,
19 these demand response or curtailment programs which
20 briefly reducing your power use to the tune of a 50,
21 100 megawatts. To give you a summary, reducing
22 100 megawatts on the grid on Dominion would be
23 reducing 500 metric tons of CO2 every year into the
24 air and a phenomenal improvement, which also

1 Governor Cooper established one year ago on October
2 13th that the Commission has to or is really
3 encouraged to reduce all CO2 emissions. And we
4 believe collectively it works a great partnership
5 here in North Carolina for Tim's group, Brian's
6 group, and certainly the environment, right. Which
7 is a win-win for everybody at the community, the
8 utility level, Dominion, and certainly healthier
9 communities and great projects like Tim hopes to
10 redevelop that are green, sustainable,
11 solar-included projects which also increase the tax
12 base and the job encouragement here in North
13 Carolina. I would stipulate that that would
14 probably all be a win-win situation for everybody
15 and the curtailment programs.

16 In the large scale
17 forest-through-the-trees viewpoint is one of the
18 reasons why the rate case collectively is the
19 discussion, right, today for us, right, because it
20 really makes that project fly and is a great
21 solution for Tim and 98-6 Redevelopment Group.

22 HEARING EXAMINER MERTZ: Understood. Does
23 that conclude your testimony?

24 MR. ENNIS: Very briefly. Rocky Mount,

1 Nash County, Edgecombe County Economic Development
2 Group is very high on this project. They want the
3 jobs and they want the investment in the community.
4 There is an inner molding facility, brand new
5 nextdoor, that CS6 built, so that's just perfect for
6 this location to bring even more jobs to this area.

7 HEARING EXAMINER MERTZ: Are there any
8 questions from the Applicant or the parties?

9 MS. GRIGG: I have just a couple.

10 HEARING EXAMINER MERTZ: Please.

11 MS. GRIGG: Good morning, gentlemen.

12 Thank you for coming.

13 THE PANEL: (Jointly) Good morning.

14 MS. GRIGG: As I said previously, I'm Mary
15 Lynne Grigg. I represent Dominion in North Carolina
16 and I am familiar from the Company about your
17 proposed project. They've asked me some questions
18 about it.

19 EXAMINATION BY MS. GRIGG:

20 Q Mr. Conway, I'll direct the first question to
21 you, but anyone may answer. I did not hear or
22 maybe I -- well, I did not hear. What do you
23 propose to do with the Edgecombe Genco plant?

24 A (Mr. Conway) It will be multi-development

1 where we'll utilize each of the assets that the
2 property has to offer. So, for example, the
3 substation where we plan to build a data
4 services center in one area; the rail, we'll
5 plan to build some warehousing; and then
6 possibly on the other portion, we're doing an
7 analysis for some type of solar battery usage
8 as well.

9 Q Thank you.

10 A (Mr. Ennis) And just to confirm, the plant has
11 been demoed. The plant is no longer there.

12 Q I did not understand that. That's what was
13 confusing me. Thank you for that
14 clarification.

15 And you said that you had hoped
16 this would bring job opportunity to the
17 Battleboro area. Do you have an estimate as to
18 how many jobs you project it could bring?

19 A (Mr. Conway) Yes. It will be over time as the
20 developments happen but in Phase 1, we're
21 looking at probably about 20 full-time jobs.
22 That's not including any of the construction.
23 Those are just once the development is up and
24 running. And those jobs will also be related

1 to the data center so they will be higher
2 paying jobs. The average salary will probably
3 be high five to low six figure area. And then
4 as we build out each other phase, additional
5 jobs will be added. Phase 2 would be the
6 warehouse area. And it may be a combination as
7 we're looking in doing the analysis on the
8 battery and solar as well.

9 Q Thank you. And I understand y'all have talked
10 to Bob Trexler at the Company about this --

11 A Yes.

12 Q -- and I'm sure he will continue to have those
13 discussions with you-all. Just thank you for
14 your time for appearing today.

15 MS. GRIGG: No further questions.

16 MR. WATERS: Thank you for your questions.

17 HEARING EXAMINER MERTZ: Public Staff?

18 MR. FREEMAN: If you wouldn't mind giving
19 the court reporter the mailing address for you. It
20 doesn't have to be a personal address but your
21 business address.

22 MR. ENNIS: Sure. Brian Ennis, 592
23 Captain Beam Boulevard, B-E-A-M, Hampstead, North
24 Carolina 28443.

1 MR. CONWAY: Tim Conway, 98-6
2 Redevelopment Partners, 311 Meadowsweet Drive, State
3 College, Pennsylvania 16801.

4 MR. WATERS: Andrew Waters, EnergyMark,
5 LLC, that's at 6653 Main Street, Buffalo, New York
6 14221.

7 MR. FREEMAN: Thank you. I have no more
8 questions.

9 HEARING EXAMINER MERTZ: As Hearing
10 Examiner, I do not have any follow-up questions. I
11 do want to thank you for your testimony.

12 MR. CREECH: Hearing Examiner Mertz, could
13 we -- would it be appropriate to enter into evidence
14 the Waters Exhibit?

15 HEARING EXAMINER MERTZ: Absolutely.

16 MR. CREECH: We'd like to mark this
17 exhibit Waters Exhibit 1 for the record.

18 HEARING EXAMINER MERTZ: It will be
19 received into evidence.

20 (WHEREUPON, Waters Exhibit 1
21 is received into evidence.)

22 MR. WATERS: Thank you very much.
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1 DIRECT STATEMENTS BY THE PANEL:

2 MR. ENNIS: I'm going to reintroduce
3 Andrew to expand on some of these points, if you
4 will. But again, from the owner's perspective, you
5 know, this site has sat idle since 2019 with no jobs
6 and no investment. Okay. So just a reminder to the
7 Commission that 50 megawatts of power is a lot of
8 power. It can light up the city. So that being a
9 customer to Dominion in that location bringing this
10 many jobs and this much investment, millions of
11 dollars of investment to the Rocky Mount area.

12 Anyway, if you don't mind Andrew, just
13 kind of expand on some of those demand response
14 potential and then the curtailment part that --
15 again, speaking of Bob Trexler, they are looking
16 into some curtailment options for this group, but
17 please.

18 MR. WATERS: Similarly, to my previous
19 testimony, I would expand on that. It really helps
20 the public which we're here for and additionally to
21 not just create jobs, not just create tax revenue,
22 but create a better liveable environment for the
23 North Carolina community, and it is a win-win
24 situation for not only this project to work.

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1 Quite often, in the green environment of
2 energy as we're probably most are aware of, doing
3 things that are green and better for the environment
4 actually cost the taxpayer money. And it's a fight
5 whether you actually have to hit the taxpayer for it
6 or whether you actually have to install a new
7 policy. That is a little bit tough to take to
8 become a little more sustainable or renewable. And
9 in this context which many states probably could
10 provide you extensive examples or we could do that
11 at a later follow-up date if you, if the Commission
12 wishes.

13 We can provide certainly more evidence
14 that curtailment programs for both Dominion and for
15 the public of North Carolina is a great benefit,
16 particularly to this site, not just because of an
17 average industrial use but the exceptional project
18 identity not just of data centers but where those
19 are future-going for the significance of the carbon
20 footprint. In this situation that Brian's trying to
21 also assist in getting a new project off the ground
22 for North Carolina, it will help out with brownouts.

23 Certainly, we have EV vehicles coming up
24 in the next five to 10 years. Probably not too many

1 Teslas are seen recently in the community but we all
2 know it's coming, right. And the house resident
3 person is going to put a lot more demand on the grid
4 collectively thereby probably increasing the amount
5 of curtailment programs that are necessary for
6 Dominion to provide the community these curtailment
7 programs, and it really helps Tim in his project for
8 a rate case and also the taxpayers. By providing
9 them also keeping costs down. Demand response
10 programs actually lower the total cost of energy
11 prices on the grid for the end-user and make it more
12 sustainable for the resident, the commercial
13 property, as well as the large case, exceptional
14 large-case industrial project like Tim and 98-6
15 Redevelopment is developing.

16 Certainly, a half a -- or 500 metric tons
17 every year for one project in this case is a
18 significant amount of CO2 emissions. But
19 collectively, we believe that it's a good situation
20 for all of North Carolina to consider that going
21 forward, much like the Governor has kind of
22 encouraged everyone to consider this coming year.

23 I would stipulate also that they are on a
24 timeline. Brian is on a timeline. 98-6 is on a

1 timeline. Typically, we know the utilities. I'm
2 very -- over 14 years of experience in the utility
3 industry in Buffalo, New York State, Pennsylvania,
4 and other states. We know these things do not move
5 quickly. But they are both -- speaking on behalf of
6 both of them, they are both in a scenario where the
7 livelihood of this project really would be
8 well-equipped if the Commission could work out some
9 solutions whether this is actually feasible or not
10 for both the public and both for Dominion quickly.
11 Frankly, I guess, I could probably put it that way.
12 Thank you.

13 MR. CONWAY: I would just add that we as
14 the proposed purchaser of this property are excited
15 about our plans, what we'd like to do, and the
16 amount of power and cost related to that is
17 extremely significant. And as Andrew said, you
18 know, we would like to move forward on the project,
19 and the results of kind of what the Commission does
20 with the rate increase and demand response has a
21 large effect on that. So we appreciate your time
22 and listening to us. Thank you.

23 HEARING EXAMINER MERTZ: Anything to add?

24 MR. ENNIS: I would say back to the

1 window, right. So I mean they're a long-term user
2 here for power, right. So, I mean, we understand it
3 takes time to get through channels. I know
4 McGuireWoods, you guys get involved, you have to go
5 through your channels as well, right. You're
6 representing Dominion and to the Commission, so it's
7 very important that things move swiftly, if you
8 will. But they're a long-term player in this
9 project so they'll be here for a long time.

10 HEARING EXAMINER MERTZ: Questions from
11 the Applicant?

12 MS. GRIGG: No questions.

13 HEARING EXAMINER MERTZ: Questions from
14 the Public Staff?

15 MR. FREEMAN: No questions. Thank you.

16 HEARING EXAMINER MERTZ: I did have one
17 follow up.

18 Could you expound a little bit upon what
19 you mean by "they're on a timeline"? Maybe a little
20 bit more detail and how that might impact -- how the
21 Commission action might impact the feasibility of
22 the project?

23 MR. ENNIS: As the owner I'll maybe
24 comment and then Tim can follow up. But we are

1 under a PSA, Purchase and Sale Agreement right now.
2 They're in their due diligence period. And we
3 literally are supposed to close in the next 30 days.
4 So this will happen. They will be the owners of
5 this property with no indication of how they are
6 going to buy power and how much they are going to
7 pay for power, and if they're going to have next
8 year maybe a demand response program or not. So
9 things are moving fast on our side. And we are
10 going to sell this property to them so it's
11 important for them to have some comfort level going
12 forward.

13 HEARING EXAMINER MERTZ: Thank you.

14 MR. ENNIS: It's a very fast timeline.

15 MR. CONWAY: I think that's a very good
16 explanation of kind of where we are.

17 HEARING EXAMINER MERTZ: Thank you. Any
18 questions on Hearing Examiner questions?

19 MS. GRIGG: No, sir.

20 MR. FREEMAN: None.

21 HEARING EXAMINER MERTZ: I have nothing
22 further. I do want to thank you gentlemen for
23 appearing today and your testimony and for the
24 exhibit. It will be considered by the Commission.

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That concludes the hearing.
(The proceedings were adjourned)

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C E R T I F I C A T E

I, KIM T. MITCHELL, do hereby certify that the Proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the Proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

Kim T. Mitchell
Kim T. Mitchell