



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

May 7, 2015

VIA ELECTRONIC FILING

Ms. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: Docket Nos. EMP-85, Sub 0, and EMP-91, Sub 0
North Carolina Renewable Power-Lumberton, LLC
Amendment to Certificate of Public Convenience and Necessity
Registration as a New Renewable Energy Facility

Dear Ms. Mount:

On April 24, 2015, North Carolina Renewable Power-Lumberton, LLC (NCRP-Lumberton, or the Applicant) filed an amendment to the certificate of public convenience and necessity (CPCN) for its 35-MW coal fired merchant power plant located in Lumberton, North Carolina (Facility). As discussed in the filing, the Facility ceased operation as a coal-fired plant in June 2009 and is in the process of being retrofitted in order to allow it to switch from exclusively combusting coal to instead combusting a biomass resource that will consist of wood waste and poultry litter. Upon completion of the retrofit and repowering, the Facility will generate both electricity and useful thermal energy, with an initial projected dependable capacity of 20 MW net electric generation

Executive Director 733-2435	Communications 733-2810	Economic Research 733-2902	Legal 733-6110	Transportation 733-7766
Accounting 733-4279	Consumer Services 733-9277	Electric 733-2267	Natural Gas 733-4326	Water 733-5610

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and 212 MMBtu/hr net thermal generation. The Applicant plans to sell the output of the Facility and a portion of the renewable energy certificates (RECs) generated by the Facility to Duke Energy Progress, Inc. (DEP). The Applicant self-certified as a Small Power Producing Qualifying Facility with the Federal Energy Regulatory Commission (FERC) in FERC Docket No. QF14-400, and a copy of the accepted certification was filed in Docket No. EMP-91, Sub 0 on March 31, 2015.

The Applicant stated that it intends to make further modification that will increase the projected dependable capacity to 35 MW net electric generation and 352 MMBtu/hr net thermal generation over the next 24 months. As a result of these current and planned modifications, the Applicant requested that the CPCN be transferred to a Small Power (SP) docket and to reflect certification for a 35 MW renewable energy facility.

In addition to the CPCN amendment, the Applicant also filed a registration statement as a new renewable energy facility that included a description of the multi-fuel methodology proposed by the Applicant, as well as its proposed methodology to calculate the portion of the thermal energy recovered from the Facility that is used for useful purposes. The Public Staff and NCRP-Lumberton have engaged in discussions regarding the proposed methodology to calculate the energy production associated with each fuel type at the Facility in order to ensure that the methodology complies with the requirements of Appendix C of the NC-RETS Operating Procedures (Documentation

Requirements for Multi-fuel Generation Projects) and with Commission Rule R8-67(g)(4). During the course of its review, the Public Staff 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 RECs based only upon the energy derived from renewable energy resources in proportion to the relative energy content of the various fuel types used.

The Public Staff has reviewed the application and registration statement filed by NCRP-Lumberton and determined it to be in compliance with the requirements of G.S. 62-110.1(a) and Commission Rule R8-64. In addition, the registration statement contains the certified attestations required by Commission Rule R8-66(b). The Public Staff is also satisfied with the methodology proposed by NCRP-Lumberton for the calculation of electric and thermal energy production associated with each fuel type at the Facility.

Therefore, the Public Staff recommends that the Commission issue an order: (1) Amending the CPCN to reflect certification of the Facility as a 35 MW renewable energy facility; (2) transferring the docket to a Small Power (SP) docket; (3) accepting the registration statement as a new renewable energy facility; and (4) accepting the multi-fuel methodology and thermal energy calculations proposed by the Applicant.

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I certify that a copy of this letter has been served on the Applicant by electronic mail. If you have any questions regarding this matter, please contact Jay Lucas, Public Staff Electric Division, at (919) 733-2267 or jay.lucas@psncuc.nc.gov, or me at (919) 733-6110 or at tim.dodge@psncuc.nc.gov.

Regards,

/s/ Tim R. Dodge
Staff Attorney

cc: John Colucci – NCRP-Lumberton, LLC
Katherine Ross – Parker Power Adams & Bernstein, LLP

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