



**NORTH CAROLINA  
PUBLIC STAFF  
UTILITIES COMMISSION**

October 26, 2021

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4300

Re: Docket No. E-22, Sub 603 – Application by Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina, for Approval of Renewable Energy and Energy Efficiency Portfolio Standard Cost Recovery Rider Pursuant to G.S. 62-133.8 and Commission Rule R8-67

Dear Ms. Dunston:

In connection with the above-referenced docket, I transmit herewith for filing on behalf of the Public Staff the following:

1. Notice of Affidavits;
2. Affidavit of Jay B. Lucas, Utilities Engineer, Energy Division; and
3. Affidavit of Charles A. Akpom, Staff Accountant, Accounting Division.

By copy of this letter, we are forwarding copies to all parties of record.

Sincerely,

/s/ Nadia L. Luhr  
Staff Attorney  
[nadia.luhr@psncuc.nc.gov](mailto:nadia.luhr@psncuc.nc.gov)

Executive Director  
(919) 733-2435

Communications  
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Legal  
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**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-22, SUB 603

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Virginia Electric and Power Company, )  
d/b/a Dominion Energy North Carolina for Approval )  
of Renewable Energy and Energy Efficiency Portfolio )  
Standard Cost Rider Pursuant to N.C.G.S. § 62- )  
133.8 and Commission Rule R8-67 )

NOTICE  
OF AFFIDAVITS

NOW COMES THE PUBLIC STAFF - North Carolina Utilities Commission,  
by and through its Executive Director, Christopher J. Ayers, as constituted by  
N.C. Gen. Stat. § 62-15, and gives notice that the Affidavits of:

Jay B. Lucas, Utilities Engineer, Energy Division  
Charles A. Akpom, Staff Accountant, Accounting Division  
Public Staff - North Carolina Utilities Commission  
430 North Salisbury Street - Dobbs Building  
4326 Mail Service Center  
Raleigh, North Carolina 27699-4326

will be used in evidence at the hearing in this docket scheduled for November 22, 2021, pursuant to N.C. Gen. Stat. § 62-68. The affiants will not be called to testify orally and will not be subject to cross-examination unless an opposing party or the Commission demands the right of cross-examination by notice mailed or delivered to the proponent at least five days prior to the hearing, pursuant to N.C.G.S. § 62-68. Further, the Public Staff provides notice that if no party or the Commission requests to cross-examine these affiants, the Public Staff shall seek to introduce the affidavits into evidence, at which time the affidavits will be given the same effect as if the affiants testified orally from the stand.

OFFICIAL COPY

Oct 26 2021

Respectfully submitted this the 26th day of October, 2021.

PUBLIC STAFF  
Christopher J. Ayers  
Executive Director

Dianna W. Downey  
Chief Counsel

Electronically submitted  
/s/ Nadia L. Luhr  
Staff Attorney

4326 Mail Service Center  
Raleigh, North Carolina 27699-4300  
Telephone: (919) 733-6110  
Email: [nadia.luhr@psncuc.nc.gov](mailto:nadia.luhr@psncuc.nc.gov)

#### CERTIFICATE OF SERVICE

I certify I have this day served a copy of the foregoing Notice of Affidavits and Affidavits on each of the parties of record in this proceeding or their attorneys of record by causing a copy to be deposited in the United States Mail, postage prepaid, properly addressed to each or by electronic delivery upon agreement from the parties.

This the 26th day of October, 2021.

Electronically submitted  
/s/ Nadia L. Luhr

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-22, SUB 603

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Virginia Electric and Power	)
Company, d/b/a Dominion Energy North	)
Carolina, for Approval of Renewable Energy	)
and Energy Efficiency Portfolio Standard Cost	)
Recovery Rider Pursuant to G.S. 62-133.8 and	)
Commission Rule R8-67	)

AFFIDAVIT OF  
CHARLES A. AKPOM

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Charles A. Akpom, first being duly sworn, do depose and say:

I am a Staff Accountant with the Accounting Division of the Public Staff - North Carolina Utilities Commission. A summary of my education and experience is attached to this affidavit as Appendix A.

N.C. Gen. Stat. § 62-133.8(h) provides that the State's electric power suppliers may recover their reasonable and prudently-incurred incremental costs of compliance with the Renewable Energy and Energy Efficiency Portfolio Standard (REPS) through an annual rider charge. Pursuant to Commission Rule R8-67, the REPS rider will be recovered over the same period as the utility's fuel cost rider. Rule R8-67 also provides for a REPS experience modification factor (REPS EMF) rider, which is utilized to "true-up" the recovery of reasonable and prudently-incurred incremental REPS compliance costs incurred during the test period established for each annual rider proceeding.



The purpose of my affidavit is to present the results of the Public Staff's investigation of the REPS EMF rider proposed by Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC or the Company), in this proceeding, based on incremental REPS compliance costs incurred and revenues recorded from July 1, 2020 through June 30, 2021 (REPS EMF period or test period).

On August 10, 2021, DENC filed its application, testimony, and exhibits related to the incremental costs incurred for compliance with the REPS. DENC witness Emilia L. Catron presented the Company's proposed annual and monthly REPS EMF Rider (Rider RPE) decrements for each of the North Carolina retail customer classes. Company Exhibit ELC-1, Schedule 3 set forth the proposed annual EMF decrement riders of (\$1.04), (\$5.61), and (\$39.94) per retail customer account, excluding the regulatory fee, for the residential, commercial, and industrial classes, respectively. Also set forth on Company Exhibit ELC-1, Schedule 3 are the proposed monthly EMF decrement riders of (\$0.09), (\$0.47), and (\$3.33) per retail customer account, excluding the regulatory fee, for the residential, commercial, and industrial classes, respectively.

The Public Staff's investigation included procedures intended to evaluate whether the Company properly determined its per-books incremental compliance costs and revenues, and complied with the annual REPS revenue cap during the test period. These procedures included a review of the Company's filings and other Company data provided to the Public Staff. Additionally, the procedures included a review of certain specific types of expenditures impacting the Company's costs,

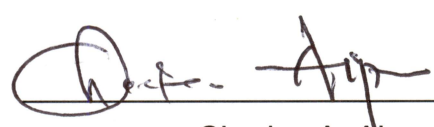
NOTARY PUBLIC  
JENNIFER M. HARRIS  
STATE OF TEXAS  
My Comm. Expires 08/31/2023

*[Handwritten signature]*

including research and development costs. Performing the Public Staff's investigation also required the review of responses to written data requests.



Based upon the Public Staff's investigation, I recommend that DENC's proposed revised annual and monthly REPS EMF decrement riders for each customer class, as set forth on Company Supplemental Exhibit ELC-1, Schedule 3, be approved. These amounts produce annual decrement REPS EMF riders of (\$1.04), (\$5.61), and (\$39.34) per customer account, excluding the regulatory fee, and proposed monthly riders of (\$0.09), (\$0.47), and (\$3.33) per customer account, excluding the regulatory fee, for the residential, commercial, and industrial classes, respectively.

This completes my affidavit.

  
Charles A. Akpom

Sworn to and subscribed before me

On this the 25<sup>th</sup> day of October, 2021.

  
(Printed Name)  
  
Notary Public

Joanne M. Berube  
NOTARY PUBLIC  
WAKE COUNTY, N.C.  
My Commission Expires 12-17-2022.

My Commission Expires: 12/17/2022

**APPENDIX A****QUALIFICATIONS AND EXPERIENCE****CHARLES A. AKPOM**

I graduated from Southern University and A&M College, Baton Rouge, Louisiana in 1987 with an MBA in Accounting. I am a Certified Public Accountant.

I joined the Public Staff in September 2020. I am responsible for (1) examining and analyzing testimony, exhibits, books and records, and other data presented by utilities and other parties under the jurisdiction of the Commission or involved in Commission proceedings; and (2) preparing and presenting testimony, exhibits, and other documents for presentation to the Commission.

Prior to joining the Public Staff, I was a Controller with BB&T for eleven years, responsible for accounting, finance, human resources, IT, and communications for the organization. Additionally, I worked as an accountant and auditor in corporate accounting and the federal government, with increasing responsibility levels in the supervision of accounting and performance of audit engagements.

Since joining the Public Staff, I have worked on the Western Carolina University PPA, DEC and DEP 2021 REPS riders, DEC and DEP's storm securitization audit, and the Clarke Utilities water rate case.



STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-22, SUB 603

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Application of Virginia Electric and Power )  
Company, d/b/a Dominion Energy North )  
Carolina for Approval of Renewable Energy and )  
Energy Efficiency Portfolio Standard Cost )  
Recovery Rider Pursuant to G.S. 62-133.8 and )  
Commission Rule R8-67 )

AFFIDAVIT OF  
JAY B. LUCAS

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Jay B. Lucas, being first duly sworn, do depose and say:

I am the Manager of the Electric Section – Operations and Planning in the Energy Division of the Public Staff – North Carolina Utilities Commission. I have attached, as Appendix A, a summary of my education and experience.

The purpose of my affidavit is to present the Public Staff's analysis and recommendations with respect to: 1) the Application for Approval of Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Cost Recovery Rider and supporting direct testimony and exhibits of George E. Hitch, Justin A. Wooldridge, and Emilia L. Catron (Application), filed by Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC or Company) on August 10, 2021; and 2) the 2021 REPS Compliance Report filed as Company Exhibit GEH-1 on August 10, 2021, and updated on October 15, 2021.

N.C. Gen. Stat. § 62-133.8(h) provides that electric power suppliers may recover their reasonable and prudently incurred incremental costs of compliance with the REPS through an annual rider charge. Pursuant to Commission Rule R8-67(e)(4), the REPS rider will be collected, to the extent practical, over the same period as the utility's fuel cost rider. Rule R8-67 also provides for a REPS experience modification factor (REPS EMF) rider, which is utilized to "true-up" the recovery of the revenues realized under the REPS rider to the reasonable and prudently incurred incremental REPS compliance costs actually experienced during the test period established for each annual rider proceeding.

For 2020 compliance, DENC acquired renewable energy certificates (RECs), but not RECs and energy bundled together. DENC provides REPS compliance and reporting services for the Town of Windsor (Windsor) and maintains separate accounts for itself and Windsor in the North Carolina Renewable Energy Tracking System (NC-RETS). Based on the information provided to the Public Staff, none of the costs of RECs assigned to Windsor appear to have been included in DENC's requested REPS cost recovery riders.

#### 2021 REPS Compliance Report

The 2021 REPS Compliance Report includes REPS compliance activities for the calendar year 2020. For 2020, each electric power supplier needed to retire enough RECs to equal 10% of jurisdictional retail megawatt-hour (MWh) sales for

2019.<sup>1</sup> To reach compliance, DENC and Windsor were required to retire 428,070 and 4,783 RECs, respectively.

Pursuant to N.C.G.S. § 62-133.8(b)(2)(c), DENC may use energy efficiency certificates (EECs) to meet no more than 25% of its total REPS requirement.<sup>2</sup> This limitation on the use of EECs to meet the total requirement does not apply to municipal suppliers such as Windsor. In addition, DENC is allowed to obtain all of its RECs from out-of-state sources,<sup>3</sup> whereas Windsor must obtain at least 75% of its RECs from in-state sources.<sup>4</sup>

DENC and Windsor pursued retirement of a total of 398,633 general requirement<sup>5</sup> RECs and EECs during 2020. For itself, DENC included 360,743 RECs and 33,457 EECs from its portfolio of in-state EE programs approved pursuant to N.C.G.S. § 62-133.9, for a total of 394,200. For Windsor, DENC requested retirement of 4,433 general requirement RECs, with greater than 75% of Windsor's total RECs coming from in-state sources. Windsor did not use any EECs for compliance.

With respect to the solar requirements established by N.C.G.S. § 62-133.8(d), both DENC and Windsor were required to pursue retirement of solar

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<sup>1</sup> 2019 North Carolina jurisdictional retail sales for DENC were 4,280,697 MWh. 2019 retail sales for Windsor were 47,821 MWh.

<sup>2</sup> This limit increases to 40% beginning in calendar year 2021.

<sup>3</sup> N.C.G.S. § 62-133.8(b)(2)(e).

<sup>4</sup> N.C.G.S. § 62-133.8(c)(2)(d).

<sup>5</sup> The RECs or EECs that an electric power supplier is required to provide under N.C.G.S. § 62-133.8(b) or (c), exclusive of those required by the set-asides in N.C.G.S. § 62-133.8(d), (e), and (f), are customarily referred to as the "general requirement."



RECs amounting to 0.20% of their 2019 North Carolina retail sales. DENC retired a total of 8,658 solar RECs, 8,562 for itself and 96 for Windsor, in compliance with the statutory requirements.

In its December 16, 2019 Order Modifying the Swine and Poultry Waste Set-Aside Requirements and Providing Other Relief (2019 REPS Modification Order), and its February 13, 2020 Errata Order (2020 REPS Errata Order) in Docket No. E-100, Sub 113, the Commission, exercising the authority granted to it under N.C.G.S. § 62-133.8(i)(2), reduced the statewide poultry waste requirement in N.C.G.S. § 62-133.8(f) for 2020 to 700,000 MWh. As a result, DENC and Windsor were required to pursue retirement of their pro-rata share of the 700,000 poultry waste RECs. DENC retired a total of 22,565 poultry RECs, 22,311 for itself and 254 for Windsor, in compliance with the 2019 REPS Modification Order.

In addition, the 2019 REPS Modification Order required DENC to pursue retirement of swine waste RECs amounting to 0.07% of its 2019 North Carolina retail sales, but in its December 30, 2020 Order Modifying the Swine Waste Set-Aside Requirements and Providing Other Relief (2020 REPS Modification Order) in Docket No. E-100, Sub 113, the Commission delayed the initial swine waste set-aside requirement for municipalities until 2021. In compliance with the 2019 REPS Modification Order, DENC retired a total of 2,997 swine waste RECs for itself.

Based on my review, I recommend that the Commission approve the updated 2020 REPS Compliance Report for DENC and Windsor filed on October 15, 2021.

### REPS Cost Recovery

The total REPS charge is based on the Rider RP, which are the costs projected for the billing period (February 1, 2022 through January 31, 2023), and the Rider RPE, which is the under-recovery from the Experience Modification Factor (EMF) period (July 1, 2020 through June 30, 2021).

I reviewed the estimated incremental costs associated with DENC's proposed REPS Rider RP in this case. Those costs are estimated to be \$826,573 and include costs to be incurred during the billing period related to: (1) the cost of RECs to be purchased, and (2) other incremental costs (e.g., administrative costs, broker fees, and Environmental Management Account (EMA) costs). DENC included only costs associated with its own REPS compliance activities; costs associated with its management of REPS compliance for Windsor are not included for recovery. Consistent with its allocation methodology used in the 2014 REPS cost recovery proceeding, DENC allocated costs related to the EMA system to its North Carolina retail jurisdiction. This allocation is based on the level of energy sales assigned to the jurisdictions. Due to invoice timing, there are no EMA costs included in the EMF Period. DENC is not seeking recovery for any qualifying research projects in this proceeding.

Public Staff Accountant Akpom has reviewed DENC's compliance costs for the test period and its proposed EMF charge, Rider RPE, and finds them to be reasonable.

The estimated costs of RECs to be purchased and other incremental costs appear to be reasonable.

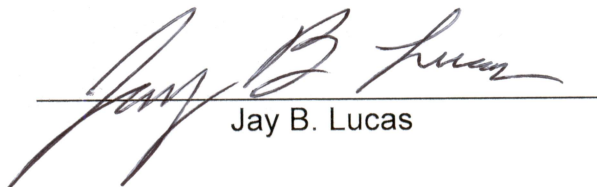
Служба государственной безопасности  
Министерства внутренних дел  
Российской Федерации  
Управление по безопасности  
г. Москва

DENC requested approval of the following monthly charges for the forecast rate and EMF rate, including the regulatory fee:

Customer Class	Forecast Rate (Rider RP)	EMF Rate (Rider RPE)	Total REPS Rate
Residential	\$0.34	\$(0.09)	\$0.25
General	\$1.84	\$(0.47)	\$1.37
Industrial	\$12.45	\$(3.33)	\$9.12

Based on my review of the Application, and the review of the affidavit of Public Staff witness Akpom, I recommend approval of DENC's proposed rates.

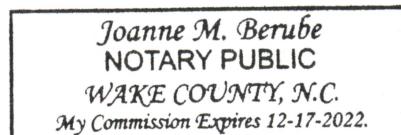
This completes my affidavit.

  
Jay B. Lucas

Sworn to and subscribed before me  
On this the 26<sup>th</sup> day of October, 2021.

Joanne M. Berube  
(Printed Name)

Joanne M. Berube  
(Notary Public)



My Commission Expires: 12/17/2022



**QUALIFICATIONS AND EXPERIENCE**

JAY B. LUCAS

I graduated from the Virginia Military Institute in 1985, earning a Bachelor of Science Degree in Civil Engineering. Afterwards, I served for four years as an engineer in the U. S. Air Force performing many civil and environmental engineering tasks. I left the Air Force in 1989 and attended the Virginia Polytechnic Institute and State University (Virginia Tech), earning a Master of Science degree in Environmental Engineering. After completing my graduate degree, I worked for an engineering consulting firm and worked for the North Carolina Department of Environmental Quality in its water quality programs. Since joining the Public Staff in January 2000, I have worked on utility cost recovery, renewable energy program management, customer complaints, and other aspects of utility regulation. Since September 2020, I have been the Manager of the Electric Section – Operations and Planning in the Public Staff's Energy Division. I am a licensed Professional Engineer in North Carolina.