

April 29, 2016

VIA ELECTRONIC DELIVERY

Mrs. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Dobbs Building
Raleigh, North Carolina 27603-5918

Re: *Historical Review of 2012 REPS Plan per June 3, 2013, Order Granting in Part and Denying in Part Motion for Disclosure*
Docket Nos. E-100, Sub 137 & E-100, Sub 147

Dear Mrs. Mount:

Enclosed for filing is Virginia Electric and Power Company d/b/a Dominion North Carolina Power's ("DNCP" or "the Company") historical 2012 North Carolina Renewable Energy and Energy Efficiency Portfolio Standard Compliance Plan ("2012 REPS Plan"), as originally filed on August 31, 2012, in Docket No. E-100, Sub 137. The Company has reviewed its 2012 REPS Plan in accordance with the Commission's direction in Ordering Paragraph (3) of the June 3, 2013, *Order Granting in Part and Denying in Part Motion for Disclosure* issued in Docket No. E-100, Sub 137 ("2013 Disclosure Order"). The Company has determined that certain information redacted from the 2012 REPS Plan and originally filed confidentially under seal should no longer be withheld from public disclosure. However, information identifying renewable energy credit ("REC") contract counter-parties and REC pricing for active REC contracts remains commercially sensitive. Public disclosure of this information could potentially harm DNCP's ability to negotiate and procure cost-effective RECs for future REPS compliance. Accordingly, the Company continues to designate this information as confidential trade secret information pursuant to N.C.G.S. § 132-1.2. The Company will make this information available to other parties pursuant to an appropriate nondisclosure agreement.

The Company notes that its determination regarding disclosure of prior trade secret information in its historical 2012 REPS Compliance Plan should not be considered a waiver of DNCP's right to continue its designation of similar information as confidential trade secret information in future REPS Compliance Plans and future historical REPS Compliance Plan confidentiality reviews. *See 2013 Disclosure Order* at 10, (holding that utility's determination that past REPS information is non-confidential information suitable for public disclosure does not constitute waiver of utility's right to claim same category of disclosed REPS information is confidential in future years).

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Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

s/ E. Brett Breitschwerdt

Enclosures

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Apr 29 2016

DOMINION NORTH CAROLINA POWER 2012 REPS COMPLIANCE PLAN

Pursuant to North Carolina Utilities Commission ("NCUC") Rule R8-67 (b), Virginia Electric & Power Company d/b/a Dominion North Carolina Power ("Company") submits its Renewable Energy and Energy Efficiency Portfolio Standard ("REPS") Compliance Plan in accordance with N.C.G.S. § 62-133.8 (b), (c), (d), (e) and (f), and the aforementioned NCUC Rule R8-67(b). The REPS Compliance Plan covers the current (2012) and immediately subsequent two calendar years (2013-2014). This North Carolina REPS Compliance Plan is an addendum to the Company's 2012 Integrated Resource Plan ("IRP").

As indicated in the Company's REPS Compliance Report filed on August 10, 2012, the Company has met its 2011 REPS requirement.

1.1 RENEWABLE ENERGY REQUIREMENTS

An overview of North Carolina's REPS requirements and Virginia's Renewable Energy Portfolio Standard ("RPS") goals are provided in Chapter 4, Section 4.3 of the Company's 2012 Integrated Resource Plan ("2012 Plan") filed simultaneously with this addendum.

1.2 COMPLIANCE PLAN

In accordance with Rule R8-67 (b) (i), the Company describes its planned actions to comply with G.S. 62-133.8 (b), (c), (d), (e), and (f) for each year.

The Company

The Company plans to meet North Carolina's statutory goals through the year 2021 and thereafter with a REPS Compliance Plan that includes the use of Renewable Energy Certificates ("RECs"), energy efficiency ("EE") and new company-generated renewable energy where economically feasible. North Carolina General Statute § 62-133.8(d) sets the initial compliance target for solar in years 2010 and 2011 as 0.02% of the previous year's baseline load, with overall REPS compliance beginning in 2012, along with swine waste and poultry waste set-asides. The Company began implementing the energy efficiency programs in North Carolina by introduction of the Residential Lighting Program in May 2011 and the other approved programs in June 2011. These programs will contribute to the overall REPS goals, subject to approval by the NCUC.

On September 22, 2009, the NCUC issued an order on the Company's motion for further clarification in Docket No. E-100, Sub 113 ruling that the Company is allowed to utilize out-of-state RECs to meet all of its REPs requirements per G.S. 62-133.8(b)(2)(e). Therefore, in accordance with such order, the Company plans to meet DNCP's obligations with a mix of purchased out-of-state RECs, in-state RECs, qualified energy efficiency programs, and qualified

company-generated renewable energy where economically feasible. Figure 1.2.1 provides the summary for the 2012 to 2014 REPS Compliance Plan.

Figure 1.2.1 2012-2014 COMPANY'S REPS COMPLIANCE PLAN SUMMARY

	2012	2013	2014
Baseline Sales Forecast (MWh)	4,122,513	4,174,888	4,220,409
NC Total REPs Requirement %	3%	3%	3%
Total REPS Target (MWh) ¹	125,368	123,676	125,247
NC Total Solar Target %	0.07%	0.07%	0.07%
Total Solar Target (MWh) ¹	2,926	2,886	2,923
NC Total Swine Target %	0.07%	0.07%	0.07%
Total Swine Target (MWh) ¹	2,926	2,886	2,923
DNCP % NC Total Poultry Target	2.92%	2.91%	2.90%
Total Poultry Target (MWh) ²	5,123	20,472	26,224
General REPS Requirement (net of Solar, Swine and Poultry) (MWh)	114,382	96,414	91,231
Energy Efficiency (MWh) ³	21,106	20,770	20,932
Company Generated Renewables (MWh) ⁴		34,535	69,037

Notes: (1) 2012 target is based on actual 2011 retail sales of 4,178,919 MWh. 2013-2014 targets are based on baseline retail sales forecasts. The total target is the product of the previous year's baseline load and the current year target percentage. (2) The total target is the product of the statewide requirement and the previous year's DNCP share of that requirement. Calculation may not equal due to rounding. (3) Per the statute, the energy savings from EE programs in 2011 can be retained and applied to the 2012 target. Energy efficiency for 2012 is the sum of 2011 and 2012. The Energy Efficiency savings represents a projected system allocation. Depending on the outcome of the evaluation of operating EE programs exclusively in NC, it may be more appropriate to use specific energy efficiency savings attributable to NC customer participation. (4) Company Generated Renewables (MWh) are the North Carolina jurisdictional allocation.

The Town of Windsor

The Company is also responsible for meeting REPS requirements for the Town of Windsor, a wholesale customer of the Company, as outlined in Figure 1.2.2

Figure 1.2.2 2012-2014 TOWN OF WINDSOR REPS COMPLIANCE PLAN SUMMARY

	2012	2013	2014
Baseline Sales Forecast (MWh)	50,000	50,530	51,050
NC Total REPs Requirement %	3%	3%	3%
Total REPS Target (MWh) ¹	1,463	1,500	1,516
NC Total Solar Target %	0.07%	0.07%	0.07%
Total Solar Target (MWh) ¹	35	35	36
NC Total Swine Target %	0.07%	0.07%	0.07%
Total Swine Target (MWh)	35	35	36
ToW % NC Total Poultry Target	0.04%	0.04%	0.04%
Total Poultry Target (MWh) ²	68	280	360
General REPS Requirement (net of Solar, Swine and Poultry) (MWh)	1,325	1,150	1,084

Notes: (1) 2012 target is based on actual 2011 retail sales of 48,735 MWh reported by the Town of Windsor. 2013-2014 targets are based on forecasts from the Town of Windsor. The total target is a product of the previous year's baseline retail sales and the current year target percentage. (2) The total target is the product of the statewide requirement and the previous year's DNCP share of that requirement. Calculation may not equal due to rounding.

Solar RECs

The Company's strategy for DNCP's compliance with solar requirements is to buy unbundled out-of-state RECs to minimize the compliance cost to the ratepayers. The Company has purchased or entered into contracts to purchase solar RECs for DNCP's compliance with G.S. 62-133.8 (b) and (d) through 2014. These contracts will provide enough Solar RECs to satisfy DNCP's compliance for the years 2012 through 2014 and approximately 35% of the requirements for 2015 through 2017.

The Company has executed contracts with facilities located in NC that will satisfy the Town of Windsor's compliance requirements for 2012 through 2014. As per the guidance and advice received from Public Staff, the Company has and intends to continue purchasing 75% of the Solar Carve-out REPS requirements for the Town of Windsor from solar facilities located inside the state.

Swine and Poultry RECs

As part of its efforts to comply with the Swine Waste Set-Asides, the Company attempted to obtain swine waste RECs. As part of this process the Company searched for swine waste energy producers in North Carolina, Virginia and throughout the United States. The Company also contacted marketers/brokers of RECs to determine if there were any swine waste RECs available for purchase by the Company. As a result of its search for the swine waste RECs in the marketplace, the Company learned that swine waste-to-energy technology is relatively new and that a ready market for swine waste RECs has not yet developed. Based on this assessment the Company concluded that joining the collaborative Swine Waste REC Buyers Group was the most cost effective and prudent approach to meet the Company's Swine Waste Set-Aside requirements. The Company joined the Swine Waste REC Buyers group and is an active participant in the group's efforts.

The Swine Waste REC Buyers Group executed seven (7) long term contracts with the different swine waste-to-energy developers. These contracts were expected to meet the Company's Swine Waste Set-Aside requirements until 2015 and a significant portion of ongoing Swine Waste Set-Aside requirements thereafter.

With the passage of time, several swine waste REC contracts have now been terminated due to consistent failure by the developers to meet the project milestones and to demonstrate progress toward commercial operation. Because of these terminations, the Company is now conducting a new search for other swine waste REC suppliers in North Carolina and across the nation.

The Company has doubts that any swine waste renewable energy facilities will be in operation by 2013 and is not aware of any swine waste facilities or RECs that it will have access to in other states by 2013. Therefore, the Company has joined with the other Electric Suppliers in filing an Amended Joint Motion for Delay of the swine and poultry waste resource requirements until 2014 in Docket No. E100, Sub 113 ("Amended Joint Motion to Delay").

DNCP has worked actively and diligently to comply with its Poultry Waste Set-Aside requirements. The Company realized that it was going to face additional challenges due to the small size of its requirements, since such small requirements cannot possibly support development of a poultry waste project on its own. The Company after searching further in the REC market, concluded that joining the Poultry REC Buyers Group was the best way to meet the Company's Poultry Waste Set-Aside requirement. With Progress Energy taking the leadership role, the Company joined the Poultry REC Buyers Group and is an active participant in the group.

The Poultry Waste REC Buyers Group has executed two (2) long-term poultry waste contracts and the Company, as a part of this group, has executed two (2) long term contracts for the Town of Windsor's in-state requirements. Besides being a participant in the Poultry Waste REC Buyer's Group, the Company continued to search for poultry waste RECs across the

Nation, the Company's search and efforts yielded two poultry waste REC contracts with enough volume to comply with its out-of-state requirements for years 2012 through 2014. One of these contracts is with an existing facility and the other contract is with a facility that is under development. Both the facilities are registered with the NCUC as New Renewable Facilities.

Because DNCP may meet all of its Poultry Waste Set-Aside requirements with out-of-state RECs, the Company will be able to meet its 2012-2014 poultry waste REPS requirements. The Company will be able to meet 25% of the Town of Windsor's poultry waste REPS requirements with out-of-state RECs. The Company does not believe it can meet the Town of Windsor's in-state poultry waste REPS requirement for 2012-2014.

General REPS Requirements Net of Solar, Swine and Poultry

The Company plans to comply with the general REPS requirements, which begin in 2012, using a combination of the approved options to include obtaining qualifying RECs, applying EE programs, and using company-generated new renewable energy that qualify under North Carolina law. The Company's 2012 IRP, of which this Plan is filed as an addendum, includes in the Preferred Plan, beginning in 2013, company-generated new renewable energy from biomass fuel co-firing at the Company's Virginia City Hybrid Energy Center (VCHEC), which commenced commercial operations 2012, as well as biomass fuel conversions at the Altavista, Hopewell and Southampton power stations.

1.3 REC CONTRACTS

In accordance with Rule R8-67 (b) (ii), the Company provides a list of executed contracts to purchase renewable energy certificates.

As mentioned in the previous section, the Company has purchased General, Poultry Waste and Solar RECS and entered into long-term Poultry Waste, Swine Waste and Solar REC contracts to comply with G.S. 62-133.8 (b) and (d) and (e). Figures 1.3.1 through 1.3.4 provide summaries of the contracts. The Company will use a portion of out-of-state REC purchases to satisfy 25% of the Town of Windsor's compliance requirements.

Confidential Information Redacted**Figure 1.3.1 Solar REC Purchase Contract Summary¹**

	Total Volume	Volume / Year	Term	Price / MWh	Total Expense
	15,000	2,500	2012-2017		
	729	729	2010	\$8.00	\$5,832
	392	392	2009	\$5.00	\$1,960
	4	4	2010	\$85.00	\$340
	4	4	2010	\$130.00	\$520
	50	50	2011	\$85.00	\$4,250
	2,000	1,000	2010-2011	\$11.00	\$22,000
	40	40	2012	\$50.00	\$2,000
	24	24	2012	\$40.00	\$960
	18,243			Total Expense	

Notes: Counterparties and prices are confidential. (1) The Company plans to retain any surplus RECs from 2010, 2011 and 2012 and use for future compliance. (2) Contracts for Town of Windsor compliance.

Figure 1.3.2 Poultry Waste REC Purchase Contract Summary¹

	Total Volume	Volume / Year	Term	Price / MWh	Total Expense
	30,000	Varies	2012-2013	\$21.50	\$645,000
	25,000	25,000	2012	\$23.25	\$581,250
	3,100	155	2017-2036		
	3,100	155	2017-2036		
Total Volume	61,200			Total Expense	

Notes: Counterparties and prices are confidential. (1) The Company plans to retain any surplus RECs from 2012 and use for future compliance. (2) Contracts for Town of Windsor compliance.

Confidential Information Redacted**Figure 1.3.3 General REC Purchase Contract Summary¹**

	Total Volume	Volume / Year	Term	Price / MWh	Total Expense
	11	11	2010	\$35.00	\$385
	30,000	30,000	2012	\$1.00	\$30,000
	20,000	20,000	2012	\$1.00	\$20,000
	20,000	20,000	2012	\$0.93	\$18,600
	25,000	25,000	2012	\$0.95	\$23,750
Total Volume	95,011			Total Expense	\$92,735

Notes: Counterparties and prices are confidential. (1) The Company plans to retain any surplus RECs from 2012 and use for future compliance. (2) Contract for Town of Windsor compliance.

Confidential Information Redacted**Figure 1.3.4 Swine Waste REC Purchase Contract Summary**

	Total Volume	Volume / Year	Term	Price / MWh²	Total Expense
	6,480	324	20		
	16,200	810	20		
	19,420	971	20		
Total Volume	42,100			Total Expense	

Notes: Counterparties and prices are confidential. (1) Reduced volumes in first year of contract. Volume / Year shows first full calendar year production. (2) Price escalates annually. Prices given are for initial year. Anticipated commercial operations (per contract):

1.4 ENERGY EFFICIENCY PROGRAMS

In accordance with Rule R8-67 (b) (iii), the Company provides a list of planned or implemented energy efficiency measures, including a brief description of the measure and projected impacts.

The Company intends to apply energy efficiency savings to meet the NC REPS requirements as permitted by law. Figure 1.4.1 lists the potential energy efficiency programs and resulting

savings based on a projected system allocation. Depending on the outcome of the evaluation of operating energy efficiency programs exclusively in North Carolina, it may be more appropriate to use specific energy efficiency savings attributable to North Carolina customer participation.

**Figure 1.4.1 NORTH CAROLINA ENERGY EFFICIENCY PROGRAMS
ENERGY SAVINGS (MWh)**

	2012	2013	2014
Commercial HVAC Upgrade Program	261	261	261
Commercial Lighting Program	9,548	9,548	9,548
Low Income Program	132	213	375
Residential Lighting Program	10,748	10,748	10,748
Energy Efficiency Total	20,689	20,770	20,932

Note: The Energy Efficiency savings represents a projected system allocation. Depending on the outcome of the evaluation of operating EE programs exclusively in North Carolina, it may be more appropriate to use specific energy efficiency savings attributable to North Carolina customer participation.

A brief description of these energy efficiency programs can be found in Sections 3.2.5 and 3.2.6 of the IRP of which this report is an addendum. The Company also intends to seek approval of additional programs with the NCUC in the future.

1.5 RETAIL SALES & CUSTOMER ACCOUNTS

In accordance with Rule R8-67 (b) (iv), the Company states the projected Company's North Carolina retail sales and year-end number of customer accounts by customer class for each year.

The Company

Figure 1.5.1 summarizes the Company's North Carolina retail sales and Figure 1.5.2 summarizes the year-end number of customer accounts by customer class for each year of the REPS Compliance Plan.

Figure 1.5.1 COMPANY'S NORTH CAROLINA RETAIL SALES¹

Year	Residential Sales (MWh)	Commercial Sales (MWh) ²	Industrial Sales (MWh)	Total Sales (MWh)
2012 (projected)	1,640,829	998,614	1,483,071	4,122,513
2013 (projected)	1,638,118	1,025,774	1,510,995	4,174,888
2014 (projected)	1,666,488	1,054,875	1,499,046	4,220,409

Notes: (1) Excludes the Town of Windsor's wholesale customer load. (2) Includes the Public Authority and Street and Traffic Lighting load.

Figure 1.5.2 COMPANY'S NORTH CAROLINA CUSTOMER ACCOUNTS¹

Year	Residential Customers	Commercial Customers ²	Industrial Customers	Total Customers
2012 (projected)	103,467	18,248	54	121,769
2013 (projected)	104,316	18,425	54	122,795
2014 (projected)	105,519	18,632	54	124,205

Notes: (1) Customer account totals are year-end forecasts. These differ slightly from Appendix 2F in the 2012 IRP which are average yearly amounts. (2) Includes the Public Authority and Street and Traffic Lighting load.

Town of Windsor

Figure 1.5.3 summarizes the Town of Windsor's retail sales and Figure 1.5.4 summarizes the year-end number of customer accounts by customer class for each year of the REPS Compliance Plan.

Figure 1.5.3 TOWN OF WINDSOR'S RETAIL SALES¹

Year	Residential Sales (MWh)	Commercial Sales (MWh)	Industrial Sales (MWh)	Total Sales (MWh)
2012 (projected)	20,000	22,000	8,000	50,000
2013 (projected)	20,200	22,250	8,080	50,530
2014 (projected)	20,400	22,500	8,150	51,050

Note: (1) Sales are year-end forecasts provided by the Town of Windsor.

Figure 1.5.4 TOWN OF WINDSOR'S CUSTOMER ACCOUNTS¹

Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
2012 (projected)	1,400	400	0	1,800
2013 (projected)	1,420	405	0	1,825
2014 (projected)	1,430	410	0	1,840

Notes: (1) Customer account totals are year-end forecasts provided by Town of Windsor.

1.6 AVOIDED COST RATES

In accordance with Rule R8-67 (b) (v), the Company provides the following statement regarding the current and projected avoided cost rates for each year.

Figure 1.6.1 identifies the projected avoided energy and capacity cost from the Biennial Determination of Avoided Costs Rates for Electric Utility Purchases from Qualifying Facilities – 2010 proceeding E-100, SUB 127 before the North Carolina Utilities Commission. Avoided energy and capacity cost as used in the 2012 IRP are given below in Figure 1.6.2.

Figure 1.6.1 PROJECTED AVOIDED ENERGY AND CAPACITY COST (from E-100 sub 127)

	On-Peak (\$/MWh)	Off-Peak (\$/MWh)	Capacity Price (\$/kW-Year)
2012	52.31	40.09	20.23
2013	54.84	41.19	8.41
2014	60.13	45.22	18.27

Figure 1.6.2 PROJECTED AVOIDED ENERGY AND CAPACITY COST (from NC 2012 IRP)

	On-Peak (\$/MWh)	Off-Peak (\$/MWh)	Capacity Price (\$/kW-Year)
2012	44.39	29.51	20.05
2013	47.22	33.80	8.30
2014	50.38	37.97	30.58

1.7 TOTAL & PROJECTED COSTS

In accordance with Rule R8-67 (b) (vi), the Company provides the projected total and incremental costs anticipated to implement the REPS Compliance plan for each year.

The Company

The Company's projected costs for 2012-2014 are expected to consist of the sum of the costs required to comply with solar, swine, poultry and other general renewable requirements. Outside legal costs, NC RETS system development costs and ongoing user fees and APX Environmental Management Account system development costs could also be incurred. Figure 1.7.1 outlines the Company's Compliance Cost Summary for RECs procurement from 2012 to 2014.

Figure 1.7.1 COMPANY'S COMPLIANCE COST SUMMARY

Type of REC	2012	2013	2014
Solar			
Target (MWh)	2,926	2,886	2,923
REC Cost (\$/MWh) ¹	\$10.32	\$8.55	\$9.60
Projected Cost	\$30,196	\$24,675	\$28,061
Swine			
Target (MWh)	2,926	2,886	2,923
REC Cost (\$/MWh) ²	\$0	\$59.44	\$61.73
Projected Cost	\$0	\$29,185	\$127,719
Poultry			
Target (MWh)	5,123	20,472	26,224
REC Cost (\$/MWh) ³	\$23.25	\$23.12	\$21.50
Projected Cost	\$119,110	\$473,313	\$563,816
General RECs			
Target (MWh)	114,393	97,432	93,177
Less Energy Efficiency ⁴	21,106	20,770	20,932
Less Company-Generated Renewable		34,535	69,037
Net Target	93,287	42,127	3,208
REC Cost (\$/MWh) ⁵	\$1	\$2	\$3
Projected Cost	\$93,287	\$84,255	\$9,625
Projected Administrative Cost ⁶	\$204,500	\$90,000	\$75,000
Projected R&D Cost ⁷		\$600,000	
TOTAL PROJECTED COMPLIANCE COST	\$447,093	\$1,301,428	\$804,221

Notes: REC costs are confidential. (1) Solar REC costs for 2011-2013 are from contracts listed in Figure 1.3.1. (2) Projected REC costs are based on single, signed contract with RES Agriculture. (3) Projected REC costs are based on signed contract listed in Figure 1.3.2. (4) Energy efficiency for 2012 is the sum of 2011 and 2012. The Energy Efficiency savings represents a projected system allocation. It may be more appropriate to use specific energy efficiency savings attributable to North Carolina customers.

(5) 2013/2014 projected REC costs are based on market estimates, signed contracts and/or ongoing negotiations. (6) Administrative costs include, but are not limited to: NC-RETs fees, broker fees, 50% of the APX Environmental Management Account system development costs (2012) and miscellaneous expenses. (7) As permitted by NCGS §62-133.8 (h) (1) and (4), the Company plans to fund a North Carolina research and development (R&D) project in 2013 with a total projected cost of approximately \$600,000. The Company anticipates recovering these costs from North Carolina ratepayers through a future Renewable Energy Portfolio Standard ("REPS") rider. The Company believes that the proposed R&D project would qualify for both a federal investment tax credit and a North Carolina renewable energy tax credit, reducing the net project cost for customers.

The Town of Windsor

The Town of Windsor's projected costs for 2012-2014 are expected to consist of the sum of the costs required to comply with solar, swine, poultry and other general renewable requirements. Figure 1.7.2 outlines the Town of Windsor's Compliance Cost Summary from 2012 to 2014.

Figure 1.7.2 TOWN OF WINDSOR'S COMPLIANCE COST SUMMARY

Type of REC	2012	2013	2014
Solar			
Target (MWh)	35	35	36
REC Cost (\$/MWh) ¹	\$70.00	\$70.00	\$70.00
Projected Cost	\$2,450	\$2,450	\$2,520
Swine			
Target (MWh)	35	35	36
REC Cost (\$/MWh) ¹	\$0.00	\$59.44	\$61.73
Projected Cost	\$0	\$2,080	\$2,222
Poultry			
Target (MWh)	68	280	360
REC Cost (\$/MWh) ²	\$23.25	\$23.12	\$21.50
Projected Cost	\$395	\$1,618	\$1,935
General REPs			
Target (MWh)	1,325	1,150	1,084
REC Cost (\$/MWh) ³	\$5.00	\$6.00	\$7.00
Projected Cost	\$6,625	\$6,900	\$7,588
TOTAL PROJECTED COMPLIANCE COST	\$9,470	\$13,049	\$14,265

Notes: REC costs are confidential. (1) Solar and Swine REC costs are based on executed contracts. (2) Reflects cost of out of state RECs only. (3) 2012-2014 projected REC costs are based on market estimates, signed contracts and/or ongoing negotiations.

1.8 ANNUAL COST CAPS

In accordance with Rule R8-67 (b) (vii), the Company provides the following comparison of projected costs to the annual cost caps contained in G.S. 62-133.8 (h) (4).

Figure 1.8.1 provides a comparison of the Company's projected costs to the annual cost caps for each year of the REPS Compliance Plan. Compliance costs are allocated to the Customer

Classes based on the percentage of each of the Customer Class Cost Caps to the Total Cost Cap.

Figure 1.8.1 COMPANY'S COMPARISON TO ANNUAL CAPS

Compliance Year 2012	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	103,466	18,247	54	121,767
Annual Cost Cap per Customer	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$1,241,592	\$2,737,050	\$54,000	\$4,032,642
Projected Cost of Compliance¹	\$137,654	\$303,453	\$5,987	\$447,093

Compliance Year 2013	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	104,316	18,424	54	122,794
Annual Cost Cap per Customer ²	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$1,251,792	\$2,763,600	\$54,000	\$4,069,392
Projected Cost of Compliance¹	\$400,334	\$883,824	\$17,270	\$1,301,428

Compliance Year 2014	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	105,519	18,631	53	124,203
Annual Cost Cap per Customer	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$1,266,228	\$2,794,650	\$53,000	\$4,113,878
Projected Cost of Compliance¹	\$247,535	\$546,326	\$10,361	\$804,221

Notes: (1) Projected costs were allocated to the customer classes based on customer percentage of total cost cap. (2) Annual cost cap per customer increases in 2012 per 62-133.8 (h) (4).

Figure 1.8.2 provides a comparison of the Town of Windsor's projected costs to the annual cost caps for each year of the REPS Compliance Plan.

Figure 1.8.2 TOWN OF WINDSOR'S COMPARISSON TO ANNUAL CAPS

Compliance Year 2012	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,400	400	0	1,800
Annual Cost Cap per Customer	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$16,800	\$60,000	\$0	\$76,800
Projected Cost of Compliance¹	\$2,072	\$7,399	\$0	\$9,470

Compliance Year 2013	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,420	405	0	1,825
Annual Cost Cap per Customer ²	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$17,040	\$60,750	\$0	\$77,790
Projected Cost of Compliance¹	\$2,858	\$10,190	\$0	\$13,049

Compliance Year 2014	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,430	410	0	1,840
Annual Cost Cap per Customer	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$17,160	\$61,500	\$0	\$78,660
Projected Cost of Compliance¹	\$3,112	\$11,153	\$0	\$14,265

Notes: (1) The Town of Windsor is to determine the allocation among the different customer classes. (2) Annual cost cap per customer increases in 2012 per 62-133.8 (h) (4).

1.9 REPS RIDER

In accordance with Rule R8-67 (b) (viii), the Company provides an estimate of the amount of the REPS rider and the impact on the cost of fuel and fuel-related costs rider necessary to fully recover the projected costs.

The Company did not file a REPS Rider in calendar year 2011 and is not filing a REPS Rider in calendar year 2012. As described in the Company's REPS Compliance Report filed on August 10, 2012, the Company spent approximately \$60,000 for 2010 and 2011 REPS compliance for DNCP and the Town of Windsor. Due to the relatively small cost of compliance so far, the Company does not consider it to be cost-effective to seek recovery of these costs at this time. For 2012 REPS Compliance, the Company anticipates spending approximately \$450,000. The Company may seek a REPS Rider in 2013.

1.10 REGISTRATION INFORMATION

In accordance with Rule R8-67 (b) (ix), the Company provides the following statement in response to the requirement that, to the extent not already filed with the Commission, the electric power supplier shall, on or before September 1 of each year, file a renewable energy facility registration statement pursuant to Rule R8-66 for any facility it owns and upon which it is relying as a source of power or RECs in its REPS compliance plan..

The Company will confirm that the facilities generating solar, swine, poultry and/or other renewable RECs, used by the Company for its REPS Compliance Plan have registered and filed the appropriate information with the NCUC pursuant to Rule R8-66.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Historical Review of 2012 North Carolina Renewable Energy and Energy Efficiency Portfolio Standard Compliance Plan* submitted in Docket No. E-100, Subs 137 and 147 has been delivered via U.S. mail or electronically upon all parties of record in the above-captioned docket.

This, the 29th day of April, 2016.

s/ E. Brett Breitschwerdt

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