

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. E-2, SUB 1089

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	
Application of Duke Energy Progress, LLC for a	)	ADDITIONAL COMMENTS
Certificate of Public Convenience and Necessity	)	BY NC WARN AND THE
to Construct a 752 Megawatt Natural Gas-Fueled	)	CLIMATE TIMES
Electric Generation Facility in Buncombe County	)	
Near the City of Asheville	)	

NOW COMES NC WARN and The Climate Times, by and through the undersigned attorney, with additional comments after reviewing the audio recording of the Commission staff meeting, February 22, 2016, and consulting with technical expert, Mr. William Powers, who filed an affidavit on their behalf in this proceeding.

1. The lengthy comments by Duke Energy Progress (“DEP”) attorney contained several statements which were arguably misleading or otherwise erroneous. The statement was not under oath and there was no opportunity to question the validity or rational basis for facts and conclusions. This supports the position NC WARN and The Climate Times have made several times in this proceeding; the Commission cannot fulfill its mandated review of the certificate application in this proceeding without holding an evidentiary hearing to get to the central elements of the issues in this matter.

2. Rather than raise questions on each issue in the DEP attorney’s statement, NC WARN and The Climate Times bring to the Commission’s

attention four related issues in the statement that particularly necessitate these additional comments:

a. DEP's Western North Carolina region is not an "energy island." It makes little sense to call the region an energy island when DEP has repeatedly stated that power from the proposed natural gas units would be sent to DEP's other service territories in both eastern North Carolina and South Carolina. It is worth noting DEP has not referenced the fact that the DEP West Asheville region is surrounded on three sides by the Duke Energy Carolinas ("DEC") service region, and the two utilities have a mutual dispatch agreement. Very little on the modern grid is an "island."

b. After the original proposal for the "Western North Carolina Modernization Project" was heavily criticized by the public, primarily concerning the proposed transmission line corridor and substation, DEP created the current proposal which is based on adding no new transmission capabilities. This is an "all or nothing" approach that fails to consider less costly and controversial grid and transmission options, such as reconductoring, i.e., the common utility practice of replacing lines on existing poles, in order to significantly increase the capacity of those lines to import or export power, or adding capacity with a new circuit on the existing transmission poles. NC WARN and The Climate Times discussed the option of reconductoring transmission lines in their Position and Comments filed with the Commission on February 12, 2016, but DEP and the Public Staff have failed to address this alternative. DEP seeks to justify its proposal by arguing that transmission constraints prohibit importing energy into

the area, but the current proposal attempts to solve purported underlying transmission constraints with large, and costly generating capacity additions. DEP should have first explored less costly and controversial transmission alternatives to eliminate or reduce any actual transmission constraints.

c. In his statement, DEP counsel maintained that various intervenors who are either suggesting smaller units or building no new capacity in the Asheville region are ignoring the fact that the proposed larger natural gas units are not only going to be used to provide power to customers in the Asheville region, but to other DEP service territories as well. Contradictorily, he later maintained that the electricity Columbia Energy is willing to sell is not an alternative to this project because the facility is not located in the Asheville region and there is not currently a known way to get power directly from one location to the other. These statements contrive a situation where there essentially is no grid, and demand for energy in a particular area must be met by either building capacity in the area itself or connecting the area directly to a new source of capacity. Counsel is incorrect in intimating that building a new transmission corridor from the Columbia Energy's facility to Asheville is somehow necessary to purchase energy from the Columbia Energy plant, or other merchant plants and wholesale options available to DEP, and eliminate the need for the proposed project.

d. There are six existing transmission lines connecting DEP West to the larger grid, with a total capacity of at least 2,200 MW.<sup>1</sup> This transmission capacity

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<sup>1</sup> Richard S. Hahn affidavit, February 12, 2016, Table 1, p. 4. Total capacity of the six existing transmission interties to DEP-West is at least 2,200 MVA. For the purposes of this filing, "MW" is assumed to equal "MVA".

alone is approximately double the DEP winter peak load. Even when the N-1 NERC grid reliability standard is applied,<sup>2</sup> DEP West will have at least 1,600 to 1,800 MW of available transmission capacity and at least 300 MW of existing generation capacity without the Asheville 1 and 2 coal units.<sup>3</sup> The reserve margin currently available in DEP West, applying the NERC federal grid reliability standard, is several times the reserve margin requirement of 17 percent. If additional capacity is needed at some point in the future in DEP territory, Columbia Energy, or similar contracted services, could meet some or all of this need. The Columbia Energy plant was built more than a decade ago when the capital cost of combined cycle power construction was much lower than it is today, making Columbia Energy a substantially lower-cost energy resource than a new combined cycle plant in Asheville. At the bare minimum, Columbia Energy's ability to sell readily available power to DEP discredits the argument that DEP needs to have new units of such a large size in the DEP West - Asheville region.

THEREFORE, NC WARN and The Climate Times renew their position opposing DEP's Asheville project.

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<sup>2</sup> Service must be maintained to all customers without interruption when the largest single 230 kV transmission line or largest generation element (N-1) is out-of-service at peak load.

<sup>3</sup> Ibid, Exhibit C.

Respectfully submitted, this the 26<sup>th</sup> day of February 2016.

*/s/ John D. Runkle*

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#### CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing ADDITIONAL COMMENTS BY NC WARN AND THE CLIMATE TIMES (E-2, Sub 1089) upon each of the parties of record in this proceeding or their attorneys of record by deposit in the U.S. Mail, postage prepaid, or by email transmission.

This is the 26<sup>th</sup> day of February 2016.

*/s/ John D. Runkle*