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February 9, 2011

FILED
FEB 09 2011
Clerk's Office
N.C. Utilities Commission

Ms. Renne Vance, Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Integrated Resource Plan of Dominion North Carolina Power
Docket No. E-100, Sub 128**

Dear Ms. Vance:

Pursuant to Rule R8-67 (b), on September 1, 2010, Dominion North Carolina Power (the "Company") filed with the North Carolina Utilities Commission ("NCUC") its Renewable Energy and Energy Efficiency Portfolio Standards ("REPS") Compliance Plan, filed as "NC IRP Addendum 1."

The Company has revised the REPS Compliance Plan (the "2010 Plan"). Portions of the revised 2010 Plan contain confidential and other proprietary information. If this information were to be publicly disclosed, it would allow competitors, vendors and other market participants to gain an undue advantage, which may ultimately result in harm to ratepayers. Therefore, enclosed are an original and fourteen (14) copies of the public version of the *revised* REPS Compliance Plan. In addition, enclosed under separate cover marked as "Confidential" are the original and seventeen (17) copies of the unredacted *revised* 2010 Plan. The Company will make this information available to other parties pursuant to an appropriate nondisclosure agreement. These documents are to be filed under seal.

The changes made to the document are the correction of the title to Figure 1.6.1 and an additional paragraph followed by a new Figure 1.6.2, all on page five of the *revised* 2010 Plan. Please substitute this version for the one on record.

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Also enclosed is a copy of both the public and confidential versions to be file-stamped and returned with our courier. Please do not hesitate to call me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Breitschwerdt", with a stylized flourish at the end.

Brett Breitschwerdt

EBB:as

cc: Parties of Record

FILED

FEB 09 2011

Clerk's Office
N.C. Utilities Commission

DOMINION NORTH CAROLINA POWER 2010 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 (2010) and immediately subsequent two calendar years (2011-2012). This North Carolina REPS Compliance Plan is an addendum to the Company's 2010 Integrated Resource Plan ("IRP").

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 2010 Integrated Resource Plan ("2010 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 energy efficiency ("EE"), Renewable Energy Certificates ("RECs") and new 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 plans to begin implementing energy efficiency programs in the near future that will contribute to the overall REPS goals, subject to approval by the NCUC. Figure 1.2.1 provides the basis for the 2010 to 2012 REPS Compliance Plan.

Figure 1.2.1 2010--2012 COMPANY'S REPS COMPLIANCE PLAN SUMMARY

	2009	2010	2011	2012
Baseline Sales Forecast (MWh)	4,028,420 ¹	4,047,615	4,095,400	4,200,319
NC Total REPs Requirement %				3%
Total REPS Target (MWh) ²				122,862
NC Total Solar Target %	0.00%	0.02%	0.02%	0.07%
Total Solar Target (MWh)	0	806	810	2,867
NC Total Swine Target %				0.07%
Total Swine Target (MWh)				2,867
NC Total Poultry Target %				3.01% of 170,000 MWh
Total Poultry Target (MWh)				5,118
General REPS Requirement (net of Solar, Swine and Poultry) (MWh)				112,010
Energy Efficiency (MWh)			8,456 ³	10,395

Notes: (1) 2009 is actual North Carolina retail sales and is included to calculate the 2010 solar target. (2) The Overall target is a product of the previous year's baseline load and the current year target percentage. (3) Per the statute, the energy savings from energy efficiency programs in 2011 can be retained and applied to the 2012 target.

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 2010--2012 TOWN OF WINDSOR REPS COMPLIANCE PLAN SUMMARY

	2009	2010	2011	2012
Baseline Sales Forecast (MWh)	47,492 ¹	48,470 ²	49,380 ²	50,315 ²
NC Total REPs Requirement %				3%
Total REPS Target (MWh) ³				1,481
NC Total Solar Target %	0.00%	0.02%	0.02%	0.07%
Total Solar Target (MWh)	0	10	10	35
NC Total Swine Target %				0.07%
Total Swine Target (MWh)				35
NC Total Poultry Target %				0.04% of 170,000 MWh
Total Poultry Target (MWh)				62
General REPS Requirement (net of Solar, Swine and Poultry) (MWh)				1,349

Notes: (1) 2009 is actual sales for Town of Windsor. (2) Baseline sales forecasts are from the Town of Windsor. (3) The Overall target is a product of the previous year's baseline load and the current year target percentage.

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 its obligations, as well as its requirements for the Town of Windsor's, with out-of-state RECs.

Solar RECs

The Company's strategy for compliance with solar requirements is to buy unbundled RECs. The Company has purchased solar RECs for compliance with G.S. 62-133.8 (b) and (d) for the years 2010 and 2011 from outside of North Carolina to try to minimize the compliance costs. These Solar RECs are expected to be in the seller's account in the WREGIS system. The transfer of these RECs to NC-RETS is dependent on the WREGIS system's ability to export RECs to the North Carolina RETS system. If such functionality is not available by the end of 2010, then attestation / affidavits from the supplier will be submitted to NCUC for compliance.

Swine and Poultry RECs

Under the oversight of the Commission, a group of electric suppliers subject to North Carolina statutes, including the Company, issued joint requests for proposals ("RFPs") for swine waste and poultry litter energy that meet the current set-aside requirements. Proposals from swine and poultry waste suppliers have been received and are currently undergoing a joint review and evaluation process.

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 Energy Efficiency programs and obtaining general RECs that qualify under North Carolina law.

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 Solar RECS to comply with G.S. 62-133.8 (b) and (d). Figure 1.3.1 is a summary of the contract. The Company is in the process of finalizing commercial terms of this contract. Contract duration for this contract will be from the effective date to the date on which both the parties have fulfilled all their obligations.

Figure 1.3.1 Solar REC Purchase Contract Summary					
Supplier	Facility	Volume	Vintage	Price per MWh	Expense
Constellation Energy Commodities Group, Inc.	Solar	██████	2011	██████	██████████
Constellation Energy Commodities Group, Inc.	Solar	██████	2010	██████	██████████
Total Volume		2,000	Total Solar REC Expense		██████████

Note: The Company plans to retain any surplus RECs from 2010 and 2011 and use for compliance in 2012.

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 will apply its energy efficiency programs approved by the NCUC to meet the NC REPS requirements as permitted by law. Figure 1.4.1 lists the potential energy efficiency programs and gives a projection of the resulting energy savings from each program, if approved.

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

	2010	2011 ¹	2012
Commercial HVAC Upgrade Program	0	77	200
Commercial Lighting Program	0	684	1,504
Low Income Program	0	854	1,850
Residential Lighting Program	0	6,841	6,841
Energy Efficiency Total	0	8,456	10,395

Note: (1) Per the statute, the energy savings from energy efficiency programs in 2011 can be retained and applied to the 2012 target.

A brief description of these energy efficiency measures can be found in Section 3.2.6 of the IRP of which this report is an addendum. The Company is developing additional proposed energy efficiency programs with the intention to seek NCUC approval for those programs 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)
2010 (projected)	1,567,977	989,057	1,490,580	4,047,615 ³
2011 (projected)	1,599,952	1,025,765	1,469,683	4,095,400
2012 (projected)	1,622,010	1,084,511	1,493,798	4,200,319

Figure 1.5.2 COMPANY'S NORTH CAROLINA CUSTOMER ACCOUNTS⁴

Year	Residential Customers	Commercial Customers ²	Industrial Customers	Total Customers
2010 (projected)	102,839	18,256	59	121,154
2011 (projected)	104,151	18,480	58	122,689
2012 (projected)	105,701	18,722	57	124,480

Notes: (1) Excludes the Town of Windsor's wholesale customer load. (2) Includes the Public Authority and Street and Traffic Lighting accounts. (3) Total Sales does not equal due to rounding. (4) Customer account totals are year-end forecasts. These differ slightly from Appendix 2F in the 2010 IRP which are average yearly amounts.

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) ²	Industrial Sales (MWh)	Total Sales (MWh)
2010 (projected)	18,900	21,570	8,000	48,470
2011 (projected)	19,100	21,780	8,500	49,380
2012 (projected)	19,300	22,215	8,800	50,315

Figure 1.5.4 TOWN OF WINDSOR'S CUSTOMER ACCOUNTS³

Year	Residential Customers	Commercial Customers ²	Industrial Customers	Total Customers
2010 (projected)	1,425	408	2	1,835
2011 (projected)	1,428	410	2	1,840
2012 (projected)	1,430	415	2	1,847

Notes: (1) Retail sales forecast is from the Town of Windsor. (2) Includes the Public Authority and Street and Traffic Lighting numbers. (3) Customer account totals are year-end forecasts.

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.

Pursuant to Rule R8-67 (e) (2), the cost of an unbundled REC, to the extent that it is reasonable and prudently incurred, is an incremental cost and has no avoided cost component. The Company's forecasted avoided energy and capacity costs from Docket No. E-100, Sub 117 are provided below in Figure 1.6.1.

Figure 1.6.1 PROJECTED AVOIDED ENERGY AND CAPACITY COST (Nov 2008)

	On-Peak (\$/MWh)	Off-Peak (\$/MWh)	Capacity Price (\$/kW-Year)
2010	84.04	61.78	52.63
2011	84.92	62.26	49.99
2012	75.29	55.58	72.45

The Company's forecasted avoided energy and capacity costs from Docket No. E-100, Sub 127 are provided below in Figure 1.6.2. This docket has not been ruled on yet by the Commission.

Figure 1.6.2 PROJECTED AVOIDED ENERGY AND CAPACITY COST (Nov 2010)

	On-Peak (\$/MWh)	Off-Peak (\$/MWh)	Capacity Price (\$/kW-Year)
2011	50.09	38.46	49.93
2012	52.31	40.09	20.23
2013	54.84	41.19	8.41

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

On September 22, 2009 the NCUC issued an order on the Company's motion for further clarification 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). The Company's total and incremental costs for the plan years 2010 and 2011 are expected to consist of the purchase of solar RECs. The projected costs for 2012 will be the sum of the costs required to comply with solar, swine, poultry and other general renewable requirements. Outside legal costs, joint RFP consulting engineer's fees and NC RETS system development costs and ongoing user fees could also be incurred. Figure 1.7.1 outlines the Company's Compliance Cost Summary for RECs procurement only from 2010 to 2012.

Figure 1.7.1 COMPANY'S COMPLIANCE COST SUMMARY

Type of REC	2010	2011	2012
Solar			
Target (MWh)	806	810	2,867
Less Banked RECs			
Net Target			
REC Cost (\$/MWh)			\$15.00 ³
Projected Cost			
Swine			
Target (MWh)	0	0	2,867
REC Cost (\$/MWh)			\$70.00 ³
Projected Cost			\$200,690
Poultry			
Target (MWh)	0	0	5,118
REC Cost (\$/MWh)			\$70.00 ³
Projected Cost			\$358,260
General REPs			
Target (MWh)	0	0	112,010
Less Energy Efficiency ⁴			18,851
Net Target			93,159
REC Cost (\$/MWh)			\$2.00 ³
Projected Cost			\$186,318
TOTAL COMPLIANCE COST			

Notes: (1) Banked from contracts listed in Figure 1.3.1 and are confidential. (2) Solar REC costs for 2010 and 2011 are from contracts listed in Figure 1.3.1 and are confidential. (3) 2012 projected REC costs are based on market estimates. (4) Energy efficiency savings from Figure 1.4.1 include savings carried over from programs in 2011.

The Town of Windsor

The Town of Windsor's total and incremental costs for the plan years 2010 and 2011 are expected to consist of the purchase of solar RECs. Figure 1.7.2 outlines the Town of Windsor's Compliance Cost Summary from 2010 to 2012.

Figure 1.7.2 TOWN OF WINDSOR'S COMPLIANCE COST SUMMARY

Type of REC	2010	2011	2012
Solar			
Target (MWh)	10	10	35
REC Cost (\$/MWh)			\$15.00 ²
Projected Cost			\$525
Swine			
Target (MWh)	0	0	35
REC Cost (\$/MWh)			\$70.00 ²
Projected Cost			\$2,450
Poultry			
Target (MWh)	0	0	62
REC Cost (\$/MWh)			\$70.00 ²
Projected Cost			\$4,340
General REPs			
Target (MWh)	0	0	1,349
REC Cost (\$/MWh)			\$2.00 ²
Projected Cost			\$2,698
TOTAL COMPLIANCE COST			\$10,013

Notes: (1) Solar REC costs for 2010 and 2011 are from contracts listed in Figure 1.3.1 and are confidential. (2) 2012 projected REC costs are based on market estimates.

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. Dominion changed the methodology of how Compliance costs are allocated from the methodology used in the 2009 NC REPS Compliance Plan. Compliance costs are now 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 2010	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	102,839	18,256	59	121,154
Annual Cost Cap per Customer	\$10	\$50	\$500	-
Annual Cost Cap, Total	\$1,028,390	\$912,800	\$29,500	\$1,970,690
Projected Cost of Compliance¹				

Compliance Year 2011	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	104,151	18,480	58	122,689
Annual Cost Cap per Customer	\$10	\$50	\$500	-
Annual Cost Cap, Total	\$1,041,510	\$924,000	\$29,000	\$1,994,510
Projected Cost of Compliance¹	■	■	■	■

Compliance Year 2012	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	105,701	18,722	57	124,480
Annual Cost Cap per Customer ²	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$1,268,412	\$2,808,300	\$57,000	\$4,133,712
Projected Cost of Compliance¹	\$241,431	\$534,536	\$10,850	\$786,817

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 COMPARISON TO ANNUAL CAPS

Compliance Year 2010	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,425	408	2	1,835
Annual Cost Cap per Customer	\$10	\$50	\$500	-
Annual Cost Cap, Total	\$14,250	\$20,400	\$1,000	\$35,650
Projected Cost of Compliance¹	■	■	■	■

Compliance Year 2011	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,428	410	2	1,840
Annual Cost Cap per Customer	\$10	\$50	\$500	-
Annual Cost Cap, Total	\$14,280	20,500	\$1,000	\$35,780
Projected Cost of Compliance¹	■	■	■	■

Compliance Year 2012	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Projected Year-End Annual Customers	1,430	415	2	1,847
Annual Cost Cap per Customer ²	\$12	\$150	\$1,000	-
Annual Cost Cap, Total	\$17,160	\$62,250	\$2,000	\$81,410
Projected Cost of Compliance¹	\$2,111	\$7,656	\$246	\$10,013

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).

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 2010, but expects to file a REPS Rider in 2011.

1.10 REGISTRATION INFORMATION

In accordance with Rule R8-67 (b) (ix), the Company provides the following statement regarding its registration information and certified statements required by Rule R8-66, to the extent they have not already been filed with the Commission.

The Company will ensure 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.

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CERTIFICATE OF SERVICE

I hereby certify that the public version of the *Revised Renewable Energy and Energy Efficiency Portfolio Standards Compliance Plan* of Dominion North Carolina Power submitted in Docket No. E-100, Sub 128 has been served this day by mail, first class, postage prepaid upon all parties of record in the above-captioned docket.

This the 9th day of February, 2011.

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