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## Duke bids to buy Lake Lure electricity

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by By Scott Baughman

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LAKE LURE — Hydro-electric power generated here was a lucrative operation several years ago, and with new eco-friendly regulations in the state, officials are hopeful it will be again.

Thanks to a state law that went into effect in 2008, major electricity producers like Duke Energy must generate at least 12 percent of their power load from “green” generators — like wind, solar or hydro-electric plants.

If the company doesn’t build its own new green plants, they can purchase green credits from hydro-electric producers like Lake Lure’s dam operation.

“Duke has emerged as the highest bidder for our certificates,” said Town Manager Chris Braund. “This market for these certificates is just getting up and off the ground. The certificates that we’re selling are merely an acknowledgement of so many megawatt hours of power that we have generated using clean, sustainable methods. They are an accounting entity somewhere. We have been earning them under this program since 2008.”

The rate negotiated with Duke on Lake Lure’s behalf will be about \$6 per certificate. For all of 2008, the utility will pay Lake Lure about \$12,000. Braund is hopeful that in the future, as other states pass green energy generation laws, the demand for the certificates might go up along with the prices.

But the town has had some not-so-profitable dealings with Duke in the recent past as well, with the town owing money to the utility for overpayment of hydro-electric generation.

“For many years we were generating and getting monthly statements from Duke saying how much we generated and the price per kilowatt hour,” Braund said. “We just took the statements, cashed the checks and spent the money as part of our budget. Duke then came back to us about five years ago and said they had an accounting error and had overpaid us. They then asked for that money back.”

The town owed Duke about \$240,000, and negotiated to pay it back in 44 monthly installments of roughly \$6,000 each. Most months, the \$6,000 was just taken away from the payment that Duke would send to the town. But during months when there was little rainfall and the hydro plant didn’t generate any electricity, the town had to write a check to Duke. But in two months, the town will have paid the debt off.

“I’m hoping this will allow us to get back into the range of \$250,000 to \$300,000 a year in hydro-power revenues,” Braund said. “That would be a useful windfall for the town, and sustainable. But we do have to balance the lowering of the lake

to run the hydro plant with the desires of our citizens to have a lake. It is true that with recent rainfall we can lower the lake more and run the hydro-plant more, but if we drop the lake by about 10 feet people start to get upset.”

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