

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 20, 2020

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2019-00214

For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)

FINAL ORDER APPROVING EXPERIMENT

On December 12, 2019, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to establish a new experimental and voluntary residential time-of-use ("TOU") rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental) ("TOU Schedule 1G"), pursuant to § 56-234 B of the Code of Virginia ("Code").¹ Pursuant to Code § 56-234 B, the Commission is required to issue its final order on the Application "the earlier of not more than six months after the filing of the petition or not more than three months after the date of any evidentiary hearing concerning such petition."

On December 23, 2019, the Commission issued an Order for Notice and Hearing that, among other things: established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its Application; and provided interested persons an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of participation.

¹ The Company also filed the Application in compliance with Senate Bill 1769 enacted by the 2019 Virginia General Assembly. *See* 2019 Va. Acts of Assembly, ch. 763.

On February 14, 2020, Dominion filed a Motion for Leave to Supplement Application and Direct Testimony requesting to add an optional solar incentive rebate ("Solar Incentive Program") to proposed TOU Schedule 1G. On February 21, 2020, the Commission issued an Order Granting Motion and Directing Supplemental Notice, which, among other things, permitted the Company to supplement its Petition to include the Solar Incentive Program.

Notices of participation were filed by Appalachian Voices ("Environmental Respondents") and the Virginia Office of the Attorney General, Division of Consumer Counsel. The Company, Environmental Respondents, and Commission Staff ("Staff") pre-filed testimony in this matter.

On May 5, 2020, the Commission convened a hearing on the Company's Application. The Commission received testimony and exhibits from Dominion, respondents, and Staff. On May 6, 2020, the Commission convened a separate hearing to receive the testimony of public witnesses.²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and concludes that the record herein supports the following findings.

(1) Subject to the requirements ordered herein, experimental rate TOU Schedule 1G, including the Solar Incentive Program, is "necessary in order to acquire information which is or may be in furtherance of the public interest" under Code § 56-234 B and should be approved for implementation on an experimental basis on and after January 1, 2021. On or before November 1, 2020, Dominion shall file a revised TOU Schedule 1G consistent with the findings in this order.

² No public witnesses appeared to testify. Tr. 203.

(2) Dominion plans for this experiment to lay the groundwork for a systemwide rollout of TOU rates.³ In this regard, the Commission finds that implementing TOU Schedule 1G at this time will serve only as an initial step toward the potential development of a systemwide rate design for TOU rates. Specifically, having found the Company's proposal meets the minimum requirements of the statute, the Commission further finds – and emphasizes – that much more data and detail will be necessary to determine the type and structure of a TOU rate design that will serve the public interest on a significantly wider scale. Accordingly, as information regarding the actual implementation of this experiment becomes available, the Company shall file proposed modifications thereto designed to strengthen the robustness and efficacy of this experimental program.

(3) On or before November 1, 2020, Dominion shall file in this docket detailed plans for (a) evaluation, measurement, and verification ("EM&V"), and (b) customer education ("Outreach & Communication") associated with TOU Schedule 1G.

(4) As proposed by the Company, TOU Schedule 1G shall be limited to 10,000 participants, and the Solar Incentive Program shall be limited to 500 participants as a subset of the 10,000 participants in TOU Schedule 1G.

(5) Residential customers who are subject to a separate demand charge (*i.e.*, net metering customers subject to a standby charge) shall be eligible to take service under TOU Schedule 1G.

(6) Residential customers enrolled in demand response and peak shaving programs sponsored by the Company or the PJM Interconnection, L.L.C., regional transmission organization shall not be eligible to take service under TOU Schedule 1G at this time.

³ *See, e.g.*, Tr. 139-140.

(7) The Company shall include in its marketing materials and post online the all-in rate (in cents per kilowatt hour) to residential customers participating in TOU Schedule 1G, including all applicable riders, during on-peak, off-peak, and super off-peak times.⁴

(8) The Company shall file an annual report in this docket on or before December 31 (during each year this experiment remains in effect) on the specific EM&V results of TOU Schedule 1G through July 31 of such year. The first such report shall be filed on or before December 31, 2021.

(9) The Company utilized a stakeholder process in developing the TOU Schedule 1G rates proposed herein. The Company shall also utilize a reasonable stakeholder process during the implementation of this experiment that includes, but is not necessarily limited to, the preparation of detailed EM&V and Outreach & Communication plans, as well as developing proposed modifications to the instant experiment to increase the robustness and efficacy thereof. The stakeholder process shall also consider the use of shadow billing in connection with customer Outreach & Communication.

Accordingly, IT IS SO ORDERED, and this docket shall remain OPEN.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

⁴ The Company shall also include potential demand charges (*i.e.*, the standby charge applicable to certain net metering customers) in dollars per kilowatt.