

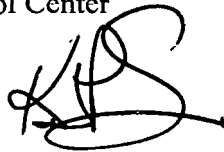
STATE CORPORATION COMMISSION
Division of Information Resources

June 8, 2020

MEMORANDUM

TO: Document Control Center
Clerk's Office

FROM: Ken Schrad



RE: PUR-2019-00207

SCC CLERK'S OFFICE
DOCUMENT CONTROL CENTER
2020 JUN -8 A 8:15

I have attached a letter from Delegate Jennifer Carroll Foy, a member of the House of Delegates of the Virginia General Assembly. The letter was sent by email over the weekend, on Sunday, June 7, 2020, to my SCC email address.

I ask that you pass this correspondence to the referenced case file.

PUR-2019-00207

Virginia Natural Gas - For approval and certification of natural gas facilities: the Header Improvement Project and for approval of Rate Schedules and Terms and Conditions for Pipeline Transportation Service

Attachment –

- Letter of Delegate Jennifer Carroll Foy, Member, House of Delegates, 2nd District



JENNIFER D. CARROLL FOY
POST OFFICE BOX 5113
WOODBRIDGE, VIRGINIA 22194

SECOND DISTRICT

COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

COMMITTEE ASSIGNMENTS:
COURTS OF JUSTICE
FINANCE
PUBLIC SAFETY

20200606

June 6, 2020

Kenneth Schrad
Director, Division of Information Resources State Corporation Commission
P.O. Box 1197
Richmond, VA 23218
Sent Via Email to: Ken.Schrad@Scc.Virginia.Gov

To Governor Northam and the State Corporation Commission:

I write to urge you to deny Virginia Natural Gas (VNG) Header Improvement Project (HIP)'s certificate of public necessity and any foreseeable permits. The U.S. Energy Information Administration reported that Virginia's energy demand increased by less than one percent between 2007-2017 and the state's energy demand is predicted to remain flat for the next decade.^[2] Furthermore, as a result of the COVID-19 pandemic, the World Economic Forum announced that the US reached a 16-year low in energy demand.^[3] Based on these trends, it is clear the HIP pipeline and the C4GT gas plant it is to service would most likely face significant economic setbacks that jeopardize the project and burden municipalities and VNG ratepayers.

The C4GT gas plant proposed for Charles City County has been unable to receive the financing it needs to move forward and requested an extension of its SCC approval. The company recently asked VNG for a delay until the end of 2020 to obtain its financing. Because of that, it would appear that VNG's claim that C4GT was a primary driver of the HIP is overstated. VNG also claims its other prospective buyers, including Dominion's subsidiary company, VPSE, cite a need in Northern Virginia justifying why HIP must remain on schedule, however there has been no substantial evidence supporting their claims. In 2018, the SCC denied Dominion's Integrated Resource Plan because the company's forecasts "have been consistently overstated, particularly in years since 2012, with high growth expectations despite generally flat actual results each year."^[4] This, combined with the economic uncertainties of COVID-19, suggest that the project is too big a financial risk.

Additionally, the HIP's Gidley Compressor Station proposed for the City of Chesapeake demonstrates an environmental injustice according to a study developed by Stephen Metts of Geospex, a GIS consulting firm specializing in spatial analysis. Toxins in fracked gas pollute air, water and land and affect those living closest to a compressor station through air emissions and pipeline leaks. From the analysis's findings, the Gidley station is to be built in a heavily urban area where the population within a mile radius of the compressor station is a majority minority community with a higher percentage of low-income residents in relation to the state average. Based on publicly available records, the HIP is intended to serve the C4GT and the

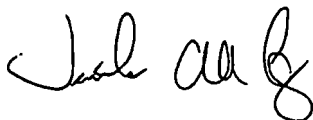
Chickahominy Power Station gas plants, putting into question the purpose of the Gidley station located further south in urban Chesapeake.[5]

During today's climate crisis, we must recognize that Virginia does not need the negative impacts this fossil-fuel project will bring to communities. Despite the state's phasing out of coal, Virginia's 2019 carbon dioxide emissions—a key greenhouse gas responsible for climate change—were greater than that of 2009.[6] Not only will this project accelerate climate change through the emission of greenhouse gases, the HIP will impede on landowner rights, threaten nearby communities' clean air and water, cut through 68 rivers and streams, and impact over 150 acres of wetlands at the cost of \$20.75 million to VNG ratepayers.

Given this project's inherent risk to human health, the environment, and ratepayers, ensuring effective public participation should be a high priority and is a right for those most directly affected. Defying reasonable requests to postpone until regular hearing protocol could resume, the May 12th SCC public hearing demonstrated how a remote platform is not suitable to support fair public engagement. Noting the difficulties restricting participation, the SCC announced intentions to hold another public hearing and has extended comment period deadline. However, continuing this process after witnessing the significant barriers remote hearings pose to public engagement violates constituents' right to fair public participation. Although the SCC is facing an unprecedented situation, as we all are, we still hope and expect the Commission to take better measures amid COVID-19 and acknowledge these proceedings cannot continue underneath self-quarantine mandates.

With our Commonwealth struggling to manage the devastation caused by the coronavirus pandemic and fully experiencing new economic realities and climate change's impacts, I urge Governor Northam and the SCC to deny VNG HIP's certificate of necessity and other foreseeable permits. Thank you for your prompt attention to this matter.

Sincerely,



Delegate Jennifer Carroll Foy
Member, House of Delegates
2nd District

[1] Krauss, C. (2019, December 11). Natural Gas Boom Fizzles as a U.S. Glut Sinks Profits. Retrieved from <https://www.nytimes.com/2019/12/11/business/energy-environment/natural-gas-shale-chevron.html>
[2] <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/54171542>
[3] DiSavino, S. (2020, April 14). COVID-19: America hasn't used this little energy in 16 years. Retrieved from <https://www.weforum.org/agenda/2020/04/united-states-energey-electricity-power-coronavirus-covid19/>
[4] <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/54171542>
[5] https://spatial-analysis-findings.s3.us-east-2.amazonaws.com/VNG_Gidley.ej.spatial.analysis.findings.pdf
[6] <https://www.eenews.net/climatewire/2020/05/20/stories/1063179963>