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September 24, 2021

Via Electronic Filing

Mr. Bernard Logan, Clerk
State Corporation Commission
Document Control Center
1300 East Main Street - 1st Floor
Richmond, VA 23219

**Re: Application of Virginia Electric and Power Company
For an update of the 100 percent renewable energy tariff, designated Rider
TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia SCC
Case No. PUR-2021-00138**

Dear Mr. Logan:

On behalf of Direct Energy Business, LLC and Direct Energy Services, LLC, enclosed for filing is the *Notice of Participation and Request for Hearing of Direct Energy Business, LLC, and Direct Energy Services, LLC*, in the above referenced matter.

The Commission's acknowledgment of this filing should be e-mailed to me at crobb@t-mlaw.com.

Thank you for your attention to this matter.

Sincerely,


Cliona Mary Robb

Enclosures

cc: Certificate of Service

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

Case No. PUR-2021-00138

VIRGINIA ELECTRIC AND POWER
COMPANY

For an update of the 100 percent renewable energy
tariff, designated Rider TRG, pursuant to §§ 56-
577 A 5 and 56-234 of the Code of Virginia

**NOTICE OF PARTICIPATION AND REQUEST FOR HEARING OF
DIRECT ENERGY BUSINESS, LLC AND DIRECT ENERGY SERVICES, LLC**

Pursuant to Rule 80 B of the Rules of Practice and Procedure of the State Corporation Commission (“Commission”), 5 VAC 5-20-80 B, and Paragraphs 10 and 12 of the Commission’s Order for Notice and Hearing issued in this proceeding on July 16, 2021, (“Procedural Order”), Direct Energy Business, LLC (“Direct Energy Business”), and Direct Energy Services, LLC (“Direct Energy Services”) (collectively, “Direct Energy”), by counsel, hereby file this Notice of Participation and Request for Hearing in the above-captioned proceeding, and in support thereof state as follows:

Notice of Participation

1. Direct Energy Business is a licensed competitive service provider (“CSP”) in Virginia. The Commission has granted Direct Energy Business a license to operate as a CSP in order to serve commercial, industrial, and governmental customers.¹

¹ *Application of Direct Energy Business, LLC, For A License To Conduct Business As An Electricity Competitive Service Provider*, SCC Case No. PUR-2017-00085 (Order Granting License, July 24, 2017).

2. Direct Energy Services is also a licensed CSP in Virginia. The Commission has granted Direct Energy Services a license to operate as a CSP in order to serve residential customers.²

3. Effective January 5, 2021, NRG Energy, Inc. (“NRG”) acquired 100% of the membership interest in Centrica US Holdings, Inc., the parent company of Direct Energy. Direct Energy will retain its licenses, and all customers currently served by Direct Energy will continue to be served by Direct Energy. Direct Energy is an NRG subsidiary.

4. The address of Direct Energy Business is 12 Greenway Plaza, Suite 250, Houston, Texas 77046, and the address for Direct Energy Services is 910 Louisiana St., Houston, Texas 77002.

5. Counsel for Direct Energy are:

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6. Direct Energy has a direct interest in the outcome of this proceeding because Direct Energy Business currently provides, and Direct Energy Services may in the future provide, electricity supply service to retail customers within the service territory of Virginia Electric and Power Company (“Dominion” or the “Company”). As a result, Direct Energy and its customers have immediate, pecuniary, and substantial interests in the outcome of this proceeding. Direct Energy seeks to protect these interests.

² *Application of Direct Energy Services, LLC, For A License To Conduct Business As An Electricity Competitive Service Provider*, SCC Case No. PUE-2016-00088 (Order Granting License, October 16, 2016).

7. Direct Energy's assessment of the issues raised by this proceeding is ongoing. Therefore, Direct Energy has not yet determined the specific actions it will seek or the factual and legal basis for those actions. Direct Energy intends to further evaluate the issues raised by this proceeding, with particular attention given to matters impacting whether Dominion's revised Rider TRG satisfies applicable statutory and regulatory criteria and whether Dominion's actions impacting service provided by CSPs are just and reasonable. Direct Energy reserves its right to participate fully in this proceeding, including by conducting discovery, by filing testimony, by participating in the evidentiary hearing or filing any briefs as may subsequently be permitted by the Commission.

8. Direct Energy, as a CSP serving retail customers who are also distribution customers of Dominion, can provide relevant and necessary information concerning issues germane to this proceeding. No other party can adequately represent the interests of Direct Energy.

9. Direct Energy requests that correspondence and service of all documents filed in this proceeding be directed to Direct Energy's counsel.

Request for Hearing

10. The foregoing statements are adopted and incorporated into this Request for Hearing as if set out in full.

11. Dominion has filed its Application in this proceeding asking the Commission to approve its proposed annual update of its 100 percent renewable energy tariff, designated Rider TRG, pursuant to the Commission's July 2, 2020, Order Approving Tariff in Case No, PUR-2019-00094 ("Order Approving Tariff"). In that Order, the Commission approved Rider TRG under both Va. Code § 56-234 and § 56-577 A 5.

12. As approved by the Commission, Rider TRG is designed so that customers electing to participate pay a premium over standard service that is based on the prevailing market value of renewable energy certificates (“RECs”) as a proxy for this premium (“Rider TRG Rate”).³

13. Dominion proposes to continue to charge customers the previously approved Rider TRG Rate of \$3.98 per MWh even though the current market value of RECs in its TRG Portfolio is \$6.91 per MWh.⁴ Therefore, Dominion is actually proposing to *not* update Rider TRG as required by the Commission Order that approved Rider TRG.

14. The rate design and pricing of Rider TRG were contested in the proceedings on Dominion’s previous application for approval of Rider TRG. What Dominion is proposing now amounts to a revision of Rider TRG that is inconsistent with the rate design previously approved by the Commission and far exceeds the scope of a simple update based on the Commission’s approved formula for pricing service under Rider TRG.

15. Dominion’s Application in this proceeding also reports that as of June 14, 2021 only approximately 2,438 customers were enrolled in Rider TRG,⁵ even though its TRG Portfolio is capable of meeting the requirements of approximately 45,000 residential customers or their commercial equivalent.⁶ In stark contrast, according to Dominion’s Application in its Triennial Rate proceeding, 12,073 customer accounts have switched to competitive supply.⁷ In addition, approximately 6,860 customer accounts were waiting to be enrolled by Dominion to take 100% renewable energy service from competitive service providers on July 2, 2020, when Dominion filed its approved Rider TRG tariff and prevented them from doing so.

³ Application at 7.

⁴ *Id.* at 7, 10.

⁵ *Id.* at 9.

⁶ *Id.* at 6.

⁷ *Application of Virginia Electric and Power Company for a 2021 triennial review . . .*, Supplemental Schedule 42(b), SCC Case No. PUR-2021-00058.

16. Dominion claims that Rider TRG “continues to advance the policy objectives of Subdivision A 5,” which promotes the availability and use of 100 percent renewable energy, and “remains consistent with the goals of the Virginia Energy Plan to accelerate the development of renewable energy sources in Virginia”⁸ In light of the poor performance of Rider TRG and the large number of customers who have been denied access to 100 percent renewable energy from competitive suppliers, such claims by Dominion are obviously untenable.

17. Dominion’s Application claims that non-participating customers will be held harmless by its proposal because the difference between the original Rider TRG Rate and the current Rider TRG Rate will be “covered by the Company.”⁹ Dominion does not explain, however, how the resulting loss of revenue from Rider TRG customers representing the true value of the RECs being retired for them will be covered or how doing so will hold non-participating customers harmless. Nor does Dominion explain how pricing the tariff below cost is equitable to CSP customers taking renewable energy service.

18. In the previous proceeding on Dominion’s Application to approve Rider TRG, Direct Energy and Calpine accurately anticipated this current lack of customer enrollments based on Dominion’s track record with its voluntary renewable tariffs, the composition of the one-sized fits all TRG product, its premium price, and thus proposed at the time a sunset provision to address situations like the one now presented where enrollment in Rider TRG is low and has reduced the availability of and discouraged use of renewable energy in Virginia. After consideration, the Commission did not adopt such a sunset provision, but instead ruled that it “retains authority to modify or amend Rider TRG at any time in the future and will have ample authority to address

⁸ Application at 8-9.

⁹ Application at 8.

any concerns regarding participant levels during the annual update proceedings.”¹⁰ We recommend that the Commission should not, however, use its authority in order to make a fundamental change in the tariff’s design and pricing, especially without a hearing.

19. The Commission should, however, use this proceeding for the stated purpose of addressing concerns regarding participant levels. Given the low level of participation to date, especially as opposed to the level of 100% renewable service that had been provided and that would be provided but for the Commission’s approval of Rider TRG as a Section A 5 tariff, the Commission should either close the tariff to further participants or re-classify it as a rate experiment, and in either case make clear that it is no longer is considered to be an approved tariff under Section A 5 that blocks new customers from gaining access to 100 percent renewable offerings from CSPs, meaning that customers who had or would qualify for Rider TRG service may purchase 100% renewable energy from competitive service providers.

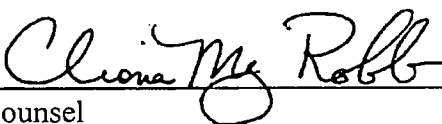
20. The foregoing contested issues that are raised by Dominion’s Application in this proceeding require that the Commission revisit, at minimum, its decisions to approve Rider TRG both under Va. Code § 56-234 and under Va. Code § 56-577 A 5. What Dominion proposes is a new tariff with a different rate design and pricing than the Rider TRG previously approved by the Commission, and with inadequate participation to serve its stated and statutory purpose of utilizing this tariff to promote renewable energy use in Virginia. Respondents deserve a full opportunity to participate. At minimum, a hearing is needed.

WHEREFORE, Direct Energy gives notice that it will participate as a respondent in this proceeding and requests that the Commission set the case for hearing and issue a revised procedural schedule to allow full participation by Direct Energy and other respondents.

¹⁰ Order Approving Tariff at 12.

Respectfully submitted,

DIRECT ENERGY BUSINESS, LLC and
DIRECT ENERGY SERVICES, LLC


By: 
Counsel

September 24, 2021

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing was emailed or mailed to the parties below on this 24th day of September 2021.


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