

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, SEPTEMBER 7, 2021

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2020-00274

For approval of its 2020 DSM Update  
pursuant to § 56-585.1 A 5 of the Code of Virginia

FINAL ORDER

On December 2, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings<sup>1</sup> of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances,<sup>2</sup> the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,<sup>3</sup> the Commission's Rules Governing the Evaluation, Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs,<sup>4</sup> and the directive contained in Ordering Paragraph (4) of the Commission's July 30, 2020 Final Order in Case No. PUR-2019-00201,<sup>5</sup> filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs;

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<sup>1</sup> 20 VAC 5-201-10 *et seq.*

<sup>2</sup> 20 VAC 5-303-10 *et seq.*

<sup>3</sup> 20 VAC 5-304-10 *et seq.* ("Cost/Benefit Rules")

<sup>4</sup> 20 VAC 5-318-10 *et seq.*

<sup>5</sup> *Petition of Virginia Electric and Power Company, For approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia, Case No. PUR-2019-00201, 2020 S.C.C. Ann. Rept. 368, Final Order (July 30, 2020) ("2019 DSM Order").*

(2) approval to extend the Company's existing Non-residential Distributed Generation ("DG") Program; (3) approval to expand the eligibility requirements for specific DSM Phase VII and Phase VIII Programs in accordance with changes established in the Virginia Clean Economy Act ("VCEA");<sup>6</sup> and (4) approval of three updated rate adjustment clauses, Riders C1A, C2A and C3A, and a new rate adjustment clause, Rider C4A ("Petition").<sup>7</sup>

In its Petition, the Company requests approval to implement 11 new programs as the Company's "Phase IX" programs, which include a mixture of "energy efficiency" ("EE") and "demand response" ("DR") DSM programs, as those terms are defined by Code § 56-576.<sup>8</sup> With the exception of the proposed House Bill ("HB") 2789 (Solar Component) Program,<sup>9</sup> the Company requests that the Commission permit the Company to operate the following proposed programs for the five-year period of January 1, 2022, through December 31, 2026, subject to future extensions as requested by the Company and granted by the Commission:

- Residential Income and Age Qualifying ("IAQ") (EE)
- Residential Water Savings (EE)
- Residential Water Savings (DR)

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<sup>6</sup> 2020 Va. Acts. chs. 1193 and 1194.

<sup>7</sup> Supporting testimony and other documents also were filed with the Petition.

<sup>8</sup> Ex. 2 (Petition) at 7.

<sup>9</sup> In 2019, the General Assembly passed HB 2789 (amended in the 2020 session through HB 1656 and codified as Code § 56-596.2:1), which requires the Company to (i) submit a petition for approval to design, implement, and operate a three-year program of energy conservation measures providing incentives to low income, elderly, and disabled individuals, and (ii) submit a petition for approval to design, implement, and operate a separate three-year incentive program, in an amount not to exceed \$25 million in the aggregate, to enable the installation of, or access to, equipment to generate electric energy derived from sunlight. The Commission approved the Company's program under the first part of that statute in the 2019 DSM Order. In this case, the Company is proposing a program under the second half of the statute – the HB 2789 (Solar Component) Program – for a three-year term. See Ex. 2 (Petition) at 6-8.

- Residential Smart Home (EE)
- Residential Virtual Audit (EE)
- Non-residential Agricultural (EE)
- Non-residential Building Automation (EE)
- Non-residential Building Optimization (EE)
- Non-residential Engagement (EE)
- Non-residential Enhanced Prescriptive (EE)
- HB 2789 (Solar Component)<sup>10</sup>

The Company proposes an aggregate total cost cap for the Phase IX programs in the amount of \$162 million.<sup>11</sup> Additionally, the Company requests the ability to exceed the spending cap by no more than 5%.<sup>12</sup> The Company "seeks authorization to spend directly for these programs for a reasonable amount of time before and after the approval period so that the programs can run for a full five years and then have additional time built in for launch and wind-down activities."<sup>13</sup>

The Company asserts that the total proposed costs of the energy efficiency programs proposed in the Petition will be counted toward the requirement in the 2018 Grid Transformation and Security Act ("GTSA")<sup>14</sup> that the Company develop a proposed program of energy

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<sup>10</sup> *Id.* at 7. The Phase IX programs are more fully described in the pre-filed direct testimony of Company witness Michael T. Hubbard. *See* Ex. 4 (Hubbard Direct) at 8-14, Schedule 2.

<sup>11</sup> Ex 2. (Petition) at 8. *See also* Ex. 7 (Bates Direct) at 8.

<sup>12</sup> Ex. 2 (Petition) at 8.

<sup>13</sup> *Id.*

<sup>14</sup> 2018 Va. Acts ch. 296.

efficiency measures with projected costs of no less than an aggregate amount of \$870 million between July 1, 2018, and July 1, 2028, including any existing approved energy efficiency programs.<sup>15</sup> The Company further asserts that the total amount of spending proposed in this Petition on energy efficiency programs targeting low-income individuals, when combined with the Company's prior requests for energy efficiency spending on such programs since the passage of the GTSA and VCEA, "consists of a proposal for approximately \$53 million of the required 15% of the \$870 million or \$130.5 [million], excluding any amount of projected lost revenues."<sup>16</sup>

Additionally, the Company seeks approval of a two-year extension of the existing Non-residential DG Program.<sup>17</sup> The Company is not seeking additional funds under the current cost cap for this Program.<sup>18</sup>

The Company also seeks approval to expand the eligibility requirements for specific Non-residential DSM Phase VII and Phase VIII Programs<sup>19</sup> due to the VCEA's changes to Code § 56-585.1 A 5 from an automatic exemption to an opt-out process for large general service customers and the change to the demand threshold from 500 kilowatts ("kW") to 1 megawatt.<sup>20</sup> The Company states that if customers over 500 kW "are going to begin paying for Phase VII and

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<sup>15</sup> Ex. 7 (Bates Direct) at 9-10. *See* Code § 56-596.2 C.

<sup>16</sup> Ex. 7 (Bates Direct) at 10-11. *See* Code § 56-596.2 A and C.

<sup>17</sup> Ex. 2 (Petition) at 9-10.

<sup>18</sup> *Id.* at 10.

<sup>19</sup> The Phase VII Programs were approved by the Commission in Case No. PUR-2018-00168. *See Petition of Virginia Electric and Power Company, For approval to implement demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2018-00168, 2019 S.C.C. Ann. Rept. 285, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019). The Company's Phase VIII Programs were approved in the 2019 DSM Order.

<sup>20</sup> Ex. 2 (Petition) at 10.

VIII energy efficiency programs as of the beginning of the proposed Rate Year, they should also be eligible to participate in the non-residential programs available through those DSM Phases."<sup>21</sup> Accordingly, the Company proposes to expand eligibility requirements for the following DSM Phase VII and Phase VIII Programs, which were originally designed such that eligibility was capped at 500 kW, consistent with the version of Code § 56-585.1 A 5 in effect (under the GTSA) at the time these programs were proposed and approved: Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs.<sup>22</sup>

Lastly, the Company requests approval of an annual update to continue three rate adjustment clauses, Riders C1A, C2A and C3A, and to implement a new rate adjustment clause, Rider C4A, for a Rate Year of September 1, 2021, through August 31, 2022 ("2021 Rate Year") for recovery of: (i) 2021 Rate Year costs associated with programs previously approved by the Commission in Case No. PUE-2011-00093,<sup>23</sup> Case No. PUE-2013-00072,<sup>24</sup> Case No.

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<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012).

<sup>24</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2013-00072, 2014 S.C.C. Ann. Rept. 289, Final Order (Apr. 29, 2014).

PUE-2014-00071,<sup>25</sup> Case No. PUE-2015-00089,<sup>26</sup> and Case No. PUE-2016-00111,<sup>27</sup> and for the Company's Phase VII and Phase VIII Programs; (ii) calendar year 2019 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, Phase V, Phase VI and Phase VII Programs; (iii) calendar year 2019 true-up of costs associated with the Company's Electric Vehicle Pilot Program, which was approved by the Commission in Case No. PUE-2011-00014;<sup>28</sup> and (iv) 2021 Rate Year costs associated with the Company's proposed Phase IX Programs.<sup>29</sup>

For purposes of calculating the 2021 Rate Year projected revenue requirement, the Company used a general rate of return on common equity ("ROE") of 9.2%, per the Commission's Final Order in Case No. PUR-2019-00050.<sup>30</sup> For the 2019 calendar year true-up adjustment, the Company used a general ROE of 9.2% for the period of January 1, 2019, through

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<sup>25</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2014-00071, 2015 S.C.C. Ann. Rept. 230, Final Order (Apr. 24, 2015).

<sup>26</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs, for approval to continue a demand-side management program, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00089, 2016 S.C.C. Ann. Rept. 275, Final Order (Apr. 19, 2016).

<sup>27</sup> *Petition of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, 2017 S.C.C. Ann. Rept. 384, Final Order (June 1, 2017).

<sup>28</sup> *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2011-00014, 2011 S.C.C. Ann. Rept. 436, Order Granting Approval (July 11, 2011).

<sup>29</sup> Ex. 2 (Petition) at 12-13; Ex. 7 (Bates Direct) at 7; Ex. 8 (Lecky Direct) at 2-4.

<sup>30</sup> Ex. 2 (Petition) at 12. *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019) ("2019 ROE Order").

November 20, 2019, which was approved by the Commission in Case No. PUR-2017-00038;<sup>31</sup> for November 21, 2019, through December 31, 2019, the Company used a 9.2% ROE per the 2019 ROE Order.<sup>32</sup>

Dominion proposes that the revised Riders C1A, C2A, C3A and C4A be applicable for billing purposes on the latter of September 1, 2021, or the first day of the month that is at least 15 days following the issuance of an Order by the Commission approving Riders C1A, C2A, C3A and C4A.<sup>33</sup> The Company calculated the proposed Riders C1A, C2A, C3A and C4A rates in accordance with the same methodology approved in the 2019 DSM Order.<sup>34</sup>

The Company requested a waiver of the Commission's Cost/Benefit Rules as they relate to the proposed HB 2789 (Solar Component) Program on the basis that, although that program "was legislatively prescribed to be part of the Company's DSM proposal[,] . . . it is not a traditional energy efficiency or peak shaving program as those terms are defined by the Virginia Code."<sup>35</sup> The Commission issued an order denying that requested waiver on December 18, 2020, and directing the Company "to provide, to the best of the Company's ability, results of a cost/benefit analysis and the information required in the Commission's Cost/Benefit Rules, including 20 VAC 5-304-30, for the proposed HB 2789 (Solar Component) Program."<sup>36</sup> On

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<sup>31</sup> Ex. 2 (Petition) at 13. *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, 2017 S.C.C. Ann. Rept. 475, Final Order (Nov. 29, 2017).

<sup>32</sup> Ex. 2 (Petition) at 13.

<sup>33</sup> *Id.* at 20.

<sup>34</sup> *Id.* at 11.

<sup>35</sup> *Id.* at 9.

<sup>36</sup> *Petition of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, Doc. Con. Cen. No. 201230028, Order at 5 (Dec. 18, 2020).

January 7, 2021, the Company filed the Supplemental Direct Testimony of Edmund J. Hall in response to the Commission's December 18, 2020 Order.

On January 15, 2021, the Commission issued an Order for Notice and Hearing ("Notice Order") that, among other things: docketed the Petition; required Dominion to publish notice of the Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits; and scheduled a public hearing on the Petition. In addition, the Commission's Notice Order assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

Appalachian Voices; the Virginia Committee for Fair Utility Rates; the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); and the Board of Supervisors of Culpepper County, Virginia, filed notices of participation.

On April 16, 2021, Appalachian Voices filed the testimony and exhibits of one witness. On May 7, 2021, Staff filed its testimony and exhibits as directed. The Company filed rebuttal testimony on May 21, 2021.

On June 8, 2021, the Senior Hearing Examiner convened a hearing, as scheduled, to receive public witness testimony telephonically and to receive the testimony and evidence of the parties and Staff via Microsoft Teams. Four public witnesses testified telephonically.<sup>37</sup> The Company, Appalachian Voices, Consumer Counsel, and Staff participated in the hearing. On

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<sup>37</sup> In addition, the Commission received filed public comments from the Virginia Department of Mines, Minerals and Energy and from the Natural Resources Defense Council.



July 2, 2021, the Company, Appalachian Voices, Consumer Counsel, and Staff filed post-hearing briefs.

On July 20, 2021, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In the Report, the Senior Hearing Examiner made the following findings:

1. The Commission should approve the Company's proposed 11 Phase IX DSM Programs and, with regard to the approval of the HB 2789 (Solar Component) Program should condition such approval upon the Company's commitment to ensuring no costs to participants going forward;
2. The Commission should approve the Company's proposed extension of its Phase II Non-residential DG Program for an additional two years;
3. The Commission should approve the expanded eligibility requirements proposed by Dominion Energy for its Phase VII and Phase VIII Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs;
4. The Commission should direct the Company to investigate, and implement if appropriate, opportunities to streamline its audit Programs going forward;
5. The Commission should direct the Company to provide detailed supporting cost information for the measures included in its IAQ Programs going forward;
6. The Commission should approve the Company's plan to retain the [renewable energy certificates ("RECs")] generated by the HB 2789 (Solar Component) Program for use in fulfilling the Company's [renewable energy portfolio standards ("RPS")] obligations;
7. The Commission should direct the Company to file a long-term plan with its next DSM Update that, at a minimum, includes (i) proposed Program savings and budgets for the five-year period beginning January 1, 2022, sufficient to comply with the Company's statutory savings and investment obligations; (ii) a proposed plan and framework for consolidating, streamlining, and marketing the public-facing aspects of the Company's approved and proposed DSM

Programs to facilitate participation at the levels required to achieve the VCEA targets; and (iii) a detailed project management plan and risk management strategy demonstrating that the Company has identified and planned for deployment of the resources required to implement its revised Programs;

- 8. The Commission should direct the Company to provide with its next DSM filing a chart that summarizes the following for all active programs through the end of the True-up period: (i) total incentives; (ii) incentive cost per participant; (iii) non-incentive cost per participant; (iv) margin cost per participant; (v) total cost per participant; and (vi) the percentage of margin and non-incentive costs in relation to total costs;
- 9. The Rate Year projected revenue requirement for Rider C1A is \$3,640,794, for Rider C2A is \$2,878,837, for Rider C3A is (\$226,563), and for Rider C4A is \$78,211,888;
- 10. The Monthly True-Up Adjustment for Rider C1A is (\$2,272,087), for Rider C2A is (\$1,069,480), for Rider C3A is (\$7,326,013), and for Rider C4A is \$0; and
- 11. The total Rate Year revenue requirement for Rider C1A is \$1,368,707, for Rider C2A is \$1,809,357, for Rider C3A is (\$7,552,576), and for Rider C4A is \$78,211,888, for an overall total Rate Year revenue requirement for Riders C1A, C2A, C3A, and C4A of \$73,837,376.<sup>38</sup>

The Senior Hearing Examiner then recommended that the Commission enter an order that adopts the findings of the Report and dismisses this case from the Commission's docket of active cases.<sup>39</sup>

On August 10, 2021, the Company, Appalachian Voices, Consumer Counsel, and Staff filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Senior Hearing Examiner's Report should

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<sup>38</sup> Report at 71-72.

<sup>39</sup> *Id.* at 72.

be adopted except as otherwise provided herein. The Commission approves the proposed Phase IX programs with an overall total Rate Year revenue requirement of \$73,837,376, as recommended by the Senior Hearing Examiner.<sup>40</sup>

#### Long-Term Plan and EM&V

The Commission supports the deployment of cost-effective energy efficiency programs in the Commonwealth paired with rigorous Evaluation, Measurement, and Verification ("EM&V").<sup>41</sup> While approval of the Phase IX programs is uncontested in this case, we are mindful of the total energy savings targets set forth in the VCEA and that under current projections, Dominion does not anticipate achieving such targets in 2023.<sup>42</sup>

Therefore, while we approve the proposed Phase IX programs, to evaluate subsequent DSM proposals and whether Dominion's DSM programs in the aggregate meet the total energy savings targets in the Code, we find that Dominion's future DSM filings must comply with (at minimum) the following additional requirements. Dominion's future DSM filings, including its next annual DSM filing, shall include:

1. A long-term plan that includes (i) proposed Program savings and budgets for the five-year period beginning January 1, 2022, sufficient to comply with the total energy savings targets in the VCEA and investment levels in the GTSA; (ii) a proposed plan and framework for consolidating, streamlining, and marketing the public-facing aspects of the Company's approved and proposed DSM Programs to facilitate participation at the levels required to achieve the VCEA targets; and (iii) a detailed project management plan and risk management strategy demonstrating that the Company has identified and planned for deployment of

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<sup>40</sup> *Id.*

<sup>41</sup> We find that certain arguments raised in connection with Dominion's EM&V Reports in this proceeding are best addressed in the Company's pending EM&V case. *See Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of baseline determination, methods for evaluation, measurement, and verification of existing demand-side management programs, and the consideration of a standardized presentation of summary data for Virginia Electric and Power Company*, Case No. PUR-2020-00156, Doc. Con. Cen. No. 200830148, Order Initiating Proceeding (Aug. 28, 2020).

<sup>42</sup> *See, e.g.*, Ex. 17 (Frost Rebuttal) at 8.

the resources required to implement its revised Programs. This strategic plan shall reflect short-term, medium-term, and long-term recommendations for improvement of the Company's DSM Portfolio.

2. An exhibit measuring Dominion's actual and projected compliance or noncompliance with the total energy savings requirements in Code § 56-596.2, using both net and gross savings metrics.
3. *DSM Audit Programs*: The most current results of Dominion's investigation (and implementation, if appropriate) of opportunities to streamline its audit programs going forward.

Furthermore, as Staff recognized, rigorous EM&V is one way in which the Company may be responsive to the energy savings targets of the VCEA.<sup>43</sup> In future DSM filings, Dominion shall provide information reflecting how EM&V plans are developed in conjunction with DSM program design rather than after such DSM programs are implemented.

HB 2789 (Solar Component) Program

We consider the HB 2789 (Solar Component) Program and approve it in the context of this case. Dominion proposed HB 2789 (Solar Component) Program pursuant to Code § 56-596.2:1. Code § 56-596.2:1 in part provides the following:

B. For (i) low-income, elderly, and disabled individuals or (ii) organizations providing residential services to low-income, elderly, and disabled individuals who participate in, or have already participated in, an incentive program, including the incentive program described in subsection A, for the installation of measures that reduce heating or cooling costs at any premises where people reside, [Dominion] shall submit a petition for approval to design, implement, and operate a separate three-year incentive program, in an amount not to exceed \$25 million in the aggregate, to enable the installation of, or access to, equipment to generate electric energy derived from sunlight. The utility may provide such incentives directly to customers or to organizations that assist low-income, elderly, and disabled individuals. Such incentive program may include installation of equipment directly on the premises or access to equipment located elsewhere, provided such installation or access reduces the total energy costs for persons described in clause (i) or (ii). Such incentive program shall not be deemed to be . . . a part of the \$870 million

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<sup>43</sup> Report at 31.

in energy efficiency programs that [Dominion] is required to develop pursuant to § 56-596.2.

The Company's proposed HB 2789 (Solar Component) Program offers incentives to participants of the first component HB 2789 (Heating and Cooling/Health and Safety) Program, as well as eligible participants that have installed heating or cooling measures from other prior or future Company-sponsored DSM Programs, for the installation of equipment to generate electricity from sunlight.<sup>44</sup> As noted above, per the statute, this program "shall not be deemed to be . . . a part of the \$870 million in energy efficiency programs that [Dominion] is required to develop pursuant to § 56-596.2" and may not exceed \$25 million in the aggregate.<sup>45</sup> Accordingly, we approve the HB 2789 (Solar Component) Program for a period of three years from January 1, 2022, through December 31, 2024, but direct the Company to track the costs of this program to ensure that such costs are not included in the \$870 million in energy efficiency programs that Dominion is required to develop under Code § 56-596.2. We agree with the Senior Hearing Examiner that a warranty seems unnecessary considering Dominion's commitment to ensuring no associated costs to participants going forward.<sup>46</sup> We agree with the Senior Hearing Examiner that Dominion shall retain ownership of the RECs produced through this program to reduce costs for customers. Dominion shall apply such RECs to its RPS obligations under Code § 56-585.5.<sup>47</sup>

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<sup>44</sup> See, e.g., Ex. 4 (Hubbard Direct) at 13.

<sup>45</sup> Code § 56-596.2:1 B.

<sup>46</sup> Hearing Examiner's Report at 64.

<sup>47</sup> *Id.* at 63; Dominion's Post-Hearing Brief at 19-20.

### Cost Caps

With the exception of the HB 2789 (Solar Component) Program, the Commission approves the spending amounts for the Phase IX programs as proposed in Dominion's Petition, with the requested 5% spending variance. We do not impose any cost cap for any individual program other than the amount of program-specific spending Dominion proposed in its Petition and other than that provided for in Code § 56-596.2:1 B.<sup>48</sup> Dominion is not seeking lost revenues in this proceeding, and therefore the amounts for each program approved herein should be spent exclusively on programmatic costs, with no portion for any amount of lost revenues.<sup>49</sup> We also approve the Company's request to spend directly for the Phase IX programs for a reasonable amount of time before and after the proposed effective periods of those programs,<sup>50</sup> on the assumption that any such costs are included in the overall cost caps for each program.

Accordingly, IT IS ORDERED THAT:

- (1) The Petition is granted in part, consistent with the recommendations of the Senior Hearing Examiner, as modified herein.
- (2) The Company forthwith shall file revised tariffs, designed to recover \$73,837,376 for Riders C1A, C2A, C3A, and C4A, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and shall submit the same to the Commission's

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<sup>48</sup> The Commission does not approve a "portfolio" spending amount; the Company may only spend the specific amount approved for each individual program.

<sup>49</sup> The Company also has stated to this Commission in a prior case that it will not seek lost revenues for the years 2018 and before. *See* Tr. 38 ("So right now 2018 and prior are not going to be subject to any lost revenue request, so it's just the question of whether in a future proceeding we would come forward with a request.") in Case No. PUR-2018-00168, *supra n. 19*.

<sup>50</sup> Ex. 2 (Petition) at 8.

Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth herein.

(3) Riders C1A, C2A, C3A, and C4A as approved herein shall become effective for usage on and after October 1, 2021.

(4) Consistent with Code § 56-585.1 A 5, and the requirements of this Order, the Company shall file its application to continue Riders C1A, C2A, C3A, and C4A no later than January 3, 2022.

(5) This matter is continued.

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.