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Petition

part 2

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

PETITION OF)	
)	
VIRGINIA ELECTRIC AND POWER COMPANY)	Case No. PUR-2021-00146
)	
For approval of its 2021 RPS Development Plan)	
under § 56-585.5 D 4 of the Code of Virginia)	
and related requests)	

PETITION OF VIRGINIA ELECTRIC AND POWER COMPANY

Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”),
by counsel, hereby files with the State Corporation Commission of Virginia (the “Commission”) its petition (the “Petition”):¹

- (1) For approval of its annual plan for the development of new solar, onshore wind, and energy storage resources pursuant to § 56-585.5 D 4 of the Code of Virginia (“Va. Code”), in connection with the Commonwealth’s mandatory renewable energy portfolio standard program (the “RPS Program”) requirements (the “RPS Development Plan” or “Development Plan”);
- (2) For certificates of public convenience and necessity (“CPCNs”) and for approval, to construct and operate 13 utility-scale projects totaling approximately 661 megawatts (“MW”) of solar and 70 MW of energy storage (the “CE-2 Projects”) pursuant to Va. Code § 56-580 D and the Commission’s Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility (the “Generation Rules”);
- (3) For approval to recover through the Rider CE rate adjustment clause (“RAC”) the costs of (a) the CE-2 Projects and related interconnection facilities and (b) two small-scale solar projects totaling approximately 4 MW and related interconnection facilities (the “CE-2 Distributed Solar Projects”) pursuant to Va. Code § 56-585.1 A 6 (“Subsection A 6” or “A 6”) and the Commission’s Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities (the “Rate Case Rules”);
- (4) For approval to update Rider CE for the recovery of costs associated with the CE-1 Solar Projects and related interconnection facilities as approved by the Commission in Case No. PUR-2020-00134; and

¹ The Company has proposed a simplified case caption for this matter.

- (5) For a prudence determination to enter into 24 power purchase agreements ("PPAs") for 32 separate solar and energy storage resources totaling approximately 253 MW of solar and 33 MW of energy storage (the "CE-2 PPAs") pursuant to Va. Code § 56-585.1:4.

In support of its Petition, the Company respectfully shows as follows:

I. GENERAL INFORMATION

1. Dominion Energy Virginia is a public service corporation organized under the laws of the Commonwealth of Virginia furnishing electric service to the public within its certificated service territory. The Company also supplies electric service to non-jurisdictional customers in Virginia and to the public in portions of North Carolina. The Company is engaged in the business of generating, transmitting, distributing, and selling electric power and energy to the public for compensation. The Company is also a public utility under the Federal Power Act, and certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission. The Company is an operating subsidiary of Dominion Energy, Inc. Exhibit 1 provides further information on Dominion Energy Virginia.

2. The Company's post office address is:

Virginia Electric and Power Company
120 Tredegar Street
Richmond, Virginia 23219

3. The names, addresses, and telephone numbers of the attorneys for the Company are:

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II. RPS DEVELOPMENT PLAN

4. The Virginia Clean Economy Act (the “VCEA”)—Senate Bill No. 851 and House Bill No. 1526 from the 2020 Regular Session of the Virginia General Assembly—became law in the Commonwealth effective July 1, 2020. Relevant to this proceeding, the VCEA (i) requires the development of renewable energy generation resources; (ii) requires the development of energy storage resources; (iii) requires the submission of an annual plan to meet the development targets; and (iv) institutes the mandatory RPS Program.

5. Va. Code § 56-585.5 D 2 requires the Company to petition the Commission for the necessary approvals to construct or purchase 16,100 MW of solar or onshore wind generation located in the Commonwealth by 2035:

By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates At least 200 megawatts of the 16,100 megawatts shall be placed on previously developed project sites.

These targets are offset by the capacity of solar or onshore wind generation resources under contract with accelerated renewable energy buyers as outlined in Va. Code § 56-585.5 G. The statute outlines interim targets, the first of which requires the Company to petition for approval of at least 3,000 MW by 2024.²

6. Va. Code § 56-585.1 A 6 declares the development of solar and onshore wind to be in the public interest:

The construction or purchase by a utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 16,100 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 100 megawatts, that use energy derived from sunlight or from onshore wind and are located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any of such facilities are located within or without the utility's service territory, is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this title.³

7. Va. Code § 56-585.5 E 2 and E 5 require the Company to petition the Commission for the necessary approvals to construct or acquire 2,700 MW of new energy storage capacity by 2035:

By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct or acquire 2,700 megawatts of energy storage capacity. . . . After July 1, 2020, at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than

² Va. Code § 56-585.5 D 2 a.

³ See also Va. Code § 56-585.1:4 A ("Prior to January 1, 2024, (i) the construction or purchase by a public utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic shoreline, each having a rated capacity of at least one megawatt and having in the aggregate a rated capacity that does not exceed 5,000 megawatts, or (ii) the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities described in clause (i) owned by persons other than a public utility is in the public interest, and the Commission shall so find if required to make a finding regarding whether such construction or purchase is in the public interest.").

the public utility or (ii) owned by a party other than a public utility, with the capacity from such facilities sold to the public utility.

The Commission adopted regulations related to the deployment of energy storage, effective January 1, 2021, in Case No. PUR-2020-00120.⁴ These regulations outline interim targets, the first of which requires the Company to petition for approval of at least 250 MW by 2025.⁵

8. Va. Code § 56-585.1 A 6 declares that “energy storage facilities with an aggregate capacity of 2,700 megawatts are in the public interest.”⁶

9. Va. Code § 56-585.5 D 4 requires the Company to submit an annual plan outlining how it plans to meet the renewable energy generation and energy storage development targets of the VCEA, including any associated requests, and sets forth the standard of review for such plans:

In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. Such plan shall also include the utility’s plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of

⁴ *Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of establishing rules and regulations pursuant to § 56-585.5 E 5 of the Code of Virginia related to the deployment of energy storage*, Case No. PUR-2020-00120, Order Adopting Regulations (Dec. 18, 2020).

⁵ 20 VAC 5-335-30 B 1.

⁶ See also Va. Code § 56-585.1:4 F (“Prior to January 1, 2035, (i) the construction by a public utility of one or more energy storage facilities located in the Commonwealth, having in the aggregate a rated capacity that does not exceed 2,700 megawatts, or (ii) the purchase by a public utility of energy storage facilities described in clause (i) owned by persons other than a public utility or the capacity from such facilities is in the public interest, and the Commission shall so find if required to make a finding regarding whether such construction or purchase is in the public interest.”).

such energy storage projects behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

10. Finally, Va. Code § 56-585.5 C establishes the RPS Program under which the Company must meet annual requirements for the sale of renewable energy based on a percentage of non-nuclear electric energy sold to retail customers in the Company's service territory. Va. Code § 56-585.5 C sets forth the annual RPS Program requirements, as well as the standards for meeting these requirements.

11. The Commission approved the Company's 2020 RPS Development Plan as reasonable and prudent.⁷

12. Pursuant to Va. Code § 56-585.5 D, the Company presents its 2021 RPS Development Plan as Exhibit 2 to this Petition. After providing relevant background, the Development Plan reports the Company's progress toward meeting the solar and onshore wind development targets outlined in the VCEA and presents the Company's development plan for solar and onshore wind generation facilities through 2035. Next, the Development Plan reports the Company's progress toward meeting the energy storage development targets outlined in the VCEA and outlines the Company's plan for the development of energy storage resources. The Development Plan then presents the results of modeling related to the RPS Development Plan.

⁷ *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Final Order at 5, 31 (Apr. 30, 2021) [hereinafter *2020 Proceeding*].

13. The 2021 RPS Development Plan will (i) support RPS Program compliance; (ii) support carbon dioxide (“CO₂”) reductions in the Commonwealth; (iii) promote new renewable energy generation and energy storage resources in the Commonwealth, and the associated economic development; and (iv) result in fuel savings. The RPS Development Plan presents evidence on each of these topics.

14. The Development Plan includes the information and analyses required by the Commission’s Order Establishing 2020 RPS Proceedings⁸ and the Final Order on the Company’s 2020 RPS Development Plan,⁹ including an index that identifies where the Company addressed each requirement.¹⁰

III. CE-2 PROJECTS

15. Va. Code § 56-580 D outlines the required findings for the construction and operation of electric generating facilities in the Commonwealth:

The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1, and (iii) are not otherwise contrary to the public interest. In review of a petition for a certificate to construct and operate a generating facility described in this subsection, the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1

⁸ 2020 Proceeding, Order Establishing 2020 RPS Proceedings, Attachment (Jul. 10, 2020).

⁹ 2020 Proceeding, Final Order.

¹⁰ The index is provided as Attachment 1 to the RPS Development Plan. A summary of the required bill analysis is provided in Section VI.1 of the RPS Development Plan, with details provided in Attachment 10 to the Development Plan.

16. The Company seeks approval to construct and operate the CE-2 Projects. The CE-2 Projects consist of 11 utility-scale solar generating facilities totaling approximately 561 MW (the “CE-2 Solar Projects”); one solar generating facility paired with energy storage totaling approximately 100 MW of solar and 50 MW of storage (the “CE-2 Solar + Storage Project”); and one stand-alone energy storage resource totaling approximately 20 MW (the “CE-2 Storage Project”).

17. The CE-2 Projects are needed to comply with the VCEA. As described in the Development Plan, the VCEA requires the development of significant amounts of renewable energy generation in the Commonwealth and sets annual requirements for the sale of renewable energy based on a percentage of non-nuclear electric energy sold to retail customers in the Company’s service territory through the RPS Program. The CE-2 Projects will contribute to compliance with both requirements. The CE-2 Projects are also needed to serve customers’ capacity and energy needs.

18. The CE-2 Projects are also needed based on developments related to carbon regulations. At the state level, the Commonwealth has become a full participant in the northeast states’ Regional Greenhouse Gas Initiative (“RGGI”). Future carbon regulation at the federal level may also occur. The CE-2 Projects—in combination with other carbon-free resources such as nuclear, offshore wind, and energy efficiency—will support the Company’s continued efforts to reduce regional CO₂ emissions by reducing the system’s carbon emissions and also reducing emissions-related expenses associated with carbon regulations, such as the RGGI.

19. The economic evaluation of the CE-2 Projects collectively shows that the portfolio of projects is beneficial to customers when compared to the market. Constructing the CE-2 Projects at this time is also beneficial because it will allow the Company to maximize the

federal investment tax credits available for the projects, which will result in an approximately \$172 million reduction to overall customer costs. Company Witness Shane T. Compton provides the economic evaluation results for each of the CE-2 Projects, and Company Witness Emil Avram provides additional details on the on the evaluation of storage resources specifically.

20. The CE-2 Projects will have minimal environmental impacts. In order to facilitate review and analysis of the proposed CE-2 Projects by the Commission, the Virginia Department of Environmental Quality ("DEQ"), and other relevant agencies, the Company has developed supplements for each of the CE-2 Projects (the "DEQ Supplements") containing the information and analysis required by 20 VAC 5-302-20(12) or 20 VAC 5-302-25(11) in the Generation Rules. The DEQ Supplements demonstrate that the Company will reasonably minimize impacts on the environment from the CE-2 Projects in accordance with Va. Code § 56-46.1.

21. The CE-2 Projects will also promote economic development by providing emissions-free, renewable power for the Company's customers for years to come. In addition, these projects will provide direct and indirect economic benefits to the Commonwealth during development, construction, and post-construction as discussed by Company Witness Avram. Additionally, local and state tax revenues will increase over the construction and operational phases of the CE-2 Projects.

22. Company Witness Emil Avram provides summaries for each of the CE-2 Projects that provide additional details on the projects and that address the requirements in the Commission's Generation and Rate Case Rules.

23. This Petition, direct testimonies, and DEQ Supplements demonstrate that the Company has the technical and financial fitness to construct, operate, and maintain the proposed

CE-2 Projects, and that these projects fully satisfy the requirements of Va. Code §§ 56-580 D and 56-46.1.¹¹ The CE-2 Projects will have no material adverse impact upon the reliability of electric service provided by any regulated public utility, and are required by the public convenience and necessity. Further, the CE-2 Projects are in the public interest, as expressly stated in Va. Code §§ 56-585.1 A 6 and 56-585.1:4.

IV. RIDER CE

24. Va. Code § 56-585.1 A 6 provides that a utility can petition the Commission for approval of a RAC to recover the costs of one or more generation facilities:

To ensure the generation and delivery of a reliable and adequate supply of electricity, to meet the utility's projected native load obligations and to promote economic development, a utility may at any time, after the expiration or termination of capped rates, petition the Commission for approval of a rate adjustment clause for recovery on a timely and current basis from customers of the costs of . . . (ii) one or more . . . generation facilities . . .

25. Additionally, Subsection A 6 states that a utility "shall have the right to recover the costs of the facility, as accrued against income, through its rates, including projected construction work in progress, and any associated allowance for funds used during construction, planning, development and construction or acquisition costs, life-cycle costs, . . . and costs of infrastructure associated therewith."

26. In this proceeding, the Company makes two requests related to Rider CE: (i) to update Rider CE for the recovery of costs associated with the CE-1 Solar Projects and related interconnection facilities as approved by the Commission in Case No. PUR-2020-00134, and

¹¹ Based on the scope of the interconnection facilities for the CE-2 Projects, the Company asserts these are ordinary extensions or improvements in the usual course of business under Va. Code § 56-265.2 such that a CPCN is not required.

(ii) to recover through the Rider CE the costs of (a) the CE-2 Projects and related interconnection facilities and (b) the CE-2 Distributed Solar Projects and related interconnection facilities.

27. As to the CE-1 Solar Projects, the Commission approved these projects, which consist of three utility-scale solar facilities, in April 2021, and authorized the Company to recover in a timely manner costs associated with the construction and operation of these projects through Rider CE.¹² The projects are generally proceeding on schedule and on budget. Company Witness Avram provides an update on the construction status for each of these projects.

28. As to the CE-2 Projects, see the section above.

29. As to the CE-2 Distributed Solar Projects, these projects consist of 2 small-scale solar generating facilities totaling approximately 4 MW. The CE-2 Distributed Solar Projects are needed to comply with the VCEA, which requires the Company to develop 1,100 MW of distributed solar, and will also serve customers' capacity, energy, and REC needs. The Company selected the CE-2 Distributed Solar Projects from a robust and transparent competitive solicitation process. The estimated costs for the CE-2 Distributed Solar Projects are based on fixed-price contracts established through a competitive solicitation process.

30. Pursuant to the exception for facilities with rated capacities of 5 MW or less in Rule 10 of the Generation Rules, the Company is not seeking CPCNs for the CE-2 Distributed Solar Projects. Consistent with Rule 10 of the Generation Rules, the Company submitted letters to the Director of the Commission's Division of Public Utility Regulation on September 15,

¹² 2020 *Proceeding*, Final Order at 16, 31. The Commission noted that the CPCN for Norge Solar was approved subject to the Company filing a copy of the small generator interconnection agreement ("SGIA") once received. The Company filed the SGIA for Norge on September 1, 2021, in Case No. PUR-2020-00134 as directed.

2021, to construct and operate the CE-2 Distributed Solar Projects. The Company will comply with all requirements of federal, state, and local law, including any environmental permitting requirements as discussed by Company Witness Jason P. Ericson. To the extent the Commission finds that CPCNs are necessary for the CE-2 Distributed Solar Projects, the Company respectfully requests that the Commission grant a CPCN for each of the CE-2 Distributed Solar Projects based on the information provided in the Petition, including all of the information necessary for review of the Company's petition to recover costs for the CE-2 Distributed Solar Projects through a RAC, consistent with the Commission's Rate Case Rules.

31. Pursuant to Subsection A 6, the Company seeks approval for its accrual of allowance for funds used during construction ("AFUDC") of the CE-2 Projects and CE-2 Distributed Solar Projects, and to recover the costs of the CE-2 Projects and CE-2 Distributed Solar Projects and the related distribution and transmission interconnection facilities through its RAC, designated Rider CE. Additionally, the Company seeks approval for the recovery of costs associated with the CE-1 Solar Projects and related interconnection facilities approved by the Commission in Case No. PUR-2020-00134. Only costs associated with the CE-1 Solar Projects, the CE-2 Projects, and the CE-2 Distributed Solar Projects are included in the revenue requirement for Rider CE—no costs related to the CE-2 PPAs are included.

32. The proposed rate year for this proceeding is May 1, 2022 through April 30, 2023 ("Rate Year"). This is an adjustment to the rate year approved for Rider CE in Case No. PUR-2020-00134 of June 1, 2021 to May 31, 2022. The Company proposes to adjust the rate year to align with an annual cadence for the petitions required by Va. Code § 56-585.5 D 4. To make this adjustment, the Company requests that the Rider CE rates approved by the Commission in

this proceeding become effective for usage on and after May 1, 2022, in place of the Rider CE rates previously approved through May 31, 2022.

33. The three key components of the revenue requirement are the Projected Cost Recovery Factor, the AFUDC Cost Recovery Factor, and the Actual Cost True-Up Factor. The Projected Cost Recovery Factor consists of the projected financing costs for rate base as well as projected operating expenses during the Rate Year. The AFUDC Cost Recovery Factor represents the amortization of the unrecovered AFUDC from the beginning of the Rate Year through the end of the construction period for each site, as applicable. The Actual Cost True-Up Factor will either credit to, or recover from, customers any over/under recovery of costs from the most recently completed calendar year.

34. As detailed by Company Witness Elizabeth B. Lecky, the total revenue requirement requested for recovery in this Rider CE for the Rate Year is \$71,025,000.

35. The Company proposes to use Factor 1 based on the average and excess methodology to allocate costs and to use Factor 3 to allocate the Rider CE Projects' energy revenues to the Virginia jurisdiction. The Company proposes to use these same factors to allocate the costs and benefits to the Virginia jurisdiction customer classes. This approach is consistent with the Commission's Final Order in Case No. PUR-2020-00134, which approved Rider CE.¹³

¹³ The Commission has established a proceeding to consider cost allocation for RPS Program-related costs and benefits. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company*, Case No. PUR-2021-00156, Order Establishing Proceeding (Aug. 11, 2021). The Company will incorporate any decisions from that proceeding that affect Rider CE in future proceedings.

36. Rider CE identifies the rates, in either cents per kilowatt-hour (“kWh”) or dollars per kilowatt, that will apply to each Company rate schedule. If approved as proposed, Rider CE will be effective for usage on and after May 1, 2022.

37. The implementation of the proposed Rider CE on May 1, 2022, will increase the residential customer’s monthly bill, based on 1,000 kWh per month, by \$1.13.

V. CE-2 PPAs

38. Va. Code § 56-585.1:4 H permits the Company to seek a prudence determination from the Commission with respect to PPAs:

A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a prudence determination with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth’s Atlantic Shoreline or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility.

39. The Company seeks a prudence determination for the CE-2 PPAs. The CE-2 PPAs consist of (i) six PPAs for utility-scale solar generating facilities totaling approximately 185 MW (the “CE-2 Solar PPAs”); (ii) two PPAs for utility-scale solar generating facilities paired with energy storage totaling approximately 26 MW of solar and 13 MW of storage (“CE-2 Solar + Storage PPAs”); (iii) one PPA for a stand-alone energy storage resource totaling approximately 20 MW (“CE-2 Storage PPA”); and (iv) 15 PPAs for 23 small-scale solar generating facilities totaling approximately 42 MW (“CE-2 Distributed Solar PPAs”).

40. Like the CE-2 Projects and the CE-2 Distributed Solar Projects, the CE-2 PPAs are needed to comply with the VCEA; to serve customers’ capacity, energy, and REC needs; and to comply with carbon regulations. They will also provide direct and indirect economic benefits

to the Commonwealth during development, construction, and ongoing operations as discussed by Company Witness Avram.

41. The Company selected the CE-2 PPAs from competitive requests for proposals. After comprehensively evaluating the bids received, the Company identified the CE-2 PPAs as providing the best value to customers.

VI. COMMONWEALTH ENERGY POLICY

42. The CE-2 Projects, the CE-2 Distributed Solar Projects, and the CE-2 PPAs will further the Commonwealth Energy Policy stated in Va. Code § 45.2-1706.1. Specifically, the portfolio of resources will meet the objectives under Va. Code § 45.2-1706.1 of “addressing climate change and enhancing resilience [to] advance the health, welfare, and safety of the residents of the Commonwealth,” and “reducing greenhouse gas emissions across the Commonwealth’s economy sufficient to reach net-zero emissions by 2045 in all sectors.” Further, these resources will meet the goals of Va. Code § 45-1706.1 to “[d]evelop energy resources necessary to produce 30 percent of Virginia’s electricity from renewable energy sources by 2030 and 100 percent of Virginia’s electricity from carbon-free sources by 2040,” and “[s]upport the distributed generation of renewable electricity.”

43. As noted above, the General Assembly has also deemed the development of solar generation and energy storage resources located in the Commonwealth to be in the public interest. By furthering these public policy goals, the CE-2 Projects, the CE-2 Distributed Solar Projects, and the CE-2 PPAs are reasonable and prudent, consistent with Va. Code § 56-585.1 D, and the associated costs are not likely to result in unreasonable increases in rates paid by customers, as demonstrated in the Petition, supporting testimony, and schedules.

VII. PRE-FILED DIRECT TESTIMONY

44. The Company's Petition is supported by the pre-filed direct testimony of Company Witnesses Emil Avram, Shane T. Compton, C. Eric McMillan, Nathan J. Frost, Jason P. Ericson, Kelly S. Scott, Elizabeth B. Lecky, and Timothy P. Stuller. Company Witness Avram introduces each witness, and each witness includes a one-page summary with his or her testimony.

VIII. COMPLIANCE WITH THE GENERATION RULES

45. The Company has complied with all applicable requirements of the Generation Rules subject to the waiver requests granted by the Commission's Order on Additional Waiver Requests issued on August 13, 2021.

46. Exhibit 1 attached to this Petition includes the information required by Generation Rule 20(1) through (4) and (6) and Rule 25(1) through (5), which is sponsored by Company Witness Avram. See the pre-filed direct testimony of Company Witnesses Avram, Compton, McMillan, and Ericson in support of this component of the Petition, as discussed above. See the pre-filed direct testimony of Company Witness Avram, Schedules 2 through 14, for summaries of each of the CE-2 Projects that include information required by Rules 10, 20, 25, and 35, as applicable.

47. As to the CE-2 Distributed Solar Projects, the Company has complied with all applicable requirements of the Generation Rules for electric generating facilities with rated capacities of 5 MW or less.

IX. COMPLIANCE WITH THE RATE CASE RULES

48. Rule 60 of the Rate Case Rules provides that an application filed pursuant to Subsection A 6 "shall include Schedule 46 as identified and described in 20 VAC 5-204-90,

which shall be submitted with the utility's direct testimony." The Company is filing with this Petition, Filing Schedule 46, as follows:

- A. Filing Schedule 46A, consisting of Statements 1 through 8, is sponsored by Company Witness Avram. Filing Schedule 46A, Statement 1, addresses the projected and actual construction costs for the CE-2 Projects. Filing Schedule 46A, Statement 2, addresses the projected and actual operations and maintenance ("O&M") and capital costs for the CE-2 Projects. Filing Schedule 46A, Statement 3, addresses the key documents supporting the costs in Statements 1 and 2. Filing Schedule 46A, Statement 4, provides key materials used by senior management in approving or recommending the proposed costs, as determined by the Company, for the CE-2 Projects. Filing Schedule 46A, Statement 5, addresses the feasibility and engineering design studies that support the specific plant type and site selected for the CE-2 Projects. Filing Schedule 46A, Statement 6, addresses the support for planning assumptions regarding plant performance and operating costs for the CE-2 Projects. Filing Schedule 46A, Statement 7, addresses the projected and actual construction costs for the CE-1 Solar Projects. Finally, Filing Schedule 46A, Statement 8, provides the key documents supporting the costs in Statement 7.
- B. Filing Schedule 46B, consisting of Statements 1 and 2, is sponsored by Company Witness Compton. Filing Schedule 46B, Statement 1, addresses the need and justification for the CE-2 Projects, the CE-2 Distributed Solar Projects, and the CE-2 PPAs. Filing Schedule 46B, Statement 2, addresses the economic studies for the CE-2 Projects, the CE-2 Distributed Solar Projects, and the CE-2 PPAs.
- C. Filing Schedule 46C, consisting of Statement 1, is sponsored by Company Witness McMillan. Filing Schedule 46C, Statement 1, addresses key documents supporting the costs of the CE-2 PPAs.
- D. Filing Schedule 46D, consisting of Statements 1 through 6, is sponsored by Company Witness Frost. Filing Schedule 46D, Statement 1, addresses the projected and actual construction costs for the CE-2 Distributed Solar Projects. Filing Schedule 46D, Statement 2, addresses the projected and actual O&M and capital costs for the CE-2 Distributed Solar Projects. Filing Schedule 46D, Statement 3, addresses the key documents supporting the costs in Statements 1 and 2. Filing Schedule 46D, Statement 4, provides key materials used by senior management in approving or recommending the proposed costs, as determined by the Company, for the CE-2 Distributed Solar Projects. Filing Schedule 46D, Statement 5, addresses the feasibility and engineering design studies that support the specific plant type and site selected for the CE-2 Distributed Solar Projects. Finally, Filing Schedule 46D, Statement 6 addresses the support for planning assumptions regarding plant performance and operating costs for the CE-2 Distributed Solar Projects.

- E. Filing Schedule 46E, consisting of Statements 1 and 2, is sponsored by Company Witness Scott. Filing Schedule 46E, Statement 1, provides the projected and actual O&M and capital costs for the CE-1 Solar Projects. Filing Schedule 46E, Statement 2, addresses the key documents supporting the costs in Statement 1.
- F. Filing Schedule 46F, consisting of Statements 1 through 3, is sponsored by Company Witness Lecky. Filing Schedule 46F, Statement 1, addresses the estimated annual revenue requirement for the Rate Year. Filing Schedule 46F, Statement 2, provides the estimated annual revenue requirement for the duration of the RAC, by year and by project. Filing Schedule 46F, Statement 3, provides the supporting calculations and assumptions for the estimated annual revenue requirements shown in Statement 2.
- G. Filing Schedule 46G, consisting of Statements 1 and 2, is sponsored by Company Witness Stuller. Filing Schedule 46G, Statement 1, provides the annual revenue requirement for Rider CE by class. Filing Schedule 46G, Statement 2, addresses the Company's methodology for allocating the proposed revenue requirement among the rate classes and the design of the class rates.

49. Pursuant to the Commission's Order on Additional Waiver Requests dated August 13, 2021, and Order Granting Limited Reconsideration dated August 26, 2021, the Company has filed with the Commission one hard copy of key documents supporting projected and actual costs, as well as three electronic copies of these materials on compact discs.

50. Rate Case Rule 60 also requires that applications requiring an overall cost of capital include Schedules 3, 4, 5, and 8. Filing Schedules 3 through 5 and 8, sponsored by Company Witness Lecky, provide this information.

51. This Petition for approval of Rider CE complies with the requirements contained in Rule 10 of the Rates Case Rules.

52. In accordance with Rule 10 A, the Company filed with the Commission its notice of intent to file this Petition on June 29, 2021,¹⁴ and provided that notice to those listed in Rule 10 J 1, as required by that subsection.

¹⁴ The Company moved to amend its notice of intent on July 12, 2021, which the Commission granted on July 15, 2021. See Order on Motion (Jul. 15, 2021).

53. The Company has included all information required by Rule 10 B in this Petition, including a table of contents, direct testimonies with one-page summaries, and properly labeled exhibits and schedules.

54. In accordance with Rule 10 H, the Company will make a searchable PDF version of this Petition, direct testimonies, and Filing Schedules available via an electronic discovery site ("eRoom") contemporaneously with this filing, with immediate access available to (i) Commission Staff, including identified members of the Divisions of Utility Accounting and Finance and Public Utility Regulation; and (ii) identified members of the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").¹⁵ Also in accordance with Rule 10H, the Company will make electronic spreadsheets supporting the schedules that contain calculations available via an eRoom contemporaneously with this filing, with immediate access available to Commission Staff.

X. REQUEST FOR CONFIDENTIAL TREATMENT AND ADDITIONAL PROTECTIVE TREATMENT OF EXTRAORDINARILY SENSITIVE INFORMATION

55. The Company's Petition and accompanying schedules contain confidential and extraordinarily sensitive information as designated. Because portions of the Company's filing contain such confidential and extraordinarily sensitive information, in compliance with Rule 10 F of the Rate Case Rules; Rule 10 of the Generation Rules; and Rule 170 of the Commission's Rules of Practice and Procedure, this Petition is accompanied by a contemporaneously-filed

¹⁵ Rule 10 J 3 requires the Company to provide a copy of the complete public version of the filing to Consumer Counsel at the same time it is filed with the Commission. As noted, pursuant to Rule 10 H, the Company will make a searchable PDF version of the Petition, direct testimonies, and Filing Schedules available via an eRoom contemporaneously with this filing, with immediate access available to Consumer Counsel. The Company also intends to serve Consumer Counsel with a hard copy of the Petition contemporaneously with its filing.

Motion for Entry of a Protective Order and Additional Protective Treatment, including a Proposed Protective Order.

XI. REQUEST FOR ONGOING WAIVER IN FUTURE RIDER CE PROCEEDINGS¹⁶

56. If approved as proposed in the Petition, the Company will recover the costs associated with 18 Company-owned facilities through Rider CE. In the future, the Company anticipates seeking cost recovery of additional solar or onshore wind generating facilities and energy storage resources through Rider CE. The Company envisions Rider CE operating like the currently approved Rider U, which recovers the costs of multiple phases through one RAC.¹⁷

57. The Rate Case Rules require projected and actual costs (Schedule 46(b)(1)(i) and 46(c)(1)(i)) and the estimated annual revenue requirement (Schedule 46(b)(1)(vi) and 46(c)(1)(iv)) by project. Based on the sheer number of projects, providing this information for each project is voluminous for the Company to prepare and for the Commission, Commission Staff, and parties to review. This can be seen in Filing Schedule 46A, Statements 1 and 2; Filing Schedule 46E, Statement 1; and the pre-filed testimony of Company Witness Lecky, Schedule 1. Accordingly, the Company seeks a continuing waiver in future Rider CE proceedings of the requirements to provide costs and revenue requirements by project. Instead, the Company proposes to show the revenue requirements for the projects for which it seeks recovery in a consolidated format based on logical groupings. For instance, the Company would show one

¹⁶ The Company sought similar waivers ahead of filing this Petition. While the Commission granted in part and denied in part the requested waivers, the Commission noted that “[its] finding in this case does not preclude the Company from showing good cause to provide revenue requirements and/or cost information based on ‘logical groupings’ for a future case. Order on Additional Waivers at 8.

¹⁷ See *Application of Virginia Electric and Power Company, For revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the Rate Year Commencing April 1, 2022*, Case No. PUR-2021-00110, Application (Jun. 8, 2021).

revenue requirement for the three CE-1 Solar Projects, one for the utility-scale solar components of the CE-2 Projects, one for the utility-scale storage components of the CE-2 Projects, and one for the CE-2 Distributed Solar Projects. While the Company proposes to present this information in a consolidated view, the Company would provide project-specific details as needed for review and audit through the discovery process.

58. The Rate Case Rules also require key documentation supporting projected and actual costs (Schedule 46(b)(1)(iv) and 46(c)(1)(iii)) and “all supporting calculations and assumptions” for the estimated annual revenue requirement (Schedule 46(b)(1)(vi) and 46(c)(1)(iv)). The information responsive to these requirements is voluminous based on the number of projects and the nature of the information. This can be seen in Filing Schedule 46E, Statement 3, as well as the boxes filed with the Commission to provide just one hard copy of key documentation supporting projected and actual costs. The information responsive to these requirements is also not easily reviewed in hard copy (*i.e.*, paper) format. For example, in hard copy, a reviewer cannot easily see the formulas and calculations embedded in the Excel worksheets and how they interact. This can be seen in Filing Schedule 46E, Statement 3. Accordingly, the Company seeks a continuing waiver in future Rider CE proceedings to file these key documents and supporting calculations in hard copy. Instead, the Company proposes to provide this documentation to Commission Staff and any other future case participants in electronic format only. The Company would make electronic files available via an eRoom contemporaneously with the filing of the Petition, with immediate access available to Staff. To the extent desired, the Company could also make these electronic files available to the Commission on a compact disc submitted contemporaneously with future filings.

XII. CONCLUSION

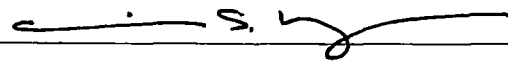
WHEREFORE, Dominion Energy Virginia respectfully requests that the Commission:

- (1) Direct that notice of the Petition be given, including the locational map of the sites of the CE-2 Projects provided with the project summaries in Schedules 2 through 14 of the pre-filed direct testimony of Company Witness Avram;
- (2) Schedule this matter for hearing;
- (3) Approve the 2021 RPS Development Plan pursuant to Va. Code § 56-585.5 D 4;
- (4) Grant certificates of public convenience and necessity for, and approve, the construction and operation of the proposed CE-2 Projects pursuant to Va. Code § 56-580 D;
- (5) Approve (a) the proposed CE-2 Projects and related interconnection facilities and (b) the CE-2 Distributed Solar Projects and related interconnection facilities for recovery through Rider CE;
- (6) Approve the proposed Rider CE revenue requirement pursuant to Va. Code § 56-585.1 A 6 for service rendered on or after May 1, 2022, for the construction and operation of the CE-1 Solar Projects, the CE-2 Projects, the CE-2 Distributed Solar Projects, and related interconnection facilities;
- (7) Approve the proposed Rider CE pursuant to Va. Code § 56-585.1 A 6 subject to future Rider CE proceedings and true-ups, effective for usage on and after May 1, 2022, in place of the Rider CE rates previously approved in Case No. PUR-2020-00134 through May 31, 2022;
- (8) Find that entering into the CE-2 PPAs is prudent;
- (9) Enter a final order on the Petition within six months from the date of this filing pursuant to Va. Code § 56-585.5 D 4; and
- (10) Grant such other and further relief as it deems just and proper.

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Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

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Counsel for Virginia Electric and Power Company

September 15, 2021

**Legal and Trade Names and Description of Authorized Business Structure of
Virginia Electric and Power Company
20 VAC 5-302-20(1) and (2); 20 VAC 5-302-25(1) and (2)**

Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company") is a public service corporation, which was incorporated in Virginia in 1909. The Company's current legal name is Virginia Electric and Power Company, and it uses the following trade names: Virginia Power, Dominion Energy Virginia, Dominion Virginia Power, Dominion Virginia, Dominion Energy North Carolina, Dominion North Carolina, Dominion North Carolina Power, North Carolina Power, Dominion Generation, and West Virginia Power.

**Principal Corporate Officers/Directors of Virginia Electric and Power Company
20 VAC 5-302-20(1); 20 VAC 5-302-25(3)**

Robert M. Blue
Director and Chief Executive Officer
100 Tredegar Street
Richmond, VA 23219

Edward H. Baine
Director and President
600 East Canal Street
Richmond, VA 23219

Diane Leopold
Director
100 Tredegar Street
Richmond, VA 23219

James R. Chapman
Executive Vice President, Chief Financial Officer and Treasurer
100 Tredegar Street
Richmond, VA 23219

Carter M. Reid
Executive Vice President, Chief of Staff and Corporate Secretary
100 Tredegar Street
Richmond, VA 23219

Corynne S. Arnett
Senior Vice President -- Regulatory Affairs and Customer Experience
100 Tredegar Street
Richmond, VA 23219

Gerald T. Bischof
Senior Vice President – Nuclear Operations & Fleet Performance
5000 Dominion Boulevard
Glen Allen, VA 23060

Carlos M. Brown
Senior Vice President, General Counsel and Chief Compliance Officer
100 Tredegar Street
Richmond, VA 23219

Michele L. Cardiff
Senior Vice President, Controller and Chief Accounting Officer
707 East Main Street
Richmond, VA 23219

Katheryn B. Curtis
Senior Vice President – Generation
600 East Canal Street
Richmond, VA 23219

Michael D. Frederick
Senior Vice President – Administrative Services
100 Tredegar Street
Richmond, VA 23219

Mark D. Mitchell
Senior Vice President – Project Construction
600 East Canal Street
Richmond, VA 23219

William L. Murray
Senior Vice President – Corporate Affairs & Communications
100 Tredegar Street
Richmond, VA 23219

Daniel G. Stoddard
Senior Vice President and Chief Nuclear Officer
5000 Dominion Boulevard
Glen Allen, VA 23060

Charlene J. Whitfield
Senior Vice President – Power Delivery
600 East Canal Street
Richmond, VA 23219

**Virginia Electric and Power Company Financial Information and Qualifications to
Construct and Operate the Proposed Facilities**
20 VAC 5-302-10, Par. 1(ii); 20 VAC 5-302-20(4) and (6); 20 VAC 5-302-25(4) and (5)

The most recent Form 10-K for Virginia Electric and Power Company filed February 25, 2021, with the U.S. Securities and Exchange Commission is publicly available at the following website:

<https://investors.dominionenergy.com/financial-information/sec-filings>.

See page 46 to 47 of the Form 10-K for a list of other generation facilities developed or owned and operated by the Company as of December 31, 2020. A description of the Company's organization structure is provided on page 10 and Exhibit 21 of the Form 10-K. Virginia Electric and Power Company is an incumbent electric utility as defined in Va. Code § 56-576.