

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUR-2020-00124

Ex Parte: In the matter of establishing regulations
for a multi-family shared solar program pursuant to
§ 56-585.1:12 of the Code of Virginia

HEARING EXAMINER'S RULING SCHEDULING HEARING

January 24, 2022

On January 14, 2022, the State Corporation Commission ("Commission") issued an Order in this case ("HE Order") that among other things, directed a Hearing Examiner to conduct further proceedings in this matter concerning the request of Virginia Electric and Power Company ("Dominion" or "Company") for the approval of proposed administrative charges as set forth in the Petition filed by the Company in this docket on September 1, 2021 ("Petition").¹ Specifically, the Commission directed the Hearing Examiner to conduct proceedings, including a public hearing, necessary to consider and make a recommendation regarding "the need for and amount of" Dominion's proposed administrative charges pursuant to 20 VAC 5-342-80 ("Shared Solar Rule 80").

Upon consideration of this matter, I find it appropriate to schedule a hearing on Dominion's administrative charge proposal and to establish procedures associated with such hearing.

Accordingly, **IT IS DIRECTED THAT:**

- (1) A telephonic proceeding for the receipt of public witness testimony regarding the need for and amount of Dominion's proposed administrative charges shall be convened at 10:00 a.m. on March 25, 2022 ("Public Witness Session"), with no public witnesses present in the Commission's courtroom.²
- (2) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide his or her testimony at the Public Witness Session.

¹ I note that prior to issuing the HE Order, the Commission issued an Order for Notice and Comment in this docket on September 29, 2021 ("Comment and NOP Order"). Among other things, the Comment and NOP Order set forth a deadline for the filing of written comments and notices of participation relative to the Petition. Appalachian Voices; the Coalition for Solar Access and the Chesapeake Solar and Storage Association; and Direct Energy Business, LLC and Direct Energy Services, LLC ("Direct Energy") filed notices of participation in accordance with the Comment and NOP Order and, therefore, are respondents herein. I also note that the Commission recognized Direct Energy's filing of a notice of participation in the HE Order despite Direct Energy's slightly late filing of its notice of participation. To the extent necessary, Direct Energy's Motion for Filing Out of Time (filed on December 2, 2021), is hereby granted.

² Counsel of record will be convened to attend the Public Witness Session virtually. Counsel who will appear should plan to join the Public Witness Session at 9:30 a.m. on March 25, 2022, to test their connectivity.

- (3) On or before 5:00 p.m. on March 22, 2022, any person desiring to offer testimony as a public witness at the Public Witness Session shall provide the Commission (a) his or her name, and (b) the telephone number that he or she wishes the Commission to call during the Public Witness Session to receive testimony. This information may be provided to the Commission in three ways: (i) by filling out the Public Witness Form on the Commission's website at <https://scc.virginia.gov/pages/Webcasting>; (ii) by sending a PDF copy of a completed Public Witness Form obtained from <https://scc.virginia.gov/pages/Webcasting> to SCCInfo@scc.virginia.gov; or (iii) by calling 804-371-9141 during normal business hours.
- (4) Beginning at 10:00 a.m. on March 25, 2022, each person who signed up to testify at the Public Witness Session will be telephoned sequentially, in the order in which his or her Public Witness Form was received. Should no public witness sign up to testify, the parties and Staff of the Commission ("Staff") will be notified and the proceeding on March 25, 2022, will commence with opening statements.
- (5) Staff and the parties should be prepared to make opening statements on March 25, 2022, following the Public Witness Session or, if no public witnesses sign up to testify, beginning at 10:00 a.m. on March 25, 2022.
- (6) The remainder of the hearing will commence on March 28, 2022, at 10:00 a.m. and will be held virtually, with no party present in the Commission's courtroom. Such proceeding will be convened via Microsoft Teams ("Teams Hearing").
- (7) On or before February 8, 2022, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF A HEARING ON PETITION BY
VIRGINIA ELECTRIC AND POWER COMPANY
FOR APPROVAL OF ITS
MULTI-FAMILY SHARED SOLAR PROGRAM
ADMINISTRATIVE CHARGES,
CASE NO. PUR-2020-00124

As required by Code § 56-585.1:12, the State Corporation Commission ("Commission") has established the Multi-Family Shared Solar Program ("Program"). This Program applies to eligible customers of Virginia Electric and Power Company ("Dominion" or "Company") that live in multi-family dwellings (such as an apartment complex). The Program provides an opportunity for such customers to participate in shared solar projects. Generally speaking, a multi-family customer would purchase one or more

subscriptions in a solar facility that qualifies as a “shared solar facility.” In return, the customer would receive credit on their utility bill equal to the dollar value of the electricity, in kilowatt-hours (“kWh”), for the portion of that facility’s electricity generation represented by the subscription(s) the customer owns.

The Commission’s Rules Governing Multi-Family Shared Solar Program (“Shared Solar Rules”) require Dominion to file with the Commission any tariffs, agreements, or forms necessary to implement the Program. A utility participating in the Program is allowed to recover reasonable costs to administer the Program; under the Shared Solar Rules the Commission must deem any administrative charge necessary. This notice is to alert the public that Dominion has requested Program administrative charges to be included in its Program tariffs, to advise the public that the Commission has scheduled a public hearing on Dominion’s proposed administrative charges, and to provide the opportunity for public witness testimony on these proposed charges.

Dominion’s proposed administrative charges are described in a Petition filed on September 1, 2021, with the Commission in Case No. PUR-2020-00124. There is one administrative charge applicable to shared solar facility subscribers, as set forth in Schedule Multi-Family Shared Solar (“Schedule MFSS”), and one administrative charge applicable to subscriber organizations that own or operate the shared solar facilities, as set forth in Schedule Subscriber Organization – Multi-Family Shared Solar (“Schedule SO-MSS”). These schedules are part of Dominion’s Petition. A description of these administrative charges follows:

Schedule MFSS

The proposed administrative charge for Schedule MFSS (the schedule applicable to subscribers) is the sum of four components: the Distribution Service Charge, Transmission Service Charge, Generation Balancing Service Charge, and Program Billing Charge. The proposed Program Billing Charge would be a flat monthly rate. The other three components would vary by month and would be calculated by multiplying the subscriber’s portion of the electricity production for a particular month from the shared solar facility (in kWh).

Transmission and Distribution Service Charges.

Using data from Dominion's Federal Energy Regulatory Commission ("FERC") Form 1, the Company proposes that the transmission and distribution components of the administrative charge be based on a cost per kWh that is determined by taking each component's (transmission or distribution) total revenue for the residential class divided by the sales of the class. The proposed Transmission Service Charge is 1.993¢/kWh, and the proposed Distribution Service Charge is 2.722¢/kWh.

Generation Balancing Service Charge. Dominion proposes to calculate the Generation Balancing Service Charge as the higher of (i) the sum of the Generation Service Charge and the Avoided Cost Credit (called the Net Generation Service Charge) and (ii) the sum of all the Company's Non-bypassable Charges.

As to (i) above, using FERC Form 1 data the Company would base the Generation Service Charge on a cost per kWh that is derived by taking the generation service total revenue for the residential class divided by the sales of the class. Dominion represents that the Avoided Cost Credit would be the average value of the energy in the regional transmission market (PJM Interconnection, L.L.C.) for a typical shared solar facility for the same time period as the Generation Service Charge component. The Generation Service Charge and the Avoided Cost Credit would be added together to determine the Net Generation Service Charge.

Dominion's Non-bypassable Charges are not specific to Schedule MFSS. Rather, they are charges that all customers of Dominion pay regardless of who supplies the customer's generation service unless specifically exempted by statute. Currently, the Non-bypassable Charges for Dominion consist of Rider CE, Rider RPS and Rider PIPP, which were approved by the Commission in prior cases. These rider rates are subject to change on an annual basis, and Dominion may in the future receive Commission approval of other riders that are also Non-bypassable charges.

For the Generation Balancing Service Charge, Dominion would add all the Non-bypassable Charges

together and then compare this sum to the Net Generation Service Charge. The higher number would be used to calculate the Administrative Charge.

Currently, Dominion's proposed Generation Service Charge is 7.050¢/kWh, and the proposed Avoided Cost Credit is (4.337¢/kWh), which equates to a Net Generation Service Charge of 2.713¢/kWh. The sum of the applicable Commission-approved Non-bypassable Charges is 0.0399¢/kWh. Thus, at present, the Generation Balancing Service Charge would be 2.713¢/kWh, which is the higher of 2.713¢/kWh and 0.0399¢/kWh.

Program Billing Charge. The fourth component of the Administrative Charge is the Program Billing Charge. This charge includes a variety of costs Dominion claims it expects to incur to administer the Program, including technology development, workforce expansion, and billing services, among others. Dominion states that other costs unknown at this time will be included in the future once they are known and determined to be incremental Program costs. Dominion states that it intends to use its forthcoming customer information platform to automate Program billing, but in the meantime, the Company has estimated the costs of doing the manual billing for customers who are Program subscribers. The Company proposes a flat rate for the Program Billing Charge of \$13.40 per billing month.

Schedule MFSS Administrative Charge Summary. To summarize, Dominion requests that the Commission approve the following proposed components of the administrative charge for Schedule MFSS.

Component	Cost
Distribution Service Charge	2.722¢/kWh
Transmission Service Charge	1.993¢/kWh
Generation Balancing Charge	Higher of 2.713¢/kWh and 0.0399¢/kWh
Program Billing Charge	\$13.40
TOTAL Monthly Rate	7.428¢/kWh + \$13.40

Under Schedule MFSS, the administrative charge would be offset by a monthly bill credit that the Commission already has determined to be 11.765¢/kWh.

Schedule SO-MSS

Dominion requests Commission approval of a proposed administrative charge in Schedule SO-MSS (applicable to subscriber organizations). Dominion states that Schedule SO-MSS is designed to be a companion schedule established under any non-residential, non-lighting rate schedule (e.g., Schedule GS-1, Schedule GS-2, Schedule GS-3, Schedule GS-4).

The administrative charge for this tariff includes three components: a one-time set-up charge as well as monthly charges related to meter reading and processing and Program administration.

To summarize, Dominion requests that the Commission approve the following proposed components of the administrative charge for Schedule SO-MSS:

Component	Cost
One-time set-up fee	\$700/facility
Meter reading and processing:	\$5.25 to \$96.88/month, depending on type of meter
Program Administration Charge	\$95 flat rate/month/facility
TOTAL	\$700 once plus \$100.25 to \$191.88/month

Further details about the Schedule MFSS and Schedule SO-MSS administrative charges are included in the Company's September 1, 2021 Petition. Interested persons are strongly encouraged to review the Petition for further details on the administrative charges. TAKE NOTICE that the Commission may design the administrative charges in a manner differing from that shown in the Petition and thus may adopt administrative charges that differ from those appearing in the Company's Petition.

Electronic copies of the Petition may be obtained by submitting a written request to counsel for the Company, Timothy D. Patterson, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or tpatterson@mcguirewoods.com.

A hearing to consider the need for and amount of Dominion's proposed administrative charges has been scheduled for March 25 and 28, 2022. On March 25, 2022, at 10:00 a.m., the Commission will receive testimony from

public witnesses telephonically (“Public Witness Session”), with no witnesses present in the Commission’s courtroom. On or before 5:00 p.m. on March 22, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) his or her name, and (b) the telephone number that he or she wishes the Commission to call during the Public Witness Session to receive his or her testimony. This information may be provided to the Commission in three ways: (i) by filling out the Public Witness Form on the Commission’s website at <https://scc.virginia.gov/pages/Webcasting>; (ii) by sending a PDF copy of a completed Public Witness Form obtained from <https://scc.virginia.gov/pages/Webcasting> to SCCInfo@scc.virginia.gov; or (iii) by calling 804-371-9141 during normal business hours.

On March 28, 2022, at 10:00 a.m., by electronic means, the remainder of the hearing will be convened to receive testimony and evidence from the Company, respondents, and the Commission’s Staff.

Both the Public Witness Session on March 25, 2022, and the remainder of the hearing on March 28, 2022, will be webcast at <https://scc.virginia.gov/pages/Webcasting>.

The Company’s Petition containing information on the proposed administrative charges; pleadings, testimony, orders and rulings pertaining to the Petition; and the Commission’s Rules of Practice may be viewed at: scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND POWER COMPANY

- (8) On or before February 8, 2022, the Company shall serve the local officials identified in Ordering Paragraph (6) of the Comment and NOP Order, utilizing the service method set forth in Ordering Paragraph (6) of the Comment and NOP Order, with a copy of this Hearing Examiner’s Ruling Scheduling Hearing.
- (9) On or before March 8, 2022, the Company shall file the proof of notice and service required by Paragraphs (7) and (8) of this Ruling.
- (10) On or before February 8, 2022, the Company shall file with the Clerk of the Commission and serve upon the respondents and Staff any testimony and exhibits by which it expects to establish its case. Each Company witness’s testimony shall include a summary not to exceed one page.

- (11) On or before March 1, 2022, each respondent may file with the Clerk of the Commission and, if filed, shall serve upon the Company and Staff any testimony or exhibits by which the respondent expects to establish its case. Each witness's testimony shall include a summary not to exceed one page.
- (12) On or before March 1, 2022, Staff shall file with the Clerk of the Commission and serve upon the Company and respondents its testimony and exhibits. Each Staff witness's testimony shall include a summary not to exceed one page.
- (13) On or before March 15, 2022, the Company shall file with the Clerk of the Commission and serve upon Staff and the respondents any rebuttal testimony and exhibits that it expects to offer. Each rebuttal witness's testimony shall include a summary not to exceed one page.
- (14) On or before March 24, 2022, the Company, respondents and Staff may file pre-hearing briefs pertaining to the need for and amount of Dominion's proposed administrative charges. The Company, respondents, and Staff should be prepared to make oral arguments at the conclusion of the Teams Hearing in lieu of filing post-hearing briefs.
- (15) An email invitation that includes a link to join the Teams Hearing will be sent to all attorneys and witnesses in advance of the proceeding. On or before 5:00 p.m. on March 22, 2022, the parties and Staff shall provide Wendy Starkey, at Wendy.Starkey@scc.virginia.gov, and Lea Ann Robertson, at LeaAnn.Robertson@scc.virginia.gov, the names and email addresses of all attorneys and witnesses who plan to actively participate in the Teams Hearing. All attorneys and witnesses who will appear should plan to join the Teams Hearing at 9:30 a.m. on March 28, 2022, to test their connectivity.
- (16) On or before 5:00 p.m. on March 24, 2022, the parties and Staff shall provide to each other and to Wendy Starkey, at Wendy.Starkey@scc.virginia.gov, and Lea Ann Robertson, at LeaAnn.Robertson@scc.virginia.gov,³ copies of all documents – other than the testimony and exhibits pre-filed in this case – that they may move into evidence at the Teams Hearing or use during cross-examination. Each document shall include the following hyphenated information at the top of the first page: the party's name (or Staff); the initials PE; and a document number (e.g., Dominion – PE – 1).⁴ Each document should be numbered sequentially.
- (17) The parties and Staff should prepare for a confidential session, if necessary, to occur after all public testimony is received.

³ Ms. Starkey or Ms. Robertson will receive these copies for distribution to Commission personnel who are not considered "Staff," such as the Hearing Examiner and the Bailiff.

⁴ The initials "PE" refer to a potential exhibit.

- (18) The Public Witness Session and Teams Hearing will be webcast at <https://scc.virginia.gov/pages/Webcasting>.
- (19) The provisions of the Comment and NOP Order relating to electronic filing and service and abbreviating the time for responding to interrogatories and requests for production to five calendar days remain in effect.



A. Ann Berkebile
Senior Hearing Examiner

Document Control Center is requested to send a copy of the above Ruling to all persons on the official Service List in this matter. The Service List is available from the Clerk of the State Corporation Commission, c/o Document Control Center, 1300 East Main Street, Tyler Building, First Floor, Richmond, Virginia 23219.