

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 22, 2022

SEC. CLERK'S OFFICE
REGULATORY CONTROL CENTER

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2021-00137

For approval and certification of electric transmission facilities: Line #235 Extension to Cloud 230 kV Switching Station and related projects

FINAL ORDER

On June 30, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Mecklenburg County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.* Through its Application, the Company proposes:

- (1) to convert the Company's existing Cloud 115 kilovolt ("kV") Switching Station located on six acres at the former Mecklenburg Correctional Center (960 Prison Road, Boydton, Virginia) in Mecklenburg County to a 230 kV switching station ("Cloud 230 kV Switching Station");
- (2) to convert the Company's under-construction Easters 115 kV Switching Station located between future 115 kV Line #1042 and existing 115 kV Line #137 (both lines between Ridge Road 115 kV Substation and Kerr Dam 115 kV Substation) in Mecklenburg County to a 230 kV switching station ("Easters 230 kV Switching Station"), and add one 230 kV 84 MVAR capacitor bank in the Easters 230 kV Switching Station for voltage support;
- (3) to cut the Clover-Farmville Line #235 at Structure #235/310 (a point starting west of the Chase City Substation), and extend (i) one 230 kV line to the Cloud 230 kV Switching Station, resulting in the 230 kV Farmville-Cloud Line #235; (ii) one 230 kV line to the Easters 230 kV Switching Station and renumber the Line #235 structures between Structure #235/310-Clover Substation, resulting in the 230 kV Clover-Easters Line #2226, and (iii) one 230 kV line between the Easters 230 kV Switching Station and the Cloud 230 kV Switching Station, resulting in the 230 kV Easters-Cloud Line #2229. Two 230 kV lines will be installed primarily along approximately 15.3 miles of existing right-of-way ("ROW") with expanded rights-of-way

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east of the Chase City Substation by less than 0.1 mile, at the Ridge Road Junction by 0.3 mile, and at the Boydton delivery point by 0.4 mile to accommodate the proposed area of the Projects, totaling approximately 0.7 mile of new rights-of-way. The lines will be supported by 96 double circuit two-pole galvanized steel structures, seven double circuit galvanized steel poles, and four single circuit galvanized steel H-frame structures utilizing a three-phase twin-bundled 795 ACSR type conductor with a summer transfer capability of 1225 MVA (collectively, "Line #235 Extension"); and

- (4) to relocate Line Numbers 40, 171, and 1009 in an approximate 0.55 mile section of ROW located east of the Chase City Substation to allow for the installation of the proposed 230 kV lines (collectively, "115 kV Line Relocations"). To accommodate the 115 kV Line Relocations within the existing ROW, the Company proposes to install two single circuit galvanized steel poles; five double circuit galvanized steel poles; two single circuit galvanized steel H-frames; and three triple circuit galvanized steel H-frames.¹

Dominion states that the Projects are necessary to assure that Mecklenburg County Electric Cooperative ("MEC") can support the load growth in Mecklenburg County.²

The Company states that the desired in-service date for the Projects is June 1, 2024.³ The Company represents that the estimated conceptual cost of the Projects (in 2021 dollars) is approximately \$101.5 million, which includes approximately \$66.2 million for transmission-related work and approximately \$35.3 million for substation-related work.⁴

On August 2, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, which among other things, docketed the Application; established a procedural

¹ Ex. 2 (Application) at 2-3. The proposed Cloud 230 kV Switching Station, proposed Easters 230 kV Switching Station, Line #235 Extension, and 115 kV Line Relocations are collectively referred to as the "Projects."

² *Id.* at 3.

³ *Id.* at 4, 5. Dominion requests that the Commission enter a final order by July 1, 2022, for the Company to begin construction around April 1, 2023, and complete construction by June 1, 2024. *Id.* at 6.

⁴ *Id.* at 6. The Company notes that the substation-related costs provided include the costs that Old Dominion Electric Cooperative, on behalf of MEC, intends to pay on behalf of its customer as excess facilities charges for these Projects. *Id.*

schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

On September 20, 2021, Microsoft Corporation ("Microsoft") filed its Notice of Participation. On October 4, 2021, Microsoft filed the testimony of Leroy Ho. On December 6, 2021, Microsoft filed the testimony of James W. Collins, Jr., adopting the testimony of Leroy Ho.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Projects by the appropriate agencies and to provide a report on the review. On October 4, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains a Summary of Recommendations regarding the Projects. According to the DEQ Report, the Company should:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;

- Coordinate with the Department of Conservation and Recreation ("DCR") on the development and implementation of an invasive species plan to be included as part of the maintenance practices for the ROW;
- Consider measures to minimize the fragmentation of ecological cores to preserve the natural patterns and connectivity of habitats that are key components of biodiversity;
- Coordinate with the DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Department of Wildlife Resources ("DWR") as necessary regarding the general protection of aquatic and wildlife resources;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of this response;
- Coordinate with the Department of Forestry ("DOF") if necessary, for advice or assistance with forest management, pre-harvest planning or mitigation practices;
- Employ best management practices and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.⁵

On November 12, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Projects and that the Projects, as proposed, are necessary to continue providing reliable electric transmission service.⁶

⁵ Ex. 11 (DEQ Report) at 5-6.

⁶ Ex. 10 (Staff Report) at 27.

Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.⁷

On November 24, 2021, the Company filed its rebuttal testimony. In its rebuttal testimony, Dominion requested that the Commission reject certain recommendations in the DEQ Report.⁸ Specifically, Dominion requested that the Commission reject: (i) DCR's recommendation for the Company to develop and implement an invasive species management plan; (ii) DCR's recommendation for the Company to minimize fragmentation of Ecological Cores C2-C5; (iii) DWR's recommendation for the Company to adhere to time of year restrictions while performing instream work from March 15 through June 30 for any year; (iv) DOF's recommendation for the Company to mitigate impacts to trees or forest vegetation in the area of the Projects that need to be removed, converted, or will be otherwise impacted by activities associated with the Projects by establishing new trees, forests, or forest vegetation on site in the vicinity of the Projects; and (v) DEQ's recommendation for the Company to consider the development of an effective environmental management system ("EMS").⁹ Further, in addressing Microsoft's request for an accelerated in-service date for the Projects, Dominion testified that, because of potential issues relative to PJM transmission line outages, supply chain matters, permitting, property owner opposition, and weather, Dominion is unable to commit to Microsoft's accelerated in-service date.¹⁰

⁷ *Id.*

⁸ Ex. 15 (Studebaker Rebuttal) at 2.

⁹ *Id.* at 3.

¹⁰ Ex. 12 (Jonas Rebuttal) at 2.

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on December 15, 2021.¹¹ The Company, Microsoft, and Staff participated at the hearing.

On December 20, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner found:

- The Company demonstrated the need for its proposed Projects and demonstrated that its selected route and predominant use of existing ROW will avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources and the environment;
- The Company's Application does not adversely impact any goal established by the Virginia Environmental Justice Act ("VEJA");
- The uncontested recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
- The Company should be directed to continue to work with the Department of Historic Resource ("DHR") to identify historic properties that may be impacted by the Projects; to endeavor to minimize such impacts, where feasible, through engineering, vegetation management, or other measures; and when minimization of impacts is not feasible, to work with DHR and stakeholders to develop an appropriate mitigation plan; and
- The Commission should approve the Company's proposed in-service date deadline of June 1, 2024, with the understanding that Dominion will attempt to complete the Projects, and put them into service, before June 1, 2024, if possible.¹²

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings and recommendations in the Report, grants the Company's Application to construct the proposed facilities as specified in the Report, approves the Company's request for a CPCN to

¹¹ A public witness hearing was scheduled to be held telephonically on December 14, 2021, but was canceled after no public witnesses signed up to testify. Tr. 5. No written comments were filed relative to the Application.

¹² Report at 15-16.

authorize construction of the proposed facilities as specified, and dismisses this case from the Commission's docket of active cases.¹³

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Projects. The Commission finds that a CPCN authorizing the Projects should be issued subject to certain findings and conditions contained herein.

Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean

¹³ *Id.* at 16. No participant filed comments opposing the findings and recommendations set forth in the Report.

Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

Dominion represents that the Projects are necessary in order to provide service to two delivery points requested by Old Dominion Electric Cooperative, on behalf of MEC, for MEC to provide service to one of its customers in Mecklenburg County, Virginia; to maintain reliable service for the overall growth in the area; and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.¹⁴ Based on information provided by the Company, Staff agreed with Dominion that the Projects are needed to resolve potential reliability criteria violations identified by the Company and PJM Interconnection,

¹⁴ See Ex. 2 (Application) at 2.

L.L.C.¹⁵ The Commission finds that the Company's proposed Projects are needed to maintain reliable service for the overall growth in Mecklenburg County, Virginia, and to comply with NERC standards.

Economic Development

The Commission has considered the effect of the Projects on economic development in the Commonwealth and finds that the Projects will ensure the Company's continued bulk electric power delivery, thereby supporting economic growth in the Commonwealth, including Mecklenburg County, Virginia.¹⁶

Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Projects, as proposed, would be constructed predominantly on existing ROW, with approximately 0.7 mile of expanded ROW required.¹⁷

Impact on Scenic Assets and Historic Districts

As noted above, the Projects would be constructed predominantly on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

¹⁵ Ex. 10 (Staff Report) at 9-10.

¹⁶ See Report at 15.

¹⁷ Ex. 2 (Application) at 3, 5-6.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Projects' impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Projects by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Projects. This finding is supported by the DEQ Report, as nothing therein suggests that the Projects should not be constructed.

There are, however, recommendations in the DEQ Report for the Commission's consideration. The Company filed a response opposing five of these recommendations.

First, Dominion requests that the Commission reject the recommendation by DCR related to the development and implementation of an invasive species management plan.¹⁸ The Company asserts that it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."¹⁹ It therefore states that the development and implementation of a separate invasive species plan is unnecessary.²⁰ The Commission agrees with the Senior Hearing

¹⁸ Ex. 15 (Studebaker Rebuttal) at 3.

¹⁹ *Id.* at 4.

²⁰ *Id.* at 5.

Examiner that the invasive species plan recommended by DCR is duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.²¹

Second, Dominion requests that the Commission reject the recommendation by DCR for the Company to minimize fragmentation of Ecological Cores C2-C5.²² The Company asserts that this recommendation is unnecessary given the reasonable efforts already undertaken by the Company to minimize fragmentation in designing and routing the Projects.²³ The Company also notes that present and future construction in Projects area will further impact the Ecological Cores.²⁴ The Commission agrees with the Senior Hearing Examiner that DCR's fragmentation minimization recommendation should be rejected as unnecessary given the ongoing development of data centers in the impacted area, and the efforts Dominion has already undertaken to minimize fragmentation.

Third, Dominion requests that the Commission reject DWR's recommendation for the Company to adhere to time of year restrictions while performing instream work from March 15 through June 30 for any year.²⁵ The Company asserts that since no structures are located in streams or waterways, no instream work is anticipated.²⁶ It therefore states that the

²¹ The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in several prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, Final Order (Oct. 1, 2020).

²² Ex. 15 (Studebaker Rebuttal) at 3.

²³ *Id.* at 6.

²⁴ *Id.*

²⁵ *Id.* at 3.

²⁶ *Id.* at 7.

recommendation to adhere to time of year restrictions for instream work is unnecessary.²⁷ The Commission agrees with the Senior Hearing Examiner that the DWR's recommendation regarding instream work is unnecessary as no Project structures are proposed to be located in streams or waterways.

Fourth, Dominion requests that the Commission reject DOF's recommendation for the Company to mitigate impacts to trees or forest vegetation in the area of the Projects that need to be removed, converted, or will be otherwise impacted by activities associated with the Projects by establishing new trees, forests, or forest vegetation on site in the vicinity of the Projects.²⁸ The Company asserts that it is not aware of any legal requirement to complete one-for-one mitigation and asserts that therefore this recommendation is unnecessary.²⁹ The Commission agrees with the Senior Hearing Examiner that the DOF's tree and forest mitigation recommendation is unwarranted given the lack of a legal requirement for one-for-one mitigation.

Fifth, Dominion requests that the Commission reject the DEQ's recommendation for the Company to consider the development of an effective EMS.³⁰ The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance"³¹ The Company finds the DEQ recommendation to develop an

²⁷ *Id.*

²⁸ *Id.* at 3.

²⁹ *Id.* at 8.

³⁰ *Id.* at 8.

³¹ *Id.* at 8-9.

effective EMS to therefore be unnecessary and duplicative.³² We find that Dominion's existing EMS achieves the purpose of this recommendation.³³ The Commission agrees with the Senior Hearing Examiner that the DEQ's recommendation for the Company to develop an EMS should be rejected as duplicative.

Regarding the DHR's mitigation recommendation associated with impacts to the historic Farmers Food site, the Commission finds that Dominion shall continue to work with DHR to identify historic properties that may be impacted by the Projects and endeavor to minimize such impacts. We further find that where minimization of impacts is not feasible, the Company shall work with DHR and stakeholders to develop an appropriate mitigation plan.

Dominion also offered clarifications to certain DEQ recommendations. In response to the recommendation that the Company further evaluate the potential impacts of identified petroleum release sites in close proximity to the Projects, Dominion states that the pollution complaint ("PC") number of concern was only open for a short duration, and it is reasonable to assume that the release was limited to only soil.³⁴ The Company asserts that exposure to any potentially contaminated soil will be minimal to none.³⁵ Dominion therefore does not expect the PC will have a negative impact on the Projects.³⁶ We direct the Company to coordinate with DEQ to avoid or reasonably minimize adverse impacts to the greatest extent reasonably

³² *Id.* at 8.

³³ The Commission has previously made a similar finding in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

³⁴ Ex. 15 (Studebaker Rebuttal) at 9.

³⁵ *Id.* at 10.

³⁶ *Id.*

practicable if contaminated soil associated with the petroleum release highlighted in the DEQ Report is identified.³⁷

Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."³⁸ As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."³⁹

We agree with the Senior Hearing Examiner that the Company reasonably considered the requirements of the VEJA.⁴⁰

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Projects as proposed in its Application, subject to the findings and conditions imposed herein.

³⁷ The Commission has previously made a similar finding in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects*, Case No. PUR-2021-00010, Doc. Con. Cen. No. 210930053, Final Order at 10-11 (Sept. 15, 2021).

³⁸ Code § 2.2-235.

³⁹ Code § 2.2-234. See also, e.g., *Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021 00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *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, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

⁴⁰ Report at 14-15.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Projects is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-MEC-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Mecklenburg County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00137; Certificate No. ET-DEV-MEC-2022-A cancels Certificate No. ET-93k issued to Virginia Electric and Power Company on June 16, 1994, in Case No. PUE-1992-00058.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, mike.cizenski@scc.virginia.gov.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Projects approved herein must be constructed and in service by June 1, 2024. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

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.

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