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Sent: Tuesday, September 12, 2023 3:23 PM

To: SCCeFile <SCCeFile@scc.virginia.gov>; UtilityReg <UtilityReg@scc.virginia.gov>

Subject: Virginia Energy Comments on PUR-2023-00066

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Dear Sir or Madam,

Please find attached Virginia Energy's Comments on Case PUR-2023-00066 (Virginia Electric and Power Company - 2023 Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.).

Please let me know if you have any questions.

Larry Corkey

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Mr. Joel H. Peck, Clerk
c/o Document Control Center
State Corporation Commission
Tyler Building - First Floor
1300 East Main Street
Richmond, Virginia 23219

September 12, 2023

RE: Virginia Energy Comments on PUR-2023-00066 (Virginia Electric and Power Company - 2023 Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.)

Dear Mr. Peck,

On May 1, 2023, Dominion Energy Virginia submitted its integrated resource plan (IRP) for Commission approval. The Virginia Department of Energy (Virginia Energy) offers the following comments on the IRP. Virginia Energy takes no position on any aspects of the modeling exercise beyond the items addressed in these comments.

While pursuing least cost planning within the statutory limitations, it is essential that forecasts include realistic, long-term assessments of reliability based on reasonable expectations around nascent and developing technologies. Reliability is a major concern given the energy transition underway and the Commonwealth's anticipated load growth. PJM's February 2023 report, *Energy Transition in PJM: Resource Retirements, Replacements & Risks*, highlighted the risks associated with the retirement of dispatchable units and the increased reliance on intermittent resources. PJM's response has been to evaluate how to better accredit and compensate firm capacity and Virginia Energy recommends that the Commission similarly ensure that in long-term planning dispatchable resources are evaluated for their full benefits as grid resources. It is especially important over the long-term to correctly value grid services, such as frequency control and load following, as intermittent resources represent an increasing proportion of the generating fleet.

While it is unclear from the record how these occurrences are treated under the different plans, Virginia Energy considers it reasonable that deficiency payments are not required in instances where such payments would be incurred as a result of Commission-approved actions under the reliability provisions of the Virginia Clean Economy Act (VCEA), such as the dispatch of natural gas generation to ensure continuity of service. Given that Code § 56-585.5 B 4 and Enactment Clause 9 of the VCEA provide the Commission with the discretion to issue relief from renewable portfolio standard (RPS) requirements in the event of threats to reliability, it would be

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reasonable to consider that any shortfall in meeting RPS requirements that is directly caused by such actions does not constitute a failure by the utility to meet its compliance obligations.

Virginia Energy suggests that the Commission evaluate whether there should be a lower limit to the effective load carrying capability (ELCC) of a resource for it to be considered a viable resource in certain critical scenarios. This could potentially also be viewed as compliant with Enactment Clause 9 of the VCEA as the inability of a resource to meet demand could present a threat to reliability. For example, per the SCC Staff Testimony from Matthew Glattfelder (P12), the ELCC for solar decreases rapidly under both Dominion's and PJM's models and it is possible to envision a scenario where solar is no longer able to reasonably address critical load requirements due to the timing of the demand to be met or the quantity required to be built to meet demand would be technically or financially infeasible.

Thank you for consideration of these comments.

Sincerely,

Glenn Davis
Director
Virginia Department of Energy