

**Virginia State Corporation Commission  
eFiling CASE Document Cover Sheet**

220526014

**Case Number (if already assigned)** PUR-2021-00142

**Case Name (if known)** Application of Virginia Electric and Power Company,  
For approval and certification of the Coastal Virginia  
Offshore Wind Commercial Project and Rider Offshore  
Wind, pursuant to § 56-585.1:11, § 56-46.1, §  
56-265.1 et seq...

**Document Type** CMMT

**Document Description Summary** Comments of Old Dominion Electric Cooperative

**Total Number of Pages** 13

**Submission ID** 24781

**eFiling Date Stamp** 5/6/2022 12:40:51PM

# WILLIAMS MULLEN

Garland S. Carr  
Direct Dial: 804.420.6396  
gcarr@williamsmullen.com

May 6, 2022

**VIA ELECTRONIC DELIVERY**

Mr. Bernard Logan, Clerk  
c/o Document Control Center  
State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

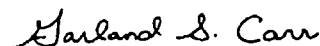
**Re: Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq., and § 56-585.1 A 6 of the Code of Virginia, Case No. PUR-2021-00142**

Dear Mr. Logan:

Please find enclosed for electronic filing the Comments of Old Dominion Electric Cooperative in accordance with Ordering Paragraph (13) of the State Corporation Commission's December 9, 2021 Order for Notice and Hearing in the above-captioned proceeding.

Please contact me with any questions or concerns. Thank you for your assistance in this matter.

Sincerely,



Garland S. Carr

Enclosures

cc: Fred Ochsenhirt, Esquire  
Beth Clowers, Esquire  
William H. Harrison, IV, Esquire  
C. Meade Browder, Jr., Esquire  
Micheal Hern, Esquire  
Michael Cocco

2205210614



**COMMENTS**  
**OF**  
**OLD DOMINION ELECTRIC COOPERATIVE**

**Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq., and § 56-585.1 A 6 of the Code of Virginia, Case No. PUR-2021-00142**

**Before the Virginia State Corporation Commission**

**Filed: May 6, 2022**

Garland S. Carr  
Williams Mullen  
200 South 10th Street, Suite 1600  
Richmond, Virginia 23219  
[gcarr@williamsmullen.com](mailto:gcarr@williamsmullen.com)  
804.420.6396

COMMONWEALTH OF VIRGINIA  
BEFORE THE  
STATE CORPORATION COMMISSION

APPLICATION OF	)	
	)	
VIRGINIA ELECTRIC AND POWER COMPANY	)	CASE NO. PUR-2021-00142
	)	
For approval and certification of the Coastal Virginia	)	
Offshore Wind Commercial Project and Rider Offshore	)	
Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 <i>et</i>	)	
<i>seq.</i> , and § 56-585.1 A 6 of the Code of Virginia	)	

COMMENTS OF OLD DOMINION ELECTRIC COOPERATIVE

Old Dominion Electric Cooperative ("ODEC" or "Cooperative"), by counsel, files these Comments in accordance with Ordering Paragraph (13) of the December 9, 2021 Order for Notice and Hearing issued by the State Corporation Commission ("Commission") in the above-captioned proceeding.

**I. INTRODUCTION**

On November 5, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") filed an application for approval and certification of the Coastal Virginia Offshore Wind Commercial Project ("CVOW" or "CVOW Project") and for approval of a rate adjustment clause, designated Rider Offshore Wind ("Rider OSW"), pursuant to §§ 56-585.1:11; 56-46.1, 56-265.1 *et seq.*, and 56-585.1 A 6 of the Code of Virginia ("Code") ("Application"). In its Application, Dominion requests approval and certification of, among other things, electric interconnection and transmission facilities, comprising transmission facilities required to interconnect the CVOW Project reliably with the existing transmission system ("Virginia

Facilities").<sup>1</sup> Dominion states that the proposed Virginia Facilities are necessary to interconnect the CVOW Project reliably with the existing transmission system.<sup>2</sup> Dominion indicates that the Virginia Facilities include: (i) 3.0 miles of the offshore submarine export circuits designed to bring electric energy output from the Wind Turbine Generators onshore; (ii) underground onshore export circuits to carry the electricity to the proposed Harpers Switching Station located on Naval Air Station Oceana property in Virginia ("Underground Lines"); (iii) the new Harpers Switching Station; (iv) three new overhead 230 kilovolt ("kV") transmission circuits between the new Harpers Switching Station and Dominion's existing Fentress Substation ("Overhead Lines"); (v) a partial rebuild of Line #271; (vi) a rebuild of Line #2240; and (vii) an expansion of Fentress Substation.<sup>3</sup>

On December 9, 2021, the Commission issued an Order for Notice and Hearing that, among other things, set forth a procedural schedule for the Application and provided interested persons an opportunity to comment on the Application on or before May 16, 2022.<sup>4</sup>

ODEC is a not-for-profit power supply electric cooperative, organized and operating under the laws of the Commonwealth of Virginia, and subject to Federal Energy Regulatory Commission ("FERC") jurisdiction. ODEC supplies electric generating capacity, energy, and transmission services to its eleven electric distribution cooperative members ("Members") located in Virginia,

---

<sup>1</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq., and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Application at 1 ("Dominion's Application").

<sup>2</sup> Dominion's Application at 7, 13 ("The proposed Virginia Facilities represent the minimal amount of transmission facilities required to interconnect the CVOW Commercial Project reliably with the existing transmission system consistent with Dominion Transmission's Facility Interconnection Requirements, which are a required NERC Reliability Standard, and Dominion Transmission's reliability criteria"). *Id.* at 13.

<sup>3</sup> Dominion's Application at 7.

<sup>4</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq., and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Order for Notice and Hearing at 29 (Dec. 9, 2021).

Maryland, and Delaware. ODEC owns electric generation facilities which it uses to provide wholesale power to its Members. The Cooperative's sales to its Members are made pursuant to all-requirements wholesale power contracts between ODEC and each of its Members. In order to supply electric generating capacity and energy to its Members, ODEC owns certain electric generation facilities and also makes periodic power purchases from third-party sellers.

ODEC's Members are located within the service area of the regional transmission organization PJM Interconnection, L.L.C. To deliver electric energy to its Members, the Cooperative depends on its purchases of transmission service from PJM under the PJM Open Access Transmission Tariff ("OATT"), which is on file with FERC. Among other things, the OATT contains rates, terms, and conditions governing customers' receipt of and payment for transmission service. The PJM region is separated into geographic zones, as specified in Attachment J to the OATT, based on the location of the facilities of the PJM Transmission Owners. Transmission service is provided through the facilities of the PJM Transmission Owners and each Transmission Owner has separate rates for service over its transmission facilities pursuant to the OATT. PJM charges each customer for transmission service based on the combined transmission rates for the zones where the customer takes transmission service.

Eight of ODEC's distribution cooperative Members are located in Virginia where Dominion is a Transmission Owner. Thus, ODEC purchases transmission service from the Dominion transmission zone ("Dom Zone") on behalf of its Members. The Dom Zone revenue requirement is based on the cost of transmission facilities that are assigned to Dominion based on criteria in the OATT. As the zonal revenue requirement increases, transmission rates increase. Should the Commission approve Dominion's proposed cost recovery for the Virginia Facilities, ODEC's transmission rates will increase accordingly.

## II. COMMENTS

1. Code § 56-585.1:11 C 3 shields electric cooperatives from paying any of the costs of the CVOW Project.

In addition to Commission approval and certification of the CVOW Project, Dominion seeks approval of a rate adjustment clause, designated Rider OSW, pursuant to Code § 56-585.1 A 6, as contemplated by Code § 56-585.1:11 C, to recover the costs incurred to construct, own, and operate the CVOW offshore generating facilities as well as the Virginia Facilities that are necessary to interconnect the CVOW generating facilities to the grid.<sup>5</sup>

Code § 56-585.1:11 C 3 ("Section C 3") provides, in part:

Any such costs proposed for recovery through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 shall be allocated to all customers of the utility in the Commonwealth as a non-bypassable charge, regardless of the generation supplier of any such customer, other than (i) PIPP eligible utility customers, (ii) advanced clean energy buyers, and (iii) qualifying large general service customers.

As the Commission noted in its July 26, 2021 Order, however, the Virginia Clean Economy Act ("VCEA") shields electric cooperatives from paying for any of the costs of an offshore wind facility such as Dominion's CVOW Project.<sup>6</sup> Section C 3 provides, in part:

No electric cooperative customers of the utility shall be assigned, nor shall the utility collect from any such cooperative, any of the costs of such facilities, including electrical transmission or distribution facilities associated therewith for interconnection.

2. The Commission directed Dominion to explain how it would protect electric cooperatives from paying any of the costs of the CVOW Project.

---

<sup>5</sup> See Application at 7, 13, 18.

<sup>6</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: Offshore wind development filing of Virginia Electric and Power Company*, Case No. PUR-2021-00142, Order at 2 (Jul. 26, 2021) ("July CVOW Order").

As ODEC and its Members are "electric cooperatives" for purposes of Section C 3,<sup>7</sup> Section C 3 prohibits Dominion from *assigning* "any of the costs of" the CVOW Project to ODEC or its Members. Section C 3 also prohibits Dominion from *collecting* "any of the costs of" the CVOW Project from ODEC or its Members. Under Dominion's proposed cost recovery for the Virginia Facilities, ODEC and its Members will pay for certain transmission costs of the CVOW Project which is contrary to Section C 3 of the VCEA.

In its July CVOW Order, the Commission directed Dominion to explain how it would ensure that it would not collect the costs of the CVOW Project from its electric cooperative customers.<sup>8</sup> Dominion responds that "[c]ooperatives will not pay Rider OSW, an A6 rider which includes the capital costs of the offshore wind generation costs, as well as the related electrical transmission and distribution facilities associated with the interconnection."<sup>9</sup> The Commission also directed Dominion to state whether transmission and distribution upgrades throughout the electric grid necessitated by the interconnection of the OSW Project were "facilities associated therewith" per Section C 3.<sup>10</sup> Dominion states that the transmission and upgrade costs necessitated by the interconnection are considered "facilities associated therewith for interconnection."<sup>11</sup> Dominion contends, however, that once energized the Overhead Lines will then become transmission system assets.<sup>12</sup>

---

<sup>7</sup> The VCEA defines "cooperative" as "a utility formed under or subject to Chapter 9.1 (§ 56-231.15 *et seq.*). See Code § 56-576. Code § 56-231.15 defines "cooperative" as "a utility consumer services cooperative formed under or subject to this article or a distribution cooperative formed under the former Distribution Cooperatives Act (§ 56-209 *et seq.*).

<sup>8</sup> July CVOW Order at 2.

<sup>9</sup> Dominion's Application, Generation Appendix at 215.

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

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

<sup>12</sup> *Id.*



The Commission also directed Dominion to explain how it would allocate and recover the CVOW transmission costs from non-exempt customers.<sup>13</sup> Dominion states that *the capital costs* of the transmission assets will be charged through Rider OSW and therefore will not be recovered through the FERC transmission formula rate in the OATT. Dominion contends, however, that upon energization, the Overhead Lines "will no longer be considered interconnection lines but will become system transmission assets."<sup>14</sup> Dominion then asserts that because "these lines will benefit the larger PJM transmission system...*the ongoing O&M costs* will be collected through the FERC formula rate" which is set forth in the OATT. Dominion acknowledges that "Cooperatives would be allocated their respective share of these costs, as they are not *considered* costs of the Project."<sup>15</sup>

Dominion states that the Virginia Facilities are facilities associated with interconnection of the CVOW Project per Section C 3 such that the costs of the Virginia Facilities are eligible for recovery through Rider OSW. Dominion also asserts that electric cooperatives will not pay any of the costs of the Virginia Facilities, as required by Section C 3, because the costs of the Virginia Facilities will be recovered through Rider OSW, which will not be charged to electric cooperatives.<sup>16</sup> Under Dominion's proposed cost recovery for the Virginia Facilities, however, ODEC and its Members will pay for transmission costs of the CVOW Project which is contrary to Section C 3 of the VCEA.

---

<sup>13</sup> Generation Appendix at 215.

<sup>14</sup> *Id.* (emphasis added).

<sup>15</sup> *Id.* (emphasis added).

<sup>16</sup> *Id.*

3. Dominion's proposal to recover the costs of the CVOW Project is inconsistent with Code § 56-585.1:11 C 3.

Dominion states that the Virginia Facilities, which include the Overhead Lines, are necessary for interconnection of the CVOW generating facilities to the grid<sup>17</sup> but Dominion does not request recovery of all the costs of the Overhead Lines through Rider OSW.<sup>18</sup> Rather, Dominion proposes to carve out certain CVOW transmission costs from Rider OSW and instead recover those costs through its transmission tariff.<sup>19</sup> Specifically, Dominion proposes to carve out the ongoing O&M costs of the Overhead Lines and certain transmission upgrade costs of the CVOW Project (collectively, "Carved-Out Costs").<sup>20</sup> Dominion acknowledges that ODEC and its Members will pay the Carved-Out Costs through its transmission tariff.<sup>21</sup>

Dominion asserts that the Overhead Lines "*will no longer be considered interconnection lines*" upon energization.<sup>22</sup> Rather, Dominion contends that the Overhead Lines – that it considered to be interconnection lines prior to energization – will become system assets upon energization. This arbitrary distinction results in the Overhead Lines being necessary for interconnection of the CVOW generating facilities until they're actually used to interconnect the CVOW generating facilities to the grid. In contrast, for the Underground Lines<sup>23</sup> that Dominion proposes as part of the Virginia Facilities, Dominion does not make a distinction between before and after energization. Rather, Dominion proposes to recover all the costs of the Underground Lines – both capital costs and ongoing O&M costs – through Rider OSW.

---

<sup>17</sup> Dominion's Application at 7, 13.

<sup>18</sup> Dominion's Application, Generation Appendix at 215.

<sup>19</sup> *Id.*

<sup>20</sup> See Pre-Filed Direct Testimony of Staff witness Kuleshova at 56.

<sup>21</sup> Dominion's Application, Generation Appendix at 215.

<sup>22</sup> *Id.* at 156 (emphasis added).

<sup>23</sup> Dominion states that its Offshore Export Circuits will transition to nine underground 230 kV export circuits, which will extend underground approximately 4.4 miles to the proposed Harpers Switching Station. Dominion's Application, Transmission Appendix at 4.

Dominion would not be requesting approval – and cost recovery – of the Virginia Facilities, including the Overhead Lines, but for the need to connect the CVOW generating facilities to the grid. Dominion would not have the Overhead Lines to energize – and deem to be transmission assets – but for the need to connect the CVOW generating facilities to the grid. Therefore, the Overhead Lines necessarily are needed for the interconnection of the CVOW generating facilities to the grid before *and after* energization. As such, all costs of the Overhead Lines, including ongoing O&M costs, should be recovered, if at all, through Rider OSW.

Dominion's proposal to recover ongoing O&M transmission costs and transmission upgrade costs of the CVOW Project through its transmission tariff is inconsistent with Section 3 C of the VCEA as it results in ODEC and its Members paying for costs of the CVOW Project. Section C 3 specifies that "any costs" of the CVOW Project include "electrical transmission...facilities associated therewith for interconnection." Dominion states that "[t]ransmission and upgrade costs necessitated by the interconnection are considered 'facilities associated therewith for interconnection.'"<sup>24</sup> Therefore, all costs of the Overhead Lines and transmission upgrades are costs of the CVOW Project to be recovered, if at all, through Rider OSW. Dominion's reclassification of costs of the CVOW Project from "facilities associated therewith for interconnection" to transmission assets to be recovered through Dominion's transmission tariff is inconsistent with Section C 3.

4. Commission Staff testimony supports the fact that the ongoing O&M costs of the Overhead Lines and the costs of certain transmission upgrades should be included in the total cost of the CVOW Project.

Commission Staff witness Kuleshova testifies that the Overhead Lines and certain transmission network upgrades "are shown in the Generation Appendix as *carve outs* from the

---

<sup>24</sup> Dominion's Application, Generation Appendix at 215.

total cost of onshore electrical interface" and that Staff confirmed this with the Company.<sup>25</sup> In listing costs that Dominion excluded from its calculation of the levelized cost of energy, Staff witness Kuleshova states that the "O&M expenses for the [Overhead Lines] upon their energization are not included either."<sup>26</sup> Further, Staff witness Kuleshova notes that Dominion proposes to recover the O&M costs for the Overhead Lines through its transmission tariff and that Dominion objected to Staff's request to estimate those transmission-related O&M costs.<sup>27</sup>

Staff's testimony that Dominion has excluded the ongoing O&M costs of the Overhead Lines and the costs of certain transmission upgrades from the total cost of the CVOW Project supports the fact that Dominion should not be able to recover these costs through its transmission tariff as all costs of the CVOW Project should be recovered, if at all, through Rider OSW.

### III. CONCLUSION

Code § 56-585.1:11 C 3 prohibits Dominion (i) from assigning "any of the costs of" the CVOW Project to electric cooperatives; and (ii) from collecting "any of the costs of" the CVOW Project from electric cooperatives. Dominion proposes to collect certain transmission-related costs of the CVOW Project through its transmission tariff which would result in ODEC and its Members paying for costs of the CVOW Project. As all costs of the CVOW Project should be recovered, if at all, through Rider OSW, Dominion's reclassification of costs of the CVOW Project from "facilities associated therewith for interconnection" to transmission assets to be recovered through Dominion's transmission tariff is inconsistent with Section C 3.

---

<sup>25</sup> Pre-Filed Direct Testimony of Staff witness Kuleshova at 56.

<sup>26</sup> Pre-Filed Direct Testimony of Staff witness Kuleshova at 12 (summary) and 34. See Attachment KK-14 for a copy of the Company's response to Staff Interrogatory No. 04-60.

<sup>27</sup> *Id.* at 59.

Respectfully submitted,

**OLD DOMINION ELECTRIC COOPERATIVE**

By: *Garland S. Carr*

---

Counsel

Garland S. Carr  
Williams Mullen  
200 South 10th Street, Suite 1600  
Richmond, Virginia 23219  
804.420.6396  
[gcarr@williamsmullen.com](mailto:gcarr@williamsmullen.com)

**CERTIFICATE OF SERVICE**

I hereby certify that on this 6th day of May a true copy of the foregoing document was delivered by hand, emailed, or mailed, first-class, postage prepaid, to the following:

Fred Ochsenhirt, Esquire  
Beth Clowers, Esquire  
William H. Harrison, IV, Esquire  
Office of General Counsel, 10th Floor  
State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219

C. Meade Browder, Jr., Esquire  
Division of Consumer Counsel  
Office of the Attorney General  
202 N. 9th Street, 8th Floor  
Richmond, Virginia 23219-3424

*Garland S. Carr*

---

Garland S. Carr