

**Virginia State Corporation Commission
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22082021

Case Number (if already assigned)	PUR-2022-00064
Case Name (if known)	Virginia Electric and Power Company — To revise its fuel factor pursuant to VA Code § 56-249.6
Document Type	CMMT
Document Description Summary	Comments on the Proposed Stipulation of Appalachian Voices (“Environmental Respondent”)
Total Number of Pages	6
Submission ID	25411
eFiling Date Stamp	8/3/2022 4:17:44PM

August 3, 2022

VIA ELECTRONIC FILING

Mr. Bernard Logan, Clerk
c/o Document Control Center
State Corporation Commission
Tyler Building – First Floor
1300 East Main Street
Richmond, Virginia 23219

**RE: Virginia Electric and Power Company — To revise its fuel factor
pursuant to VA Code § 56-249.6**

Case No. PUR-2022-00064

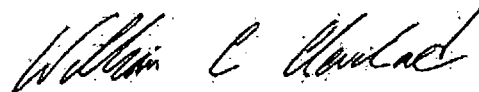
Dear Mr. Logan:

Enclosed for filing in the above-captioned matter are the comments on the Proposed Stipulation of Appalachian Voices (“Environmental Respondent”) pursuant to the Hearing Examiner’s Ruling of July 26, 2022. This filing is being completed electronically, pursuant to the Commission’s electronic document filing system.

As authorized by Rule 140 of the Commission’s Rules of Practice and Procedure, Environmental Respondent is providing, and agrees to accept, service of documents in this case exclusively via email unless parties request otherwise.

If you should have any questions regarding this filing, please do not hesitate to contact me at (434) 977-4090.

Regards,



William C. Cleveland

cc: Parties on Service List
Commission Staff

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF)	
)	
VIRGINIA ELECTRIC AND POWER)	
COMPANY)	Case No. PUR-2022-00064
)	
<i>To revise its fuel factor pursuant to Va.</i>)	
<i>Code § 56-249.6</i>)	

**ENVIRONMENTAL RESPONDENT'S
COMMENTS ON PROPOSED JOINT STIPULATION**

Pursuant to the Hearing Examiner's July 26, 2022, Ruling, Appalachian Voices ("Environmental Respondent") submits the following comments on the Proposed Stipulation (the "Stipulation") filed jointly by Dominion Energy Virginia ("Dominion"), the Commission Staff, and the Virginia Committee for Fair Utility Rates (the "Committee"). Specifically, Environmental Respondent opposes the Stipulation with respect to paragraphs 3 and 5, as these are not sufficient to protect ratepayers, especially given the scale of increased cost customers now face as a result of Dominion's over-reliance on fossil fuels.

Paragraph 3 concerns whether Dominion will recover increased financing costs associated with its proposed 3 Year Mitigation plan. At the hearing, Dominion insisted on recovering 100% of the financing costs, totaling \$72.9 million.¹ Dominion also conceded on cross examination by the Office of the Attorney General that in all prior fuel cases in which Dominion had proposed mitigation plans, Dominion voluntarily waived recovery of financing costs associated with that

¹ Ex. 27, Supplemental Testimony of Sean M. Welsh, *Application of Virginia Electric and Power Company to revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2022-00064 (July 5, 2022) ("Welsh Supplemental") at 2, Table 1.

mitigation.² The proposed mitigation plan increases, in absolute dollars, the amount of costs ratepayers will bear for the unrecovered fuel balance. Allowing Dominion to recover those increased carrying costs will, as Dominion admits, make it “financially indifferent” to the timing of recovery.³ As a result, Dominion’s proposal effectively charges customers more money for the privilege of paying off the unrecovered fuel costs over a longer period of time.⁴ On page two of his pre-filed direct testimony, Staff Witness Welsh proposes that the Commission “may wish to limit carrying charges to the amount that would have been recovered under a traditional one-year recovery period.”⁵ This proposal is far better for customers; it allows Dominion to recover the carrying costs it is due, and it does not increase total ratepayer costs. Environmental Respondent respectfully requests that the Hearing Examiner recommend the Commission reject Paragraph 3 and instead authorize cost recovery only of the carrying costs Dominion would have recovered under a traditional one-year recovery period.

Paragraph 5 also fails to adequately protect ratepayers. Paragraph 5 concerns maintenance of dispatch records, but the Stipulation also claims that it aims at “resolving all issues raised by the Stipulating Participants relating to the application, direct testimony, exhibits and schedules filed by Dominion Energy Virginia on May 5, 2022, and as updated on May 23, 2022”⁶ No party to the Stipulation raised dispatch records as an issue of concern in the hearing; only Environmental Respondent addressed the issue. As such, there is no dispute among the Stipulating

² Hearing Transcript, *Application of Virginia Electric and Power Company to revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2022-00064 (July 7, 2022) (“Hearing Transcript”) at 90:13-19 (Cross Examination of Company Witness Gaskill on Direct).

³ *Id.* at 91:20 (Cross Examination of Company Witness Gaskill on Direct).

⁴ *Id.* at 92:2-3 (Cross Examination of Company Witness Gaskill on Direct).

⁵ Ex. 26, Pre-Filed Staff Testimony of Sean M. Welsh, *Application of Virginia Electric and Power Company to revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2022-00064 (June 24, 2022) at 2:21-22.

⁶ Proposed Stipulation and Recommendation of the Company, Commission Staff, and the Virginia Committee for Fair Utility Rates, *Application of Virginia Electric and Power Company to revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2022-00064 (July 26, 2022) at 1.

Parties to resolve. The dispute in fact remains completely unresolved, and the provisions contained in Paragraph 5 are inadequate. That being said, Environmental Respondent would support the following revisions to Paragraph 5, if it required Dominion, for each coal unit, to track and make readily available upon request the following hourly data:

- Amount of energy (MWs or MWhs) generated;
- Whether the unit was dispatched in the PJM day-ahead energy market or the PJM real-time energy market;
- Dispatch status – (a) PJM economic dispatch; (b) Dominion self-scheduled (must-run); (c) unavailable; or (d) PJM emergency dispatch;
- Total unit hourly dispatch cost (\$/MWh);
- The day-ahead LMP price (\$/MWh) at the generator node level associated with each unit for hours when the unit was dispatched in the day-ahead market;
- The real-time LMP price (\$/MWh) at the generator node level associated with each unit for hours when the unit was dispatched in the real-time market; and
- For all self-scheduled, must-run hours, identify the reason for such designation (*e.g.* LMP forecast, weather forecast, testing requirements, environmental requirements, etc.).

As written, Paragraph 5 is limited only to records “created in the normal course of business regarding the dispatch decisions of its other coal units.”⁷ The evidence is clear, however, that Dominion’s normal course of record retention is inadequate. Dominion Witness Vitiello stated on the stand that these records are “not easily retrievable” and that “if you ask for specific hours, we can go back and look.”⁸ There is nothing in the Stipulation that eases this difficulty. Dominion will keep its difficult-to-retrieve records in a difficult-to-retrieve manner and provide the relevant information if and only if a party identifies specific hours for retrieval. In fact, Dominion has not

⁷ *Id.* at 2.

⁸ Hearing Transcript at 296:8-13 (Cross Examination of Company Witness Vitiello on Rebuttal).

in any way shifted from its position that the Commission has no business looking into the Company's dispatch decisions:

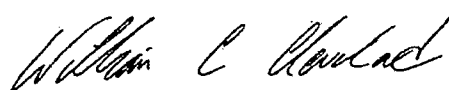
Q Okay. So it is the Company's position that it should not be required to demonstrate and provide evidence of the reasons it self-scheduled a unit that was uneconomic?

A That's correct.⁹

Nothing in the Stipulation alters Dominion's opposition to providing any justification for its decision to self-schedule coal units that lose customers money. As such, Environmental Respondent respectfully requests that the Hearing Examiner recommend that the Commission reject Paragraph 5 and instead require Dominion to report the above-listed information, which will give the Commission far better insight into Dominion's practice of self-scheduling units.

August 3, 2022

Respectfully submitted,



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⁹ Hearing Transcript at 296:21-297:1 (Cross Examination of Company Witness Vitiello on Rebuttal).

CERTIFICATE OF SERVICE

I hereby certify that the following have been served with a true and accurate copy of the foregoing via electronic mail:

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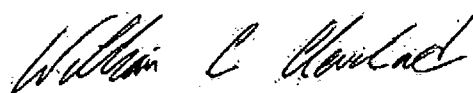
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DATED: August 3, 2022



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