

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, DECEMBER 9, 2022

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUR-2022-00045

*Ex Parte:* In the matter of incorporating language to establish a self-certification process for resources seeking to qualify as low-income projects pursuant to Code § 56-585.5 C, and considering additional GATS-related questions

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REG. OFFICE  
DOMINION CENTRAL CENTER

ORDER REVISING BUSINESS RULES

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA establishes a mandatory renewable energy portfolio standard program ("RPS Program") for investor-owned electric utilities in § 56-585.5 of the Code of Virginia ("Code"). To comply with the RPS Program, utilities must procure and retire renewable energy certificates ("RECs") originating from qualifying sources. Pursuant to Code § 56-585.5 C, Virginia Electric and Power Company ("Dominion" or "Company")

shall meet one percent of the RPS Program requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt or less located in the Commonwealth, . . . and, to the extent that low-income qualifying projects are available, then no less than 25 percent of such one percent shall be composed of low-income qualifying projects ("Low-Income Qualifying Project Requirements").

Low-income qualifying projects are defined under Code § 56-585.5 A as "a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in [Code] § 56-576." Code § 56-576 defines a low-income

utility customer as any person or household whose income is no more than 80 percent of the median income of the locality in which the customer resides, with the median income of the locality being determined by the United States Department of Housing and Urban Development.

Code § 56-585.5 D 4 also requires Dominion to submit annually to the State Corporation Commission ("Commission") a plan for meeting the RPS Program requirements and any requests for approval for the development of new solar and onshore wind generation capacity ("RPS Plan").

In Case No. PUR-2020-00134, Dominion submitted its first RPS Plan to the Commission ("2020 RPS Plan"). On April 30, 2021, the Commission issued its Final Order on the Company's 2020 RPS Plan ("2020 RPS Final Order").<sup>1</sup> As part of its 2020 RPS Final Order, the Commission directed Dominion to use a reasonable stakeholder process to further address the following questions related to low-income projects:<sup>2</sup>

- (1) How will the utility identify "low-income qualifying projects" that provide a minimum of 50% of the respective electric output to low-income utility customers as that term is defined in Code § 56-576?
- (2) Do these low-income qualifying projects physically deliver electric output to low-income utility customers as behind the meter facilities?
- (3) If the electric output from low-income qualifying projects is consumed behind the meter by low-income utility customers, does such generation/consumption create RECs and, if so, how is that output metered/measured and can these RECs be registered in

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<sup>1</sup> *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, 2021 S.C.C. Ann. Rept. 242, Final Order (Apr. 30, 2021).

<sup>2</sup> The Commission first directed the Company to respond to these four questions, among others, in its July 10, 2020 Order Establishing 2020 RPS Proceedings. Certain parties had raised concerns with Dominion's original responses and requested that the Commission defer making determinations on this topic. We agreed the issue would benefit from further development through a stakeholder process. *See id.* at 246; *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. 200710234, Order Establishing 2020 RPS Proceedings (July 10, 2020).

PJM Interconnection, L.L.C.'s ("PJM") Generation Attribute Tracking System ("GATS")?<sup>3</sup>

- (4) If the electric output from potential low-income qualifying projects is injected into the grid, how can the utility determine that the projects provided a minimum of 50% of the respective electric output to low-income utility customers?

The Commission further directed in its 2020 RPS Final Order that Dominion shall report on its progress toward satisfying the Low-Income Qualifying Project Requirements in its next RPS Plan filing ("2021 RPS Plan").<sup>4</sup>

The Company convened stakeholders to address the questions related to low-income projects as directed by the Commission and submitted a report on the stakeholder process in its 2021 RPS Plan ("Report on Stakeholder Process").<sup>5</sup> In addition to providing responses to the four questions enumerated above, the stakeholders recommended that the Commission revise its GATS business rules ("GATS Business Rules") to add the following language:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

In its Final Order on the 2021 RPS Plan ("2021 RPS Final Order"), the Commission noted that a separate proceeding would be initiated to address the recommendations of the

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<sup>3</sup> PJM GATS is a registry and tracking service for environmental attributes, such as RECs, for every megawatt-hour of electricity produced from a generator that participates in GATS.

<sup>4</sup> 2020 RPS Final Order, 2021 S.C.C. Ann. Rept. at 242. The Commission also determined in its 2020 RPS Final Order that it would use GATS to track the RECs produced for RPS Program compliance. *Id.* at 245 n.23.

<sup>5</sup> Specifically, the Company attached the Report on Stakeholder Process to the rebuttal testimony of Company witness Nathan J. Frost as Rebuttal Schedule 1.

stakeholder group.<sup>6</sup> The Commission further found that additional GATS-related questions may be considered in that separate docket, as appropriate.<sup>7</sup>

Additionally, in Case No. PUR-2021-00064, the Commission established a docket to determine whether its GATS Business Rules needed to be revised to reflect new RPS Program requirements set forth in the VCEA. By Order dated September 30, 2021, the Commission revised the GATS Business Rules ("Order Revising GATS Business Rules").<sup>8</sup> These revisions included a requirement that electric investor-owned utilities report on REC retirements by April 30 of each year for the prior compliance year ("Business Rule 4").<sup>9</sup> In a motion dated March 18, 2022 in that docket, Dominion moved for a waiver of this requirement, stating it would not have the information necessary to determine its 2021 compliance obligation by April 30, 2022, because it would not receive information on accelerated renewable energy buyers ("ARBs") by that time ("Motion").<sup>10</sup> Instead, Dominion proposed to report on RPS Program compliance in its 2022 RPS Plan.<sup>11</sup> In its Motion, the Company stated that its request was limited to waiver of the upcoming April 30, 2022 deadline, but noted that there may be good cause for a revision to the GATS Business Rules to remove the April 30 annual deadline and to

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<sup>6</sup> *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order at 12-13 (Mar. 15, 2022).

<sup>7</sup> *Id.* at 13.

<sup>8</sup> *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, 2021 SCC. Ann. Rept. 458, Order Revising Business Rules (Sept. 30, 2021).

<sup>9</sup> *Id.* at 461.

<sup>10</sup> Motion at 1.

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

consolidate requirements for the Company to demonstrate RPS Program compliance in one place.<sup>12</sup> On April 7, 2022, the Commission granted Dominion's Motion.<sup>13</sup>

Further, in Case No. PUR-2020-00164, we held that RPS eligible RECs procured and retired by or on behalf of customers who elect to purchase electric supply service from competitive service providers ("CSPs") should be included in calculating the annual percentage of total electric energy sold from RPS eligible sources under Code § 56-585.5 C, which thus reduces the amount of RPS eligible RECs that must be procured and retired by the utility.<sup>14</sup> We found this means that, like utilities, CSPs must track and report the RECs procured and retired from RPS eligible sources.<sup>15</sup> Thus, in order to accurately determine its compliance obligations, and to comply with Business Rule 4, a utility must know how many eligible RECs have been procured by CSPs each year.

In addition, in its Order Revising GATS Business Rules in Case No. PUR-2021-00064, the Commission found that it "is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values" ("Business Rule 5").<sup>16</sup> During Dominion's 2021 RPS

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<sup>12</sup> *Id.* at 6.

<sup>13</sup> As part of the Order on Motion for Limited Waiver of Business Rules, we found, "While the Company also suggests that there may be good cause to remove the April 30<sup>th</sup> annual deadline in [Business] Rule 4 and to consolidate the demonstration of RPS Program compliance in the annual [RPS Plan] proceeding, that relief is not sought in this Motion." *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, Doc. Con. Cen. No. 220410128, Order on Motion for Limited Waiver of Business Rules at 4 (Apr. 7, 2022).

<sup>14</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Allocating RPS costs to certain customers of Virginia Electric and Power Company*, Case No. PUR-2020-00164, 2021 S.C.C. Ann. Rept. 270, Final Order (Sept. 23, 2021).

<sup>15</sup> *Id.*

<sup>16</sup> *See* Order Revising GATS Business Rules at Attachment A, p. A-3.

Plan proceeding, certain parties raised the issue of whether a revenue grade meter should be required for smaller-sized systems. The Commission did not make a determination on this issue in the 2021 RPS Final Order but found that such questions may appropriately be considered in a separate docket.<sup>17</sup>

On April 14, 2022, the Commission issued an Order for Comment in the instant docket, which established the case and provided interested persons the opportunity to address the following:

- Any concerns or suggested edits to the stakeholders' recommended language related to low-income qualifying projects:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

- Whether the owners of resources seeking to qualify as low-income qualifying projects should self-certify using a process similar to the process in place for owners of resources seeking to qualify as small distributed resources, as described in Business Rule 2. To accomplish this, does any additional information need to be added to the stakeholders' recommended language, or are any changes to Appendix 3 needed?
- Whether owners of resources seeking to qualify as low-income qualifying projects must annually self-certify, and, if so, explain why annual certification is necessary.
- Whether the date of the annual report required in Business Rule 4 should be amended or removed, and whether electric investor-owned utilities should demonstrate RPS Program compliance in the annual report to the Commission's Division of Public Utility Regulation required in Business Rule 4, in the utility's RPS Plan, or in a different proceeding.
- Whether utilities are receiving and incorporating the CSP REC procurement and retirement information necessary to comply with Business Rule 4, and whether such information should be examined in the report provided to the Commission's Division of

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<sup>17</sup> See 2021 RPS Final Order at 13.

Public Utility Regulation required in Business Rule 4, in the utility's RPS Plan, or in a different proceeding.

- Whether a revenue grade meter should be required for all systems, including smaller-sized systems. If not, what should the appropriate capacity threshold be for requiring a revenue grade meter?
- Whether there are any additional concerns related to the GATS Business Rules that the Commission should consider at this time.

On June 8, 2022, comments were filed by Dominion; Carbon Solutions Group; Secure Futures, LLC ("Secure Futures"); Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, "Direct Energy"); Sol Systems, LLC ("Sol Systems"); and Virginia Distributed Solar Alliance ("VDSA").

On July 26, 2022, the Commission issued an Order for Additional Comment, which directed Commission Staff ("Staff") to file a report ("Staff Report") on the issues raised in this proceeding and provided an opportunity for Dominion or any interested person to file comments in response to the Staff Report or any other previously submitted comments.

Staff filed its Staff Report on September 22, 2022. SRECTrade; Carbon Solutions Group; Dominion; and Sol Systems filed comments on or before October 20, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised Business Rules attached hereto as Attachment A should be approved, effective on and after January 1, 2023, as discussed herein. In developing these revisions, we have fully considered and weighed all comments presented in this matter in support of each participant's proposals or suggestions, including those provided by Staff. The Commission expresses appreciation to all those who submitted written comments.

## Amendment to GATS Business Rule for Low-Income Qualifying Projects

As described above, in the Report on Stakeholder Process the stakeholder group recommended the Commission add the following language to the GATS Business Rules:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

Subsequently, PJM Environmental Informational Services, Inc. ("PJM EIS"), the owner and administrator of GATS, who was not part of the original stakeholder process, has expressed concerns with its ability to manage the self-certification process as originally proposed by the stakeholder group.<sup>18</sup> PJM EIS therefore recommends deleting the language from the stakeholder group relating to annual self-certification and Appendix 3 completion requirements, and has proposed alternative language which addresses its concerns.<sup>19</sup>

We find that having PJM EIS manage the self-certification process would support efficiency and would beneficially streamline the certification process.<sup>20</sup> We therefore determine that the language included in the GATS Business Rules concerning low-income qualifying projects should address the concerns raised by PJM EIS. We further agree with Carbon Solutions Group, Secure Futures, and VDSA that annual self-certification would increase the costs to, and administrative burdens borne by, participants.<sup>21</sup> In addition, we find that annual

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<sup>18</sup> See Staff Report at 8-11.

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

<sup>20</sup> See *id.* at 10-11.

<sup>21</sup> See Carbon Solutions Comments at 2 (June 8, 2022); Secure Futures Comments at 2 (June 8, 2022); VDSA Comments at 4-5 (June 8, 2022).



certification is not necessary at this time as registrants are already required by GATS' terms and conditions to provide notification of any change in the status of a registered resource.<sup>22</sup>

For the reasons discussed above, we find that the language proposed by PJM EIS is reasonable and appropriate.<sup>23</sup> We therefore adopt the following language,<sup>24</sup> to become Business Rule 3:<sup>25</sup>

For small distributed resources ( $\leq 1$  MW) that also qualify as low income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must self-certify that the facility meets the established eligibility requirements by electronically attesting to the following language in GATS.

I ATTEST that this facility qualifies for the "Low Income Qualifying Project" designation because:

- It is a behind-the-meter facility that supplies its output directly to "low-income utility customers" as defined in Va. Code § 56-576. The facility is behind the meter of an individual who meets the definition of "low-income utility customer" or behind a master meter of a residential complex whose residents meet the definition of "low-income utility customer."

OR

<sup>22</sup> Staff Report at 10, 12. While Dominion recommended that owners of resources seeking to qualify as low-income qualifying projects be required to re-certify annually to ensure that the resources indeed serve low-income utility customers, the Company stated that it "defers to the Commission on the necessary safeguards." See Dominion Comments at 3 (Oct. 20, 2022).

<sup>23</sup> We further find that a process to challenge potentially inaccurate self-certified resources is unnecessary at this time as a registrant, upon registration of a resource with PJM EIS, is already required to attest that the information provided is true and correct, and PJM EIS states it would terminate any account should it determine that a registrant was not truthful when registering a resource. See Staff Report at 10-12; Secure Futures Comments at 2 (June 8, 2022); VDSA Comments at 4 (June 8, 2022).

<sup>24</sup> In adopting this language set forth herein, we reject the language proposed by the stakeholder group as well as the proposed Appendix 3.

<sup>25</sup> The GATS Business Rules shall be renumbered as necessary as a result of this amendment, though, for clarity, throughout this Order we shall refer to any newly numbered Business Rules by their previous designations.

- It is a front-of-the-meter facility that supplies its output to low-income customers through the established Dominion Energy Virginia community solar, shared solar, or multi-family shared solar programs, and it supplies a minimum of 50% of its output to subscribers that meet the definition of "low income utility customers" in Va. Code § 56-576.

I AGREE to notify the SCC Staff and the GATS Administrator within 30 days if the facility no longer satisfies the requirements above for the "Low Income Qualifying Project" designation.<sup>26</sup>

### Annual Reports

Under the current requirements of Business Rule 4, electric investor-owned utilities must report, by April 30<sup>th</sup> each year, on the utility's REC retirements towards meeting annual RPS requirements ("Annual Compliance Report"). Dominion has requested that the Company file its Annual Compliance Report in the Company's annual RPS Plan proceeding, which historically has been filed on or after September 1<sup>st</sup>, rather than on April 30<sup>th</sup> of each year.<sup>27</sup>

We concur with Dominion that such a change is reasonable, as the annual list of ARBs is integral to the completion of the Annual Compliance Report and the Report's current April 30<sup>th</sup> due date precedes the annual ARB certification deadline.<sup>28</sup> We therefore find that the final sentence in Business Rule 4 should be amended as follows:

Electric investor-owned utilities should retire RECs to meet their respective annual RPS requirements for the prior calendar year, or compliance year, ~~and report such information to the Director of the~~

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<sup>26</sup> We further find that the following language should be stricken from Business Rule 3: "Low-income qualifying projects as defined in § 56-585.5 A and addressed in § 56-585.5 C are not separately designated in GATS at this time."

<sup>27</sup> See Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022).

<sup>28</sup> See Staff Report at 14; Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022). The current annual ARB certification deadline is May 1<sup>st</sup>.

~~Commission's Division of Public Utility Regulation by April 30<sup>th</sup>~~  
of each year.<sup>29</sup>

We further direct Dominion to file its Annual Compliance Report as part of its annual RPS Plan petition.<sup>30</sup>

Amendment to Self-Certification Designations for Small Distributed Resources

Under current Business Rule 2, GATS will review the self-certifications of small distributed resources and apply the suffix "D" to RECs created by such facilities. Pursuant to the Business Rules, GATS can retroactively apply the suffix "-D" for RECS created on or after January 2021. However, since RECs meeting the criteria set forth in Code § 56-585.5 C can be used for RPS compliance for the calendar year in which the generation occurred, or, for RECs created in 2016 and thereafter, within the subsequent five calendar years, Dominion recommends that Business Rules be modified to instruct GATS to also apply the suffix "-D" to RECs created between 2016 and 2020 by facilities that self-certified in 2021 that they met the small distributed resources eligibility requirements.<sup>31</sup> No other commenter opposed Dominion's proposal, though Staff recommended certain limitations and modifications to the proposal.<sup>32</sup>

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<sup>29</sup> See Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022).

<sup>30</sup> Similarly, the Commission will consider the compliance of Appalachian Power Company ("APCo") in its annual RPS Plan filing. See *Petition of Appalachian Power Company For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order at 7 (July 15, 2022) ("Certification of RPS compliance will commence in [APCo's] 2022 RPS Filing for calendar year 2021.").

<sup>31</sup> See Dominion Comments at 9-10 (June 8, 2022).

<sup>32</sup> See Staff Report at 17-18.

We find that the current Business Rule 4 should be amended to add the following language: "Any eligible RECs from small distributed facilities created during this period should be given the appropriate suffix as described in Business Rule 2."<sup>33</sup>

#### Revenue Grade Meters

GATS Business Rule 5 currently states, "[i]t is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values." Certain commenters supported continuing to require a revenue grade meter for all systems, including smaller-sized systems, while other commenters stated that such a requirement for small systems would be cost prohibitive and recommended that systems less than 1 MW, or systems interconnected prior to September 30, 2021, be allowed to instead use estimates.<sup>34</sup> As we indicated in our Final Order in Case No. PUR-2021-00064, the Commission expects the same level of accuracy from all generators.<sup>35</sup> Thus, after weighing all of the arguments on this issue, the Commission finds it is appropriate to continue to require generators to utilize a revenue-quality meter to measure and report associated generation and corresponding REC values for all systems, including smaller-sized systems. We therefore do not adopt any amendments to Business Rule 5 at this time.

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<sup>33</sup> We note that Dominion in its Comments requested "a minor modification to Business Rule 2 to instruct GATS to also apply the suffix "D" to RECs created between 2016 and 2020 by facilities that self-certified in 2021 that they met the small distributed resources." See Dominion Comments at 9. However, neither the Company nor any other party provided any specific revisions to the text of *Business Rule 2*. Further, we find that such additional language is not needed at this time, given the language already included in Business Rule 4.

<sup>34</sup> See, e.g., Dominion Comments at 8 (June 8, 2022); Secure Futures Comments at 3 (June 8, 2022); VDSA Comments at 5 (June 8, 2022); SolSystems Comments at 1-2 (June 8, 2022); SRECTrade Comments at 1-2 (Oct. 14, 2022); Carbon Solutions Group Comments at 1-3 (Oct. 20, 2022).

<sup>35</sup> See Order Revising Business Rules, 2021 S.C.C. Ann. Rept. at 462.

Finally, to the extent that a requested revision by any participant in this proceeding is not specifically addressed above, such omission herein does not preclude participants from recommending the same or similar changes in future proceedings.<sup>36</sup>

Accordingly, IT IS ORDERED THAT:

(1) The Business Rules, as revised, are hereby approved effective on and after January 1, 2023.

(2) A copy of this Order and the attached Business Rules forthwith shall be posted on the website of the Division of Public Utility Regulation.

(3) This case 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. A COPY hereof shall also be sent electronically by the Clerk of the Commission to all persons on the official Service Lists for Case Nos. PUR-2021-00146, PUR-2021-00064, and PUR-2020-00164. The Service Lists are available from the Clerk of the Commission.

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<sup>36</sup> As part of the April 14, 2022 Order for Comment, we sought input as to whether utilities are receiving and incorporating REC procurement and retirement information from CSPs as necessary to comply with Business Rule 4, and whether such information should be examined in the Annual Compliance Report, in the utility's annual RPS Plan petition, or in a different proceeding. *See also* Direct Energy Comments at 2-3 (June 8, 2022); Dominion Comments at 7-8 (June 8, 2022). Similar issues have been raised on other dockets, including Case No. PUR-2021-00156 and Case No. PUR-2022-00124. Based on the record developed herein, we decline to address this issue further at this time; however, we find that such issue may be further addressed in a different proceeding.

**Revised Business Rules for Issuing VA-Approved Renewable Energy Certificates  
("RECs")  
pursuant to 2020 Virginia Clean Economy Act ("VCEA")**

1. For compliance years 2021-2024, GATS can automatically certify as eligible for use toward the VA RPS all renewable energy (as defined in § 56-576) from facilities located in Virginia and in the PJM Region, as similarly done today. However, effective January 1, 2021, the VCEA expressly prohibits the use of RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, (iii) biomass-fired facilities that are outside the Commonwealth, and (iv) biomass-fired facilities operating in the Commonwealth as of January 1, 2021, that supply 10 percent or more of their annual net electrical generation to the electric grid or more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected. Additionally, the definition of renewable energy does not include waste heat from fossil-fired facilities. To ensure that any RECs from a biomass or waste heat facility meet the legislative criteria in § 56-585.5 C, such a request to register with GATS will not be automatically accepted and must be accompanied by an affidavit provided to GATS, with a copy simultaneously furnished to the Commission Staff, attesting to such eligibility as shown on Appendix 1 or Appendix 2 of these business rules. The following table reflects the VA-Eligible fuel types that may be used to produce RECs to comply with the VCEA and satisfy the Virginia RPS requirements for compliance years 2021-2024:

VA-Eligible Fuel Types: 2021-2024	Non-Eligible Fuel Types
<ul style="list-style-type: none"> <li>• LFG Captured Methane - Landfill Gas</li> <li>• FCR Fuel Cell - Renewable Fuel</li> <li>• GEO Geothermal</li> <li>• WAT Hydro</li> <li>• OCI Ocean</li> <li>• AB Biomass - Agriculture Crops in VA</li> <li>• OBG Biomass - Other Biomass Gases in VA</li> <li>• OBL Biomass - Other Biomass Liquids in VA</li> <li>• OBS Biomass - Other Biomass Solids in VA</li> <li>• PW Biomass - Poultry Waste in VA</li> </ul>	<ul style="list-style-type: none"> <li>◦ CMG Captured Methane - Coal Mine Gas</li> <li>◦ BIT Coal - Bituminous and Anthracite</li> <li>◦ LIG Coal - Lignite</li> <li>◦ SC Coal - Coal-based Syngas</li> <li>◦ SUB Coal - Sub-Bituminous</li> <li>◦ WC Coal - Waste Other</li> <li>◦ EE Energy Efficiency</li> <li>◦ DSR Demand-Side Response</li> <li>◦ FCN Fuel Cell - Non-Renewable Fuel</li> <li>◦ BFG Gas - Blast-Furnace Gas</li> <li>◦ NG Gas - Natural Gas</li> </ul>

• SLW Biomass - Sludge Waste in VA	◦ OG Gas - Other
• SW Biomass - Swine Waste in VA	◦ PG Gas - Propane
• SUN Solar - Photovoltaic	◦ NUC Nuclear
• STH Solar - Thermal	◦ DFO Oil - Distillate Fuel Oil
• MSW Solid Waste - Municipal Solid Waste	◦ JF Oil - Jet Fuel
• WH Waste Heat	◦ KER Oil - Kerosene
• WND Wind	◦ PC Oil - Petroleum Coke
	◦ RFO Oil - Residual Fuel Oil
	◦ WO Oil - Waste/Other Oil
	◦ OTH Other
	◦ HPS Pumped Storage
	◦ TDF Solid Waste - Tire Derived Fuel
	◦ WDS Wood - Wood/Wood Waste Solids

2. For generators that are eligible to satisfy RPS in VA pursuant to Va. Code § 56-585.5 C, GATS will apply a unique state certification number to the certificates created for that generator using a format to be determined by the SCC. For example, VA-#####-fueltype, where '#####' is a unique number and fuel type is one of the codes from the table above. For small distributed facilities ( $\leq 1$  MW), GATS will add the suffix "-D" after the appropriate fuel type, e.g., VA-#####-fueltype-D. Owners of resources seeking to qualify as small distributed resources ( $\leq 1$  MW) must self-certify that the facility meets the small-scale eligibility requirements of Va. Code § 56-585.5 C and provide such supplemental or technical information as may be required by GATS.
3. For small distributed resources ( $\leq 1$  MW) that also qualify as low income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must self-certify that the facility meets the established eligibility requirements by electronically attesting to the following language in GATS.

I ATTEST that this facility qualifies for the "Low Income Qualifying Project" designation because:

- It is a behind-the-meter facility that supplies its output directly to "low-income utility customers" as defined in Va. Code § 56-576. The facility is behind the meter of an individual who meets the definition of "low-income utility customer" or behind a master meter of a residential complex whose residents meet the definition of "low-income utility customer."

OR

- It is a front-of-the-meter facility that supplies its output to low-income customers through the established Dominion Energy Virginia community solar, shared solar, or multi-family shared solar programs, and it supplies a minimum of 50% of its output to subscribers that meet the definition of "low income utility customers" in Va. Code § 56-576.

I AGREE to notify the SCC Staff and the GATS Administrator within 30 days if the facility no longer satisfies the requirements above for the "Low Income Qualifying Project" designation.

4. If it is not possible for PJM EIS to determine if a facility is eligible in VA, any other VA certifications will be applied by the GATS Administrators on an exception basis as directed by the VA SCC. Additional requirements of VA regarding eligibility:
  - RECs associated with capacity or energy generated by a public utility serving the Commonwealth must be from facilities located within VA or within the PJM interconnection region.
  - RECs from biomass-fired and waste heat facilities are limited to that meeting the criteria of Va. Code § 56-585.5 C and accompanied by the appropriate affidavit.
  - Further market, technology or regulatory developments in Virginia not currently addressed by these Business Rules may be applied on an exception basis by GATS as directed by the VA SCC or presented to the Commission for consideration in further revision of these Business Rules.
5. RPS compliance in VA will be on a calendar-year basis. RECs meeting the criteria set forth in Va. Code § 56-585.5 C can be used for RPS compliance for the calendar year in which the generation occurred or, for RECs created in 2016 and thereafter, within the subsequent five calendar years. Any eligible RECs from small distributed facilities



created during this period should be given the appropriate suffix as described in Business Rule 2. Electric investor-owned utilities should retire RECs to meet their respective annual RPS requirements for the prior calendar, or compliance year.

6. It is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values.
7. For the period 2025 and beyond, further revisions to GATS will be addressed at a later time to reflect the VCEA (RPS Eligible Resources as defined in § 56-585.5 C) and any subsequent amendments in advance of the year 2025.

APPENDIX 1

Eligible Biomass Self-Certification Affidavit

I (officer name and title) of (applicant name) certify on this (date) , that the information provided below is true and complete and that the biomass facility called (facility name) located in Virginia hereby meets the eligibility requirements of Va. Code § 56-585.5 C to provide renewable energy certificates to help satisfy Virginia's RPS compliance for an electric investor-owned utility.

\_\_\_\_\_  
Signature

Biomass requirements:

- o Physically located at \_\_\_\_\_
- o Yes or no \_\_\_\_\_ in operation as of January 1, 2020
- o Facility fuel source \_\_\_\_\_
- o Yes or no \_\_\_\_\_ supplies no more than 10% of annual net generation to the electric grid
- o Yes or no \_\_\_\_\_ supplies no more than 15% of annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected
- o Facility's 2019 annual net generation was \_\_\_\_\_ MWh

Date completed affidavit sent simultaneously to GATS and Commission Staff

\_\_\_\_\_.

APPENDIX 2

Eligible Waste Heat Self-Certification Affidavit

I (officer name and title) of (applicant name) certify on this (date) , that the information provided below is true and complete and that the waste heat facility called (facility name) located in Virginia hereby meets the eligibility requirements of Va. Code § 56-585.5 C to provide renewable energy certificates to help satisfy Virginia's RPS compliance for an electric investor-owned utility.

\_\_\_\_\_  
Signature

Waste Heat requirements:

- Physically located at \_\_\_\_\_
- Yes or no \_\_\_\_\_ in operation as of January 1, 2020
- Facility fuel source \_\_\_\_\_
- Yes or no \_\_\_\_\_ the above-identified fuel source does not include fossil fuel combustion or forest or woody biomass
- Facility's 2019 annual net generation was \_\_\_\_\_ MWh

Date completed affidavit sent simultaneously to GATS and Commission Staff:

\_\_\_\_\_.

**Revised Business Rules for Issuing VA-Approved Renewable Energy Certificates ("RECs")  
pursuant to 2020 Virginia Clean Economy Act ("VCEA")**

1. For compliance years 2021-2024, GATS can automatically certify as eligible for use toward the VA RPS all renewable energy (as defined in § 56-576) from facilities located in Virginia and in the PJM Region, as similarly done today. However, effective January 1, 2021, the VCEA expressly prohibits the use of RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, (iii) biomass-fired facilities that are outside the Commonwealth, and (iv) biomass-fired facilities operating in the Commonwealth as of January 1, 2021, that supply 10 percent or more of their annual net electrical generation to the electric grid or more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected. Additionally, the definition of renewable energy does not include waste heat from fossil-fired facilities. To ensure that any RECs from a biomass or waste heat facility meet the legislative criteria in § 56-585.5 C, such a request to register with GATS will not be automatically accepted and must be accompanied by an affidavit provided to GATS, with a copy simultaneously furnished to the Commission Staff, attesting to such eligibility as shown on Appendix 1 or Appendix 2 of these business rules. The following table reflects the VA-Eligible fuel types that may be used to produce RECs to comply with the VCEA and satisfy the Virginia RPS requirements for compliance years 2021-2024:

VA-Eligible Fuel Types: 2021-2024	Non-Eligible Fuel Types
<ul style="list-style-type: none"> <li>• LFG Captured Methane - Landfill Gas</li> <li>• FCR Fuel Cell - Renewable Fuel</li> <li>• GEO Geothermal</li> <li>• WAT Hydro</li> <li>• OCI Ocean</li> <li>• AB Biomass - Agriculture Crops in VA</li> <li>• OBG Biomass - Other Biomass Gases in VA</li> <li>• OBL Biomass - Other Biomass Liquids in VA</li> <li>• OBS Biomass - Other Biomass Solids in VA</li> <li>• PW Biomass - Poultry Waste in VA</li> </ul>	<ul style="list-style-type: none"> <li>◦ CMG Captured Methane - Coal Mine Gas</li> <li>◦ BI Bituminous and Anthracite</li> <li>◦ LIG Coal - Lignite</li> <li>◦ SC Coal - Coal-based Syngas</li> <li>◦ SUB Coal - Sub-Bituminous</li> <li>◦ WC Coal - Waste Other</li> <li>◦ EE Energy Efficiency</li> <li>◦ DSR Demand-Side Response</li> <li>◦ FCN Fuel Cell - Non-Renewable Fuel</li> <li>◦ BFG Gas - Blast-Furnace Gas</li> <li>◦ NG Gas - Natural Gas</li> </ul>

<ul style="list-style-type: none"> <li>• SLW Biomass - Sludge Waste in VA</li> <li>• SW Biomass – Swine Waste in VA</li> <li>• SUN Solar - Photovoltaic</li> <li>• STH Solar - Thermal</li> <li>• MSW Solid Waste - Municipal Solid Waste</li> <li>• WH Waste Heat</li> <li>• WND Wind</li> </ul>	<ul style="list-style-type: none"> <li>◦ OG Gas - Other</li> <li>◦ PG Gas - Propane</li> <li>◦ NR Nuclear</li> <li>◦ DFO Oil - Distillate Fuel Oil</li> <li>◦ JF Oil - Jet Fuel</li> <li>◦ KR Oil - Kerosene</li> <li>◦ PC Oil - Petroleum Coke</li> <li>◦ RFO Oil - Residual Fuel Oil</li> <li>◦ WO Oil - Waste/Other Oil</li> <li>◦ OTH Other</li> <li>◦ HPS Pumped Storage</li> <li>◦ TDF Solid Waste – Tire Derived Fuel</li> <li>◦ WDS Wood – Wood/Wood Waste Solids</li> </ul>
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2. For generators that are eligible to satisfy RPS in VA pursuant to Va. Code § 56-585.5 C, GATS will apply a unique state certification number to the certificates created for that generator using a format to be determined by the SCC. For example, VA-#####-fueltype, where '#####' is a unique number and fuel type is one of the codes from the table above. For small distributed facilities ( $\leq 1$  MW), GATS will add the suffix "-D" after the appropriate fuel type, e.g., VA-#####-fueltype-D. Owners of resources seeking to qualify as small distributed resources ( $\leq 1$  MW) must self-certify that the facility meets the small-scale eligibility requirements of Va. Code § 56-585.5 C and provide such supplemental or technical information as may be required by GATS.

3. For small distributed resources ( $\leq 1$  MW) that also qualify as low income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must self-certify that the facility meets the established eligibility requirements by electronically attesting to the following language in GATS.

I ATTEST that this facility qualifies for the "Low Income Qualifying Project" designation because:

- It is a behind-the-meter facility that supplies its output directly to "low-income utility customers" as defined in Va. Code § 56-576. The facility is behind the meter of an individual who meets the definition of "low-income utility customer" or behind a master meter of a residential complex whose residents meet the definition of "low-income utility customer."

OR

- It is a front-of-the-meter facility that supplies its output to low-income customers through the established Dominion Energy Virginia community solar, shared solar, or multi-family shared solar programs, and it supplies a minimum of 50% of its output to subscribers that meet the definition of "low income utility customers" in Va. Code § 56-576.

I AGREE to notify the SCC Staff and the GATS Administrator within 30 days if the facility no longer satisfies the requirements above for the "Low Income Qualifying Project" designation.

3.4. If it is not possible for PJM EIS to determine if a facility is eligible in VA, any other VA certifications will be applied by the GATS Administrators on an exception basis as directed by the VA SCC. Additional requirements of VA regarding eligibility:

- RECs associated with capacity or energy generated by a public utility serving the Commonwealth must be from facilities located within VA or within the PJM interconnection region.
- ~~Low income qualifying projects as defined in § 56-585.5 A and addressed in § 56-585.5 C are not separately designated in GATS at this time.~~
- RECs from biomass-fired and waste heat facilities are limited to that meeting the criteria of Va. Code § 56-585.5 C and accompanied by the appropriate affidavit.
- Further market, technology or regulatory developments in Virginia not currently addressed by these Business Rules may be applied on an exception basis by GATS as directed by the VA SCC or presented to the Commission for consideration in further revision of these Business Rules.

- 4.5. RPS compliance in VA will be on a calendar-year basis. RECs meeting the criteria set forth in Va. Code § 56-585.5 C can be used for RPS compliance for the calendar year in which the generation occurred or, for RECs created in 2016 and thereafter, within the subsequent five calendar years. Any eligible RECs from small distributed facilities created during this period should be given the appropriate suffix as described in Business Rule 2. Electric investor-owned utilities should retire RECs to meet their respective annual RPS requirements for the prior calendar, or compliance year, ~~and report such information to the Director of the Commission's Division of Public Utility Regulation by April 30<sup>th</sup> of each year.~~
- 5.6. It is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values.
- 6.7. For the period 2025 and beyond, further revisions to GATS will be addressed at a later time to reflect the VCEA (RPS Eligible Resources as defined in § 56-585.5 C) and any subsequent amendments in advance of the year 2025.

## APPENDIX 1

## Eligible Biomass Self-Certification Affidavit

I (officer name and title) of (applicant name) certify on this (date) , that the information provided below is true and complete and that the biomass facility called (facility name) located in Virginia hereby meets the eligibility requirements of Va. Code § 56-585.5 C to provide renewable energy certificates to help satisfy Virginia's RPS compliance for an electric investor-owned utility.

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Signature

Biomass requirements:

- Physically located at \_\_\_\_\_
- Yes or no \_\_\_\_\_ in operation as of January 1, 2020
- Facility fuel source \_\_\_\_\_
- Yes or no \_\_\_\_\_ supplies no more than 10% of annual net generation to the electric grid
- Yes or no \_\_\_\_\_ supplies no more than 15% of annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected
- Facility's 2019 annual net generation was \_\_\_\_\_ MWh

Date completed affidavit sent simultaneously to GATS and Commission Staff

\_\_\_\_\_.



APPENDIX 2

Eligible Waste Heat Self-Certification Affidavit

I (officer name and title) of (applicant name) certify on this (date) , that the information provided below is true and complete and that the waste heat facility called (facility name) located in Virginia hereby meets the eligibility requirements of Va. Code § 56-585.5 C to provide renewable energy certificates to help satisfy Virginia's RPS compliance for an electric investor-owned utility.

\_\_\_\_\_  
Signature

Waste Heat requirements:

- Physically located at \_\_\_\_\_
- Yes or no \_\_\_\_\_ in operation as of January 1, 2020
- Facility fuel source \_\_\_\_\_
- Yes or no \_\_\_\_\_ the above-identified fuel source does not include fossil fuel combustion or forest or woody biomass
- Facility's 2019 annual net generation was \_\_\_\_\_MWh

Date completed affidavit sent simultaneously to GATS and Commission Staff:

\_\_\_\_\_.