

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

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<b>Case Number (if already assigned)</b>	PUR-2022-00187
<b>Case Name (if known)</b>	Application of Virginia Electric and Power Company for revision of rate adjustment clause: Rider OSW, Coastal Virginia Offshore Wind Commercial Project, for the Rate Year commencing September 1, 2023
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## PUBLIC VERSION

May 1, 2023

### BY ELECTRONIC DELIVERY

Bernard Logan, Clerk  
State Corporation Commission  
Document Control Center  
Tyler Building, First Floor  
1300 East Main Street  
Richmond, Virginia 23219

*Application of Virginia Electric and Power Company for revision of rate adjustment clause:  
Rider OSW, Coastal Virginia Offshore Wind Commercial Project,  
for the Rate Year commencing September 1, 2023*  
**Case No. PUR-2022-00187**

Dear Mr. Logan:

Please find enclosed for electronic filing in the above-referenced matter the public version of *Virginia Electric and Power Company's Six-Month Status Report*. An extraordinarily sensitive version is also being filed under seal under separate cover.

Please do not hesitate to contact me if you have any questions regarding this filing.

Highest regards,

/s/ Vishwa B. Link

Vishwa B. Link

Enc.

Cc: Hon. Mary B. Adams, Hearing Examiner  
Paul E. Pfeffer, Esq.  
David J. DePippo, Esq.  
Timothy D. Patterson, Esq.  
Benjamin A. Shute, Esq.  
Briana M. Jackson, Esq.  
Service List

**Rider OSW – Six-Month Status Report  
Case No. PUR-2022-00187  
May 1, 2023**

In the Final Order issued in Case No. PUR-2021-00142 (“CVOW Final Order”),<sup>1</sup> the State Corporation Commission (the “Commission”) directed Virginia Electric and Power Company (“DEV” or the “Company”) to file in each Rider OSW update prior to the Project’s commercial operation date:

(1) any material changes to the Project . . . (2) the most recent bi-annual update as ordered in Case No. PUR-2021-00292; (3) an updated LCOE calculation with the most current assumptions, including the Company’s LCOE model in executable Microsoft Excel format with formulae intact; and (4) a written explanation as to the reason for any cost overruns above the most recent estimate provided by the Company, and the reasonableness and prudence of the additional costs.”<sup>2</sup>

The Final Order further provides that “[t]he Company shall also file an update to such report six months after the filing of each annual Rider OSW update application.”<sup>3</sup> The Company’s most recent annual Rider OSW update application was filed on November 1, 2022. Accordingly, pursuant to this directive, the Company provides this six-month report providing updates, as applicable, on each of the issues noted above.

**(1) Please comment on any material changes to the Project.**

Permitting Schedule: The Bureau of Ocean Energy Management’s (“BOEM”) Draft Environmental Impact Statement (“DEIS”) was published in the Federal Register on December 16, 2022, followed by a 60-day public comment period which closed on February 14, 2023. The DEIS includes consideration of comments submitted during the public scoping process which concluded on August 2, 2021. BOEM is reviewing the public comments, including those made by cooperating federal agencies. Appropriate comments will be addressed and incorporated in the Final Environmental Impact Statement (FEIS) to be issued by BOEM on September 29, 2023, with the Record of Decision (ROD) to be issued on October 30, 2023. Issuance of final permits, including the Joint Permit Application (JPA) from the U.S. Army Corps of Engineers (USACOE), is scheduled to occur by January 29, 2024. Onshore and offshore construction will commence shortly after the receipt of the final permits. The updated milestone schedule dates are not expected to impact the planned project in-service during late 2026.

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<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 (Aug. 5, 2022).*

<sup>2</sup> CVOW Final Order at 14-15.

<sup>3</sup> CVOW Final Order at 15.

**(2) Please provide the most recent bi-annual update provided as ordered in Case No. PUR-2021-00292.**

The most recent bi-annual update as ordered in Case No. PUR-2021-00292, provided to the Commission Staff on March 15, 2023, is attached as Appendix A.

This report is extraordinarily sensitive as indicated therein and is being provided pursuant to the protections set forth in 5 VAC 5-20-170, the Hearing Examiner’s Protective Ruling and Additional Protective Treatment for Extraordinarily Sensitive Information dated December 7, 2022, and subsequent protective order or ruling that may be issued for confidential or extraordinarily sensitive information in this proceeding, and the Agreements to Adhere executed pursuant to any such orders or rulings.

**(3) Please provide an updated LCOE calculation with the most current assumptions.**

The updated LCOE calculation is included in Table 1 below. This updated LCOE calculation includes costs of \$9.8 billion, but updates ICF REC values and uses production tax credits (PTCs) instead of investment tax credits (ITCs). Concurrently with this filing, the Company is posting to the eRoom in this matter the LCOE model in executable Microsoft Excel format with formulae intact.

**Table 1**

	<b>OSW Commercial Project (1 Block) Phase 1</b>	
Net Capacity Factor	42%	
Year Dollars	2027	2018
<b>LCOE (\$/MWh)</b>	<b>\$ 80.0</b>	<b>\$ 67.6</b>
RECs (\$/MWh)	\$ 9.7	
<b>LCOE excluding RECs (\$/MWh)</b>	<b>\$ 89.6</b>	<b>\$ 75.8</b>

These calculations show that the LCOE has decreased since it was initially calculated in Case No. PUR-2021-00142. Those initial calculations showed that the LCOE was \$87 per MWh in 2027 dollars and \$73 per MWh in 2018 dollars, compared to \$80 and \$68, respectively, today.

**4) Please provide a written explanation as to the reason for any cost overruns above the most recent estimate provided by the Company. If applicable, please also explain the reasonableness and prudence of the additional costs.**

The total capital cost estimate for the CVOW Commercial Project has not changed from the most recent estimate and remains at \$9.8 billion (excluding financing costs).

Dominion Energy Services, Inc.  
Law Department  
120 Tredegar Street, Richmond, VA 23219  
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Assistant General Counsel  
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**VIA ELECTRONIC DELIVERY**

March 15, 2023

Mr. Robert F. Sartelle, UAF Manager  
State Corporation Commission  
Tyler Building – Fourth Floor  
1300 East Main Street  
Richmond, Virginia 23219

**Application of Virginia Electric and Power Company and Blue Ocean Energy  
Marine, LLC for approval of an Affiliate Agreement under Chapter 4 of Title 56 of  
the Code of Virginia  
Case No. PUR-2021-00292**

Dear Mr. Sartelle:

Please find enclosed for filing the March 15, 2023, semiannual report of Blue Ocean Energy Marine, LLC and Dominion Energy Virginia pursuant to Ordering Paragraph (1) of the March 18, 2022, Final Order issued in the above-referenced case.

The Company is also resubmitting its September 15, 2022, report which contains information that has been designated as Confidential. Enclosed is the revised report.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ David J. DePippo*

David J. DePippo  
Assistant General Counsel

Attachment

cc: Lisa R. Crabtree, Esq.  
Charlotte P. McAfee  
Karl Humberson  
Elaine S. Ryan, Esq.  
Timothy D. Patterson, Esq.

Semiannual Reporting Notification  
as required by the  
VA SCC Final Order in PUR-2022-00292 and  
NCUC Order Approving Affiliate Agreement  
Subject to Conditions in Dkt No. E-22, SUB 633

March 15, 2023

Pursuant to Ordering Paragraph (1) of the Final Order issued in PUR-2022-00292, and Condition 1 in the Order Approving Affiliate Agreement Subject to Conditions in Dkt No. E-22, SUB 633, Blue Ocean Energy Marine, LLC and Dominion Energy Virginia/North Carolina (“DEV/DENC”) hereby provide the following notifications regarding the topics below as of February 28, 2023:

1. The Charybdis construction timetable.

[Redacted]

c. Currently, the capital construction estimate (excluding financing costs) for the Charybdis construction has not changed. The Charybdis is expected to be available for turbine installation in 2024.

2. The North East Charter Party timetable.

[Redacted]

3. The DEV/DENC Charter Party timetable.

a. Currently, the DEV/DENC Charter Party timetable is on schedule.

[Redacted content]

Semiannual Reporting Notification  
as required by the  
Final Order in PUR-2021-00292

September 15, 2022 (rev. 3-15-23)

Pursuant to Ordering Paragraph (1) of the Final Order issued in PUR-2021-00292, Blue Ocean Energy Marine, LLC and Dominion Energy Virginia (“DEV”) hereby provides the following notifications regarding the topics below as of August 31, 2022:

- 1. The Charybdis construction timetable.
  - a. The shipyard construction timetable is on schedule for completion in fourth quarter 2023.
  - b. There have been no delays to the construction timetable that affect the projected fourth quarter 2023 completion.
  - c. Given the responses to (a) and (b), there has been no effect in time on the North East Offshore or DEV Charter Parties or the CVOW Project. There has been no change or other effect on construction cost for WTIV Charybdis.

- 2. The North East Charter Party timetable.
 

[REDACTED]

- 3. The DEV Charter Party timetable.
  - a. The charter timetable is on schedule.
  - b. No delays to the charter timetable have occurred.
  - c. With no delays, there has been no effect in time or dollars on the CVOW Project.



