	DOGUMENT CONTROL
1	COMMONWEALTH OF VIRGINIA
2	STATE CORPORATION COMMISSION 201 30 A 10:01
3	Case No. PUR-2023-00162
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6	Application of Virginia Electric and Power
7	Company to participate in the pilot program
8	for electric power storage batteries pursuant
9	to § 56-585.1:6 of the Code of Virginia and
10	for certification of a proposed battery energy
11	storage system pursuant to \$ 56-580 D of the
12	Code of Virginia
13	
14	
15	HEARING BEFORE HONORABLE A. ANN BERKEBILE
16	SENIOR HEARING EXAMINER
17	
18	JANUARY 24, 2024, 10:00 a.m. to 11:35 a.m.
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2	1300 East Main Street
3	1st Floor
4	Richmond, VA 23218
5	Phone: 804-371-9946
6	2nd Floor Courtrooms
7	Courtroom C
8	
9	Pursuant to agreement, before Joshua Tubbs,
10	Notary Public in and for Commonwealth of
11	Virginia.
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1	THE BAILIFF: The Virginia State
2	Corporation Commission in session. The
3	Commonwealth of Virginia. Please be seated.
4	Today's document consists of case number
5	BUR-2023-00162. Application of being
6	Electrical Power Company to participate in the
7	pilot program for Electric Power Storage
8	Batteries pursuant to section 56-585.1:6 of
9	the Code of Virginia and for certification of
10	a proposed battery energy resources pursuant
11	to section 56-580D of the Code of Virginia.
12	Honorable A. Ann Berkebile, Senior Hearing
13	Examiner presiding.
14	THE COURT: Good morning,
15	everyone. Can we please start with the
16	introduction of counsel? Let's start with the
17	company.
18	MS. RAY: Good morning, Your
19	Honor. Jontille Ray from McGuireWoods, along
20	with Lisa Crabtree and Etahjayne J. Harris from
21	the Company on behalf of the applicant, Virginia
22	Electric and Power Company.

1	THE COURT: Good morning.	
2	MR. FARMER: Good morning, Your	
3	Honor. John Farmer on behalf of the Office of	
4	the Attorney General.	
5	THE COURT: Good to see you.	
6	MR. OCHSENHIRT: Good morning,	
7	your Honor. Fred Ochsenhirt and Simeon Brown	
8	for the staff.	
9	THE COURT: All right. I'm	
10	going to I'm happy everyone's here.	
11	Anxious to hear what everyone has to say. I'm	
12	going to note for the record that when the	
13	commission set the procedure for this case,	
14	public witnesses were given a certain time	
15	period to file the request to testify by	
16	telephone, and we did not receive any of those	
17	requests. I'm going to make sure that there's	
18	no one in the gallery who has any interest is	
19	testifying as a public witness and no one is	
20	raising their hands. So I will view that as a	
21	no. And with that in mind, I also recognize	
22	that I have got a proposed order of	

1	proceedings that I'm going to use as sort of
2	our roadmap here, and I'm going to start
3	well, one more thing. There was a notice of
4	participation filed by the board of
5	supervisors for Culpeper County in this case,
6	and they have not appeared, at least thus far.
7	With that in mind, I'm going to go ahead and
8	start with openings and I will start with the
9	company.
10	MS. RAY: May it please the
11	commission, again, your Honor, my name is
12	Jontille Ray on behalf of the applicant,
13	Virginia Electric and Power Company. As part
14	of the Grid Transformation and Security Act of
15	2018, the general assembly directed the
16	commission to establish a pilot program for
17	electric power storage batteries. This
18	legislation was codified at Virginia Code
19	Section 56-585.1:6. The legislation
20	established the permissible objectives with
21	the pilot program, set a maximum size for and
22	duration of the pilot program, and provided

1	that cost recovery for the pilot program would
2	be to the company's base rates. The
3	legislation also declared any pilot program
4	proposed by a qualifying public utility that
5	satisfies the legislative requirements to be
6	in the public interest. The commission
7	established guidelines for the administration
8	of the pilot program in November of 2018,
9	which, among other things, outlined the
10	contents required for a pilot program
11	application.
12	Before the Commission today is the
13	company's second application to participate in
14	the pilot program. Through its second
15	application, the company seeks approval to
16	deploy three battery energy storage systems,
17	which we also refer to as BESS or BESS. The
18	company refers to its three proposals in this
19	proceeding as BESS-4, BESS-5, and BESS-6. The
20	direct testimony and schedules of company
21	witnesses Brandon E. Martin and Sean Stevens
00	
22	contain all the information required by the

1	guidelines for a proposal to deploy a BESS as
2	a part of the pilot program. The commission
3	has already approved three BESS facilities
4	under the pilot program totaling 16 megawatts
5	in case number PUR 201900124. This
6	application will bring the aggregate capacity
7	of all pilot program projects approved by the
8	Commission for the company to 28.34 megawatts.
9	No party has questioned the completeness of
10	the company's application, and staff agrees
11	that all three proposed pilot projects may
12	achieve one or more of the statutory
13	objectives.
14	Turning to the specific proposals,
15	through BESS-4, the company proposes to
16	install an 8.94 megawatt BESS-4 pilot facility
17	comprised of two non lithium ion technologies
18	at the Darby Town Power Station on
19	company-owned property. The form energy ion
20	air BESS is a 4.94 megawatt or 494 megawatt
21	hour alternating current or AC multiday
22	system, and the eos energy zinc hybrid BESS is

1	a four megawatt, 16 megawatt hour AC system.
2	BESS-4 seeks to accomplish the following
3	statutory objectives. To improve integration
4	of renewable resources and to reduce the need
5	for additional generation during peak times
6	of peak demand. The projected cost for BESS-4
7	is approximately \$70.6 million. No party has
8	disputed the technology, size or location of
9	BESS-4. Staff agrees that BESS-4 could
10	accomplish the two identified statutory
11	objectives. One final note on BESS-4 is that
12	the company also seeks Commission approval for
13	a Certificate of Public Convenience and
14	Necessity, or CPCN to construct and operate
15	BESS-4 at the company's Darbytown Power
16	Station to the extent necessary. Staff does
17	not oppose the company's request for approval
18	of the CPCN for BESS-4. Through BESS-5, the
19	company proposes to install a 1.9 megawatt,
20	3.8 megawatt hour AC coupled BESS at the
21	company's electric distribution safety and
22	training center, or DSTC in Chesterville

1	County. BESS-5 seeks to accomplish the
2	following statutory objectives. Improved
3	reliability of electrical transmission or
4	distribution systems, deferred investment and
5	generation transmission or distribution of
6	electricity and reduce need for additional
7	generation of electricity during times of peak
8	demand. The projected cost for BESS-5 is
9	approximately \$6 million. Staff does not
10	dispute the value of this pilot project, but
11	staff witness Brannick questions whether there
12	is sufficient evidence to demonstrate that
13	BESS-5 can accomplish the improved integration
14	of different types of renewable resources and
15	deferred investment and generation
16	transmission for distribution of electricity.
17	So I would like to briefly address those two
18	statutory objectives.
19	Regarding the first objective, as the
20	rebuttal testimony of company witness Stevens
21	explains, the company agrees that the BESS-5
22	pilot will not be integrating different types

1	of renewable resources at this time and will
2	only integrate EV charging as a part of the
3	current design. The company is however
4	evaluating future projects to include a small
5	solar array at the DSTC campus that would
6	integrate into that micro grid. As to the
7	second objective, company witness Stevens also
8	explains in his rebuttal testimony that while
9	the company is not proposed deferment of a
10	specific investment and generation
11	transmission or distribution of electricity as
12	a BESS-5 objectives, both the demand response
13	and voltage support applications will perform
14	functions that reduce ware on traditional
15	equipment and ultimately extend the
16	operational life of equipment deferring
17	potential upgrades. The BESS-5 pilot will
18	evaluate the capability of the system to
19	perform functions that reduce ware on
20	traditional equipment and ultimately extend
21	the operational life of equipment while also
22	while also primarily supporting the DSTC

1	facility for backup power. The ability to
2	manage both backup power and perform
3	additional bridge services such as demand
4	response and voltage support will be a
5	critical factor in deploying future battery
6	energy storage systems and the knowledge
7	gained from BESS-5 will allow the company to
8	explore this capability for future
9	applications.
10	And finally, through BESS-6, the
11	company proposes to install a 1.5 megawatt or
12	15 megawatt AC coupled best at Virginia State
13	University's multipurpose center. BESS-6
14	seeks to accomplish the following statutory
15	objectives. Improved reliability of
16	electrical transmission or distribution
17	systems, reduced need for additional
18	generation of electricity during times of peak
19	demand, and connection to the facilities of a
20	customer receiving distribution service from
21	the utility. The projected cost for BESS-6 is
22	approximately \$14.4 million. Again, staff

does not question the technology size or
location of BESS-6. Staff witness Brannick
agrees that BESS-6 may accomplish the three
identified objectives. For both BESS-5 and
BESS-6, however, given the infrequent number
of outages at both locations, staff witness
Brannick recommends the company consider
implementing annual artificial artificial
or pseudo plan outages and the company does
not oppose this recommendation.
A final topic that arose for all three
projects is the annual reporting requirements
and metrics. Staff does not oppose the
company's proposed reporting metrics for the
three proposed projects in this proceeding.
However, staff witness Brannick recommends
that the company incorporate two additional
reporting metrics for all three projects.
One, cost and benefit data and, two, energy to
throughput. As a rebuttal testimony, the
company witness Stevens explains, the company
has no objection to recording these two

1	additional metrics for all the BESS pilot
2	projects in its annual report. The company
3	also commits to working with staff to identify
4	and provide any additional metrics or
5	information that will be useful for tracking
6	performance of the pilot program.
7	So in conclusion, your Honor, the
8	evidence will show that the pilot program
9	provides the company with a valuable
10	opportunity to test the functionality,
11	capability, and operability of battery energy
12	storage systems. The three proposed batteries
13	here meet the requirements of Virginia Code
14	Section 56-585.1:6 and, therefore, should be
15	found by the Commission to be in the public
16	interest. For these reasons, the three
17	proposed BESS should be approved to
18	participate in the pilot program and the
19	company respectfully requested an order by
20	March 31st. We thank your Honor for your
21	attention to this case and look forward to the
22	developing the record.

1	THE COURT: Thank you. Give you
2	a second. Mr. Farmer.
3	MR. FARMER: Good morning, your
4	Honor. May it please the Commission, John
5	Farmer, on behalf of Consumer Counsel.
6	As your Honor is aware, Consumer
7	Counsel has not filed testimony in this case,
8	but has reviewed the application, testimony
9	and discovery. Section 56-585.1:5, the
10	statute governing battery storage pilot
11	program states, quote, a proposal shall
12	provide for the deployment of batteries
13	pursuant to a pilot program that accomplishes
14	at least one of the following, end quote.
15	That goes on to identify five permissible
16	goals, which I would paraphrase as
17	reliability, integration of renewables,
18	deferred investment and generation
19	transmission or distribution assets, reduced
20	need for generation during peak demand, and
21	connection to facilities of a customer of the
22	utility. If a proposed program meets the

1	requirements of the statute, which at a
2	minimum include achieving at least one of the
3	statutory goals I just mentioned, it is
4	legislatively declared to be in the public
5	interest and the project's reasonable and
6	prudent costs can be recovered through the
7	company's base rates. Consumer Counsel will
8	not be taking a position in this case that any
9	of BESS-4, BESS-5, or BESS-6 will not further
10	at least one of the five enumerated goals of
11	the statute, but we are going to have some
12	questions today on the costs, which are
13	substantially greater than what was in the
14	company's previous slate of pilot program
15	proposals considered in case number PUR
16	201900124. Now, at the hearing in that case,
17	a witness appearing on behalf of the company
18	during some questioning about cost
19	effectiveness of battery storage relative to
20	traditional grade upgrades stated, quote, you
21	can look over the years and see the decrease
22	in costs associated with solar installations.

1	We expect the same with battery systems as the
2	technology matures, end quote. And that was
3	from the transcript, page 96, line 23 through
4	page 98, line two, or that's what I quoted as
5	an excerpt from that larger section of the
6	transcript. The comparison of the cost
7	presented for BESS one, BESS two, BESS three
8	in that case to the cost presented in this
9	case for BESS-4, five, and six raises some
10	eyebrows. That is in 2019, the company
11	presented three projects totaling 16 megawatts
12	of capacity at a total cost of a little over
13	\$33 million. In this case we have three
14	projects totaling 12-and-a-half megawatts of
15	capacity at a total cost of \$91 million. So
16	that's more than two-and-a-half times the cost
17	for three-and-a-half ear megawatts. Another
18	way of looking at it is in this case, one
19	project by itself, the \$70 million BESS-4
20	project will cost more than double the
21	combined cost of BESS one, BESS two and BESS
22	three. Consumer Counsel acknowledges the

1	projects presented in this case are not apples
2	to apples with BESS one, two and three in
3	terms of what they seek to do. In the context
4	of a pilot program, we would have concerns if
5	there were duplicative projects, and I think
6	we have a general awareness of developments in
7	the economy generally and in the battery
8	storage industry in particular since 2019 that
9	may be affecting cost, but my hope for today
10	is to explore these issues with the company
11	and staff witnesses and see if we can better
12	understand the very different cost picture
13	presented by this application relative to the
14	company's 2019 application and to ensure that
15	the company is doing everything it can to
16	protect rate payers in the face of this
17	volatility.
18	I do have one additional comment before
19	we proceed, and that is that staff witness
20	Brannick made two recommendations for BESS-5
21	and six related to using artificial outages to
22	better utilize those projects, and he likewise

1	proposed additional metrics for evaluating all
2	three projects. The company is not objecting
3	to any of his recommendations, and we would
4	just note for the record our support for those
5	recommendations.
6	I appreciate the opportunity to
7	participate and look forward to develop the
8	record
9	THE COURT: Before you walk away
10	and if you, you know, I don't want to get
11	ahead of myself. I'm sort of assuming we're
12	going to have closing arguments at the end of
13	this case absent something unforeseen that
14	would require a quick brief. So you may want
15	to wait and answer a question or two for me,
16	but I have a couple of things I wanted to
17	on the cost issue and I understand we're going
18	to delve into the differences between what was
19	approved last time and the cost of the
20	projects that are before the Commission this
21	time. Does Consumer Counsel take any issue
22	with the reasonableness of the cost to

1	accomplish these projects? Now, I may not
2	I'm not sure if I phrased that question as
3	clearly as I would like to, but do you have
4	any Consumer Counsel going to be contesting
5	or taking any kind of position regarding
6	whether or not this particular type of
7	technology that they're proposing here that
8	these costs look like with the market rate for
9	these projects would be at this time?
10	MR. FARMER: I don't anticipate
11	that we would be taking issue with the cost.
12	THE COURT: Okay.
13	MR. FARMER: In the sense of
14	taking a position that they're
15	THE COURT: Like, if this box is
16	going to cost this much money, you're not
17	saying, well, they could have gotten this box
18	for a lot cheaper?
19	MR. FARMER: That's correct.
20	THE COURT: Okay. It's the
21	first one, and the other question is on the
22	CPCN issue, two of the projects, the company's

1	taking the position that they are ordinary
2	improvements for purposes of 5ADD and staff
3	ultimately, from what I understand and
4	testimony, didn't oppose that conclusion.
5	Does the Commission does Consumer Counsel
6	have any opposition to that conclusion or take
7	a position relative to that issue?
8	MR. FARMER: Yeah, Consumer
9	Counsel does not oppose that conclusion.
10	THE COURT: Doesn't oppose that
11	conclusion. Thank you, Mr. Farmer.
12	MR. FARMER: Thank you.
13	THE COURT: Commission Statwell,
14	I'll give him a minute.
15	MR. BROWN: Good morning, your
16	Honor, and may I please to Commission. My
17	name is Simeon Brown here representing
18	Commission staff, together with Fred
19	Ochsenhirt. As you've heard, we're here today
20	on Dominion's application to participate in
21	the pilot program for electric power storage.
22	THE COURT: Is it flashing

1	lashing again?
2	MR. BROWN: Yeah. Sorry. As I
3	said, as you've heard, we're here today on
4	Dominion's application to participate in the
5	pilot program for electric power battery
6	storage batteries. For electric power storage
7	batteries pursuant to section 56-585.1:6 of
8	the Code of Virginia. Staff investigated the
9	application and filed the testimony of one
10	witness, Jason P. Brannick, on December 21,
11	2023. Based on staff's review of the
12	company's application, staff believes that the
13	BESS-4, BESS-5 and BESS-6 achieve most of the
14	identified objectives of code section
15	56585.1:6A. Regarding BESS-4, staff is of the
16	opinion that BESS-4 may accomplish two
17	specified objectives. First, improve
18	integration of renewable resources and second,
19	reduce need for additional generation of
20	electricity during times of peak demand.
21	Regarding BESS-5, staff believes two of four

1	First, improve integration of renewable
2	resources and second, reduce need for
3	additional generation of electricity during
4	times week demand. However, staff contends
5	the company did not provide sufficient
6	evidence to demonstrate that BESS-5 can
7	accomplish the two other identified
8	objectives, those being improved integration
9	of different types of renewable resources and
10	deferred investment in generation,
11	transmission, or distribution of electricity.
12	Regarding BESS-6, staff believes three
13	identified objectives may be accomplished.
14	Improved reliability of electric transmission
15	of electric transition or distribution
16	systems. Two, reduce need for additional
17	generation of electricity during time peak
18	demand, and three, connection to facilities of
19	a customer receiving distribution service from
20	the utility. Also, due to the infrequency of
21	outages of the electric distribution, safety
22	and training facility and multipurpose center,

1	staff recommends that the company implement
2	artificial or pseudo planned outage exercises
3	throughout the year to enhance the utilization
4	of BESS-5 and BESS-6.
5	Lastly, if BESS-4 is approved part of
6	the pilot program, staff does not oppose the
7	company's request that the commission issued
8	the certificate of public convenience a
9	necessity for BESS-4 conditioned on the
10	company's compliance with the recommendations
11	provided in the Department of Environmental
12	Qualities Environmental Review and the
13	wetlands impact constitution. Thank you, your
14	Honor.
15	THE COURT: Thank you. And
16	they've agreed to that in their rebuttal,
17	correct?
18	MR. BROWN: Yes.
19	THE COURT: All right. Thank
20	you. All right. We will now start with
21	building the records. So I'm going to come to
22	the company and we'll start doing that, and

1	when we I know we had some supplemental
2	testimony and we had some replacement
3	testimony, so we're going to be clear for the
4	bailiff so we know exactly what's coming in
5	into the record. I'm sure you would do that
6	anyway, but I know we need to be on the
7	lookout for that under the circumstances.
8	MS. HARRIS: Good morning, your
9	Honor. I would first ask the company's proof
10	of notice and service filed on November 21,
11	2023 be marked for identification and admitted
12	into the record.
13	THE COURT: The proof of notice
14	is marked and admitted as Exhibit 1.
15	(Exhibit 1, Proof of Notice
16	marked in evidence.)
17	MS. HARRIS: Next, I would ask
18	to have the company's application consisting
19	of nine typed pages and one exhibit, which was
20	filed in this proceeding on September 18, 2023
21	and a public version only be marked for
22	identification and admitted into the record.

1	THE COURT: All right. The
2	application is marked and admitted. There was
3	nothing attached, I guess, because the
4	testimony was separate from the application.
5	The application itself, all by itself is all
6	public. Okay. The application is marked and
7	admitted as Exhibit 2.
8	(Exhibit 2, application, marked
9	in evidence.)
10	MS. RAY: Your Honor, at this
11	time, the company would call Brandon E.
12	Martin.
13	BRANDON E. MARTIN,
14	after having been first duly sworn, was
15	examined and testified as follows:
16	DIRECT EXAMINATION
17	BY MS. RAY:
18	Q. Mr. Martin, could you please
19	state your name, position of employment, and
20	business address?
21	A. Brandon E Martin. I'm the
22	manager of business development. 600 East

1	Canal Street, Richmond, Virginia 23219.
2	Q. And do you have with you a
3	document entitled Direct Testimony of Brandon
4	E. Martin consisting of a one-page summary,
5	five typed pages of questions and answers and
6	Appendix A and one schedule, which was filed
7	in public and extraordinarily sensitive
8	versions in this proceeding on September 18,
9	2023?
10	A. Yes.
11	Q. And was that document prepared
12	by you or under your supervision?
13	A. Yes.
14	Q. And do you have any corrections
15	or additions to that document?
16	A. Yes. Under schedule one, page
17	four, I'd like to strike united and replace it
18	with underwriters to read underwriters
19	laboratory.
20	Q. Okay. Hold on one second.
21	Okay. Page four, schedule one?
22	A. Yes.

1	Q. Figure and can you repeat
2	that for me, please?
3	A. There's a united
4	Q. Gotcha.
5	A. That should be underwriters
6	laboratory.
7	Q. Thank you. And Mr. Martin, with
8	that correction, if you were asked the
9	questions appearing there, would you provide
10	the same with substantially similar answers?
11	A. Yes.
12	Q. And with that correction, do you
13	wish to sponsor that document as your direct
14	testimony in this proceeding?
15	A. Yes.
16	MS. RAY: Your Honor, I'd ask
17	that Mr. Martin's direct testimony in public
18	and extraordinarily sensitive versions be
19	marked for identification and admitted into
20	the record subject to cross-examination.
21	THE COURT: Mr. Martin's direct
22	testimony is marked and admitted as exhibits 3

1	and 3ES subject to cross-examination.
2	(Exhibit 3, direct testimony of
3	Brandon E. Martin, marked in evidence.)
4	(Exhibit 3ES, Direct Testimony
5	of Brandon E. Martin-Extraordinarily Sensitive
6	Version, marked in evidence.)
7	MS. RAY: And your Honor, the
8	witness is available for cross-examination.
9	THE COURT: I normally I'm
10	going to ask him just one clarifying question
11	and that way, if that prompts any questions
12	from you guys, you can take care of it now,
13	and then you could deal with it on redirect.
14	In the application, Mr. Martin, the
15	company their Exhibit 1 addresses various
16	rules that the company has to comply with when
17	filing applications with the Commission and
18	one of them deals with reliability. Hold on.
19	Let me get to it. If you go to Exhibit 1 of
20	the application, page four, it talks about
21	transmission reliability impacts for the
22	proposed facility, and then it refers me to or

1	it refers the Commission to schedule one. Do
2	you have that in front of you? Am I messing
3	you up? Do you need a second?
4	MR. FARMER: I'll probably need
5	a second.
6	THE COURT: Okay. I'll give you
7	a second.
8	MS. RAY: Page four, did you
9	say?
10	THE COURT: Page four and when
11	it's talking about the transmission
12	reliability impacts and it says we'll have no
13	impact on transmission reliability. See
14	schedule one to the direct testimony of you.
15	Discussing the specific objectives and
16	potential impacts of the proposed BESS-4, and
17	I'm not trying to I just want you to if
18	you could it's band upon that aspect or
19	tell me where in your testimony it actually
20	MR. FARMER: Yeah.
21	THE COURT: Addresses
22	transmission reliability.
,	-

1	MR. FARMER: I think it's
2	probably most likely because of the
3	distribution connected nature of this project.
4	It does not have a PJM specific
5	interconnection que that will have an ISA at
6	this time. So there's no known, you know,
7	reliability impacts in the negative.
8	THE COURT: Okay. All right.
9	Just keeping in mind there are lots of boxes
10	that need to be checked in from my when
11	I'm writing the report, which is part of the
12	reason why I want this clarified. So I
13	appreciate that response. Thank you. Turning
14	up that's all I had for him. Coming to Mr.
15	Farmer.
16	CROSS-EXAMINATION
17	BY MR. FARMER:
18	Q. Good morning, Mr. Martin.
19	A. Good morning.
20	Q. My name is John Farmer. I
21	represent Consumer Counsel. I'd like to start
22	on page two of your testimony.

1	A. Okay.
2	Q. And you'll see there is a large
3	part just above the middle of the page.
4	Please describe the proposed BESS-4 and you
5	discuss a few things here and prompted some
6	questions for me related to the lithium ion
7	market or industry generally. So page two,
8	line 14, you referenced the lower thermal
9	runaway risks for non lithium ion technologies
10	relative to lithium ion. Can you describe
11	what happens when a battery experiences
12	thermal runaway?
13	A. When a battery experiences
14	thermal runaway, it is the cause of a cell
15	overheating and causing surrounding cells to
16	then overheat.
17	Q. Okay. And that results in
18	can result in fire?
19	A. Yes.
20	Q. And you don't sponsor BESS-5,
21	but you are aware that BESS-5 is a lithium ion
22	system, correct?

1	A. Yes.
2	Q. Okay. So in trying to
3	understand the degree of the thermal runaway
	·
4	risk, I'm understanding from the application,
5	it's a substantial risk, but it's not so
6	substantial that we need to stop pursuing
7	lithium ion altogether, correct?
8	A. Absolutely correct.
9	Q. Okay. And as you go on to state
10	on this page, the electric vehicle industry is
11	still locked onto lithium ion as kind of the
12	standard.
13	A. Correct.
14	Q. And then on line 15 you
15	reference pricing volatility and supply chain
16	constraints related to the lithium ion market,
17	and this testimony was filed in September of
18	2023, correct?
19	A. Yes.
20	Q. Okay. Since September, what has
21	the company scene with lithium ion pricing?
22	A. I don't have the numbers here

1	recently of what trends have been transpiring
2	as it would be in the last four months. I
3	don't have that available to me right now.
4	Q. Okay. Are you able to describe
5	generally up, down or relatively consistent?
6	A. I think generally there have
7	been some downward trends in lithium pricing
8	specifically.
9	Q. Okay. And what about supply
10	chain constraints? Are you able to say
11	whether those have improved or gotten worse or
12	stayed the same generally?
13	A. I can't speak to those at this
14	time.
15	Q. Okay. Do you see anything in
16	the lithium ion industry that gives you
17	optimism for download trending prices over the
18	next, say, five years or so?
19	
	A. There is a fair amount of
20	A. There is a fair amount of industry trade publications that are
20 21	

1	suggest that there would be downward declines
2	in previous years when when we did hit
3	supply chain issues and volatility actually
4	went completely in the opposite direction.
5	So, you know, with the IRA and other
6	incentives that are encouraging domestic
7	manufacturing and mining, certainly
8	intriguing, but we'll need to see those come
9	to fruition before we see, you know, more
10	lithium supply by being produced to the market
11	and not taking by the demand.
12	Q. Okay. Thank you. And then line
13	18, we mentioned this already, but you
14	referenced the EV market that's expected to
15	primarily use lithium ion batteries, and the
16	concern there is competing with that industry
17	for the materials to build?
18	A. It is.
19	Q. Okay. And is that still the
20	that's still the company's expectation for the
21	EV market?
22	A. It is.

1	Q. Okay. Are you aware of any
2	experimentation in the ED market with non
3	lithium technologies?
4	A. I can't speak to the EV market
5	on non lithium alternatives.
6	Q. Okay. All right. Turning more
7	specifically to the BESS-4, I'd like to
8	MR. FARMER: Your Honor, I'd
9	like to pass out an exhibit.
10	THE COURT: Okay.
11	MR. FARMER: And your Honor,
12	I'll describe for the record this exhibit
13	contains the cover page and first page of the
14	2019 application in case number PR 2019/124,
15	and then Exhibit 3 to that application, which
16	is proposal summary for the BESS-3 project in
17	the last case.
18	THE COURT: I'm going to go
19	ahead and mark this, and I'm going to identify
20	it as being portions of the application from
21	PUR 219124, which includes the project
22	description for I think you said it's BESS-3,

1	correct? Yes.
2	MR. FARMER: That's correct.
3	THE COURT: And it is marked as
4	exhibit there's nothing confidential in
5	this exhibit. It's marked as Exhibit 4. Any
6	objection to its admission?
7	MS. RAY: No, your Honor.
8	THE COURT: All right. I'm
9	going to go ahead and admit it, Mr. Farmer.
10	MR. FARMER: Thank you, your
11	Honor.
12	(Exhibit 4, Portions of
12 13	(Exhibit 4, Portions of Application from PUR 2019-00124, marked in
13	Application from PUR 2019-00124, marked in
13 14	Application from PUR 2019-00124, marked in evidence.)
13 14 15	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER:
13 14 15 16	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER: Q. And Mr. Martin, are you familiar
13 14 15 16 17	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER: Q. And Mr. Martin, are you familiar with the BESS-3 project that was approved in
13 14 15 16 17 18	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER: Q. And Mr. Martin, are you familiar with the BESS-3 project that was approved in the prior cases?
13 14 15 16 17 18 19	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER: Q. And Mr. Martin, are you familiar with the BESS-3 project that was approved in the prior cases? A. Familiar, yes.
13 14 15 16 17 18 19 20	Application from PUR 2019-00124, marked in evidence.) BY MR. FARMER: Q. And Mr. Martin, are you familiar with the BESS-3 project that was approved in the prior cases? A. Familiar, yes. Q. Okay. If you would turn to page

```
1
    Page four of the company's exhibit.
                                           Page six
2
    of nine at the top right.
3
            Α.
                   Oh, okay.
4
            0.
                   And -- are you there, sir?
5
            Α.
                   I believe so.
6
            Q.
                   Okay. Do you see under
7
    objective, do you see where this exhibit
8
    identified BESS-3's objectives as to improve
9
    integration of renewable resources and, four,
10
    reduce the need for just additional generation
11
    during times of peak demand?
12
            Α.
                   I do.
13
            0.
                   Okay. And those are the same
14
    stature objectives you identify for BESS-4
15
    for, correct?
16
            Α.
                   Correct.
17
                   And are there other similarities
            0.
18
    between these two projects?
19
                   How do you mean?
            Α.
20
                   It's an open-ended question.
            Q.
21
    Are there similarities between the two
22
    projects that you could identify?
```

1	A. Obviously both energy storage
2	projects that would be classified as
3	generation resources. A similarity in the Eos
4	solution is that it, too, is a four hour
5	duration battery like a battery similar to the
6	BESS-3 project as a four hour duration.
7	Q. Okay. And they both are
8	colocated at one of the company's generating
9	facilities, correct?
10	A. Correct.
11	Q. Okay. Would you agree with me
12	that to justify undertaking a new pilot
13	project that has similarities to an already
14	operation project, there would need to be some
15	distinguishing features of the new project?
16	A. Yes.
17	Q. Okay. And what would you say
18	are those distinguishing features for BESS-4?
19	A. So BESS-4 has a couple of very
20	specifically unique distinguishing
21	characteristics. Obviously, one of them being
22	the Eos system, which is a non lithium

1	alternative. It is, you know, a nascent
2	technology newer to market where it has
3	benefit in the, you know, that it will compare
4	well to lithium ion. There will be the
5	ability to compare how it performs and
6	operates compared to another four hour lithium
7	system. What makes it very unique is the long
8	duration component that is unlike anything
9	that we have done in the past.
10	Q. Okay. And we mentioned this
11	BESS-4 and BESS-3 both being colocated with a
12	generating facility, and I believe BESS-3
13	actually interacts with that generating
14	facility. Where as, my understanding of
15	BESS-4 is that it doesn't necessarily interact
16	specifically with the Darbytown station; is
17	that correct?
18	A. It is my understanding that a
19	portion of BESS-3 does charge and discharge
20	from the solar facility. The other portion is
21	grid charging. BESS-4 will be grade charging.
22	Q. Okay.

,	
1	A. And to your point, not
2	interacting with Darbytown Power Station?
3	Q. Okay. All right. If you could
4	turn to your schedule one, page one of your
5	schedule one.
6	A. I'm sorry. Which page?
7	Q. Page one, and I'm under the
8	proposal section there at the to and in the
9	third paragraph there you say, quote, capital
10	costs are expected to be much lower than
11	lithium ion by using more commonly available
12	materials, correct?
13	A. That's correct.
14	MR. FARMER: Your Honor, I have
15	one more exhibit to distribute.
16	THE COURT: Thank you.
17	BY MR. FARMER:
18	Q. And, Mr. Martin, do you have
19	that document in front of you?
20	A. I do.
21	Q. Okay. And this is the staff's
22	second set question number 12 in this case.

1	MR. FARMER: And your Honor, can
2	we have this exhibit marked for
3	identification, please?
4	THE COURT: Sure. The company
5	response to staff interrogatory 2-12 in this
6	case, I'm going to go ahead and mark it as
7	Exhibit 5. Any objection to its admission?
8	MS. RAY: No, your Honor.
9	THE COURT: I'm going to go
10	ahead and admit it, Mr. Farmer.
11	MR. FARMER: Thank you, your
12	Honor.
13	(Exhibit 5, Company Response to
14	Second Set of Staff Interrogatories Question
15	Number 12, marked in evidence.)
16	BY MR. FARMER:
17	Q. And, Mr. Martin, I'm looking
18	specifically at subpart A to staff's
19	interrogatory here where they reference your
20	schedule one and ask about the advantages of
21	ion air and zinc hybrid chemistries, and if
22	you look at the response, and I believe the

```
1
    part I'm looking at is on the next page.
2
    the last sentence of the response to subpart
         It says, lastly, most of the raw materials
3
    used in the development of these products are
4
5
    not rare earth metals and are sourced
6
    domestic, which provides for greater
7
    accessibility, less competition and lower
8
    costs. Do you see that?
9
            Α.
                   I do.
10
                   And I know you did not prepare
            0.
11
    this discovery response, but do you agree with
12
    that?
13
            Α.
                   I do.
14
            0.
                   Okay. So with this project
15
    we're looking at a project with a total cost
16
    of over $70 million, correct?
17
                   Correct.
            Α.
18
            Q.
                   Okay. And would you agree with
19
    me that the most expensive project among
20
    BESS-1, 2 and 3 was BESS-3 at a $26 million
21
    cost?
22
           Α.
                   Yes.
```

1	Q. Okay. So I'm trying to
2	reconcile these indications in this discovery
3	response and your testimony about the lower
4	cost we can expect from these technologies
5	relative to lithium ion with the fact that the
6	project is much more expensive than anything
7	else the company has presented. Can you
8	explain that or help me understand why the
9	costs are what they are for this project?
10	A. Sure. II think it ultimately
11	is bound to the duration of the battery. If
12	you simply just look at the energy being 8.94
13	megawatts, that doesn't take into account the
14	duration of the battery. So when you look at
15	BESS-3, you're roughly 48 megawatt hours.
16	It's a four hour system. This is 510 megawatt
17	hours. So drastically different duration of a
18	battery, and that's where your cost is
19	drastically different.
20	Q. Okay. And how does that how
21	does that influence the cost? It's not
22	it's not related to the materials that go into

1	it, correct?
2	A. Well, certainly there are
3	components of lower priced materials that do
4	lower the cost of the equipment and the
5	duration, the amount of equipment that would
6	be needed for that long of a duration.
7	Q. Okay. Thank you, Mr. Martin.
8	And just one last area and more of a general
9	question. Is it your understanding that the
10	legislation that created this pilot program
11	ascribed to Dominion a 30 megawatt cap?
12	A. That is my understanding.
13	Q. Okay. And is it your
14	understanding that between the 2019 case and
15	if these projects that are proposed here are
16	approved, we would be a little over 28
17	megawatts out of that 30 megawatt cap?
18	A. That's correct.
19	Q. Okay. Are you able to comment
20	on plans for any future proposals under the
21	pilot program?
22	A. Not at this time.

1	Q. Okay. Thank you, Mr. Martin.
2	That's all I have?
3	THE COURT: Mr. Farmer, before
4	you leave, I want to follow up on another
5	question you asked just to see want to make
6	you sit down in case you have a follow-up
7	question.
8	Going back to that discovery response
9	where it says the sentence that starts with
10	lastly, most of the raw materials used, I'll
11	just read the whole thing again. Lastly, most
12	of the raw materials used in the development
13	of these products are not rare metals and are
14	sourced domestically, which provides for
15	greater accessibility, less competition and
16	lower costs. When it says lower cost there,
17	are you talking about for a battery that could
18	achieve, like, a lithium based battery that
19	could achieve the same duration as the battery
20	that's being the BESS system being prepared
21	being proposed here?
22	MR. MARTIN: I think that's a

1	fair way to put it. Yes, lower cost than
2	lithium alternative.
3	THE COURT: All right. Thank
4	you. Does that prompt anything additional,
5	Mr. Farmer?
6	MR. FARMER: Nothing further,
7	your Honor. Thank you.
8	MR. OCHSENHIRT: No questions.
9	THE COURT: Okay. And does the
10	company have any redirect.
11	MS. RAY: No redirect, your
12	Honor.
13	THE COURT: Well, Mr. Martin,
14	thank you.
15	MR. MARTIN: Thank you.
16	THE COURT: We may see you
17	shortly. You're excused for now. Although
18	MR. OCHSENHIRT: He doesn't have
19	
20	THE COURT: He doesn't have any
21	rebuttal, so you're excused for the day.
22	MS. RAY: Your Honor, before we

1	move to the next witness, I'm going to confirm
2	that Exhibit 5 was actually admitted.
3	THE COURT: It was. Thank you
4	for confirming, thought.
5	MS. RAY: And the company calls
6	Sean Stevens.
7	SEAN STEVENS,
8	after having been first duly sworn, was
9	examined and testified as follows:
10	DIRECT EXAMINATION
11	BY MS. RAY:
12	Q. Could you please state your
13	name, position of employment, and business
14	address?
15	A. My name is Sean Stevens. I'm
16	the director of Electric Distribution Group
17	Solutions located at 600 East Canal Street in
18	Richmond, Virginia 23219.
19	Q. And do you have with you a
20	document entitled Direct Testimony of Sean
21	Stevens consisting of a one-page summary, five
22	typed pages of questions and answers and

1	appendix A and two schedules, which was filed
2	in public confidential and extraordinarily
3	sensitive versions of this proceeding on
4	September 18, 2023 and updated on December 15,
5	2023?
6	A. Yes.
7	MS. RAY: Your Honor, I would
8	note for the record that witness William
9	Steven's testimony was originally filed in
10	public confidential and extraordinary
11	sensitive versions on September 18, 2023. At
12	the time of the filing, information pertaining
13	to the proposed location of BESS-6 was
14	designated confidential. Subsequent to the
15	filing the proposed location of BESS-6 was
16	publicly disclosed and, therefore, no longer
17	confidential. So on December 15, 2023, the
18	company filed updated versions of Mr. Stevens'
19	direct testimony and his direct schedule two,
20	specifically removing the confidentiality
21	designations for information related to the
22	location of BESS-6. So the versions of Mr.

```
1
    Stevens' direct testimony on December 15th and
2
    direct schedule filed December 15 would
3
    replace versions filed on September 18th.
4
                   THE COURT:
                               Okay.
5
                   MS. RAY: I just want to make
6
    that clear.
7
                   THE COURT: All right. So do
8
    you want me to go ahead and mark his
9
    testimony?
10
                   MS. RAY:
                             In just one second,
11
    your Honor. I just have to make it clear.
12
                   THE COURT:
                               Yeah, I've got it.
13
    Thank you. Keep going.
14
    BY MS. RAY:
15
           Q.
                  Was that document prepared by
16
    you under your supervision?
17
           Α.
                   Yes.
18
                   And did you have any corrections
19
    or additions to that document?
20
                   Yes, I do. So on direct
           Α.
21
    testimony, page two, line five, strike the
22
    confidentiality so that it reads,
```

I'm sorry. Hold the sheet that I see what you're saying. Thank you. A. And then direct testimony, page two, line 22, delete located after facility and then finally direct testimony, page four, line one, delete the bracket before "the." Q. And Mr. Stevens, with those corrections, if you were asked the questions appearing there, would you provide the same substantially similar answers? A. Yes. Q. And with those corrections do you wish to sponsor that document as your direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record. THE COURT: Mr. Stevens'	1	extraordinarily sensitive schedule two.
you're saying. Thank you. A. And then direct testimony, page two, line 22, delete located after facility and then finally direct testimony, page four, line one, delete the bracket before "the." Q. And Mr. Stevens, with those corrections, if you were asked the questions appearing there, would you provide the same substantially similar answers? A. Yes. Q. And with those corrections do you wish to sponsor that document as your direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	2	THE COURT: Could you go back?
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substantially similar answers? A. Yes. Q. And with those corrections do you wish to sponsor that document as your direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	10	corrections, if you were asked the questions
A. Yes. Q. And with those corrections do you wish to sponsor that document as your direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	11	appearing there, would you provide the same
Q. And with those corrections do you wish to sponsor that document as your direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	12	substantially similar answers?
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direct testimony in this proceeding? A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	14	Q. And with those corrections do
A. Yes. MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	15	you wish to sponsor that document as your
MS. RAY: Your Honor, I ask that Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	16	direct testimony in this proceeding?
Mr. Stevens' direct testimony and public and extraordinarily sensitive versions be marked for identification and admitted to the record.	17	A. Yes.
extraordinarily sensitive versions be marked for identification and admitted to the record.	18	MS. RAY: Your Honor, I ask that
for identification and admitted to the record.	19	Mr. Stevens' direct testimony and public and
	20	extraordinarily sensitive versions be marked
22 THE COURT: Mr. Stevens'	21	for identification and admitted to the record.
	22	THE COURT: Mr. Stevens'

1	testimony, his direct testimony is marked and
2	admitted, subject cross as Exhibit 6 and 6 ES.
3	(Exhibit 6, Direct Testimony of
4	Sean Stevens, marked in evidence.)
5	(Exhibit 6ES, Direct Testimony
6	of Sean Stevens-Extraordinarily Sensitive
7	Version marked in evidence.)
8	BY MS. RAY:
9	Q. And Mr. Stevens, do you also
10	have with you a document titled Supplemental
11	Direct Testimony of Sean Stevens consisting of
12	a one-page summary and three typed pages of
13	questions and answers, which is filed in
14	public version only in this proceeding on
15	October 24, 2023?
16	A. Yes.
17	Q. And was that document prepared
18	by you or under your supervision?
19	A. Yes.
20	Q. And do you have any corrections
21	or additions to that document?
22	A. No.

1	Q. If you were asked the questions
2	appearing there, would you provide the same or
3	substantially similar answers?
4	A. Yes.
5	Q. And with that correction, do you
6	wish to excuse me. Do you wish to sponsor
7	that document as your direct testimony in this
8	proceeding?
9	A. Yes.
10	MS. RAY: And your Honor, I ask
11	that Mr. Stevens' supplemental direct
12	testimony and public version only be marked
13	for identification and admitted to the record
14	subject to cross-examination.
15	THE COURT: Mr. Stevens'
16	prefiled supplemental direct testimony is
17	marked and admitted as Exhibit 7, subject to
18	cross.
19	(Exhibit 7, Supplemental Direct
20	Testimony of Sean Stevens, marked in
21	evidence.)
22	MS. RAY: Your Honor, the

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1
    witness is admitted for cross-examination.
2
                   CROSS-EXAMINATION
3
    BY MR. FARMER:
4
                   Good morning, Mr. Stevens.
           0.
5
           Α.
                   Good morning.
                   John Farmer for Consumer
6
           0.
7
    Counsel. You sponsor BESS-5 and BESS-6,
8
    correct?
9
           Α.
                   Yes.
10
                   And I just have some general
           Q.
11
    questions about the BESS-5. BESS-5 will be a
12
    lithium ion project, correct?
13
           Α.
                   Yes, that's correct.
14
           Q.
                   Okay. And that's just like the
15
    three projects that were presented in the 2019
16
    case, correct?
17
           Α.
                   Yes.
18
           Q.
                   What, in your mind, are the
19
    unique functionalities or tests that BESS-5
20
    will seek to accomplish that BESS-1, 2, 3 did
21
    not?
22
                   So, I think for -- give me a
           Α.
```

1 second here. So for us for BESS-5, I mean, we 2 will focus on high mitigation, demand 3 response, voltage support, and then appearing 4 with the EP charging. 5 Q. Okay. And those will be the BESS-1 and 6 Α. 7 BESS-2 will be focused on solar overload and 8 then peak shaping with those. 9 Okay. And one of the concerns Q. 10 identified in the application with lithium ion 11 technology, which I just discussed with Mr. 12 Martin, was the thermal runaway concern, 13 correct? 14 Α. Correct. 15 What safety precautions would be 0. 16 in place for BESS-5 that -- to guard against 17 thermal runaway? So we will have our standard 18 Α. 19 safety that we did for BESS-1 and 2 from that 20 perspective, but also we've developed 21 stringent requirements around our safety. So 22 we really go above and beyond from a safety

1	perspective with the lithium ion, so they have
2	it's standard regulation that we require
3	from that piece of it, and then we're only
4	using approved lithium ion manufacturers that
5	meet our safety requirement and they've also
6	completed all the UL, the 95 BA testing in the
7	US.
8	Q. Okay. Are there specific things
9	that would be a BESS-5 monitoring system or
10	anything like that you can specifically
11	identify?
12	A. I couldn't go into every detail
13	from a monitoring piece. I know we're using a
14	similar test on battery pack. We have some
15	infrared detection at our other site, so I
16	assume it would be similar to that, but I
17	would have to get back to you on the exact
18	monitoring that we'll have in place.
19	Q. Okay. And then for BESS-6, I
20	have a few questions. If you could turn to
21	your schedule two, page one, page one of your
22	and I'm looking at page one.

1	A. Page one?
2	Q. Page one, yes. And I'm looking
3	at the corrected version. So there are things
4	I'll be asking you about that have now been
5	made public in your corrected version. So you
6	are you there, sir?
7	A. Yes.
8	Q. Okay. And you identified the
9	location as Virginia State University. In
10	here it's multipurpose center, correct?
11	A. That's correct.
12	Q. And if you could turn to page
13	six of your schedule two, and I'm looking at
14	the second paragraph under the objective
15	heading. You describe increasing community
16	engagement by showcasing emerging technologies
17	to the students at the University and doing
18	that at the start of their career journey,
19	correct?
20	A. That's correct.
21	Q. Okay. Is that going to entail
22	something like hands-on academic coursework or

1	anything like that, or is it more just to
2	increase awareness of it being present at the
3	University?
4	A. I think our thought is it could
5	potentially be both. We're working with
6	Virginia State University to build a
7	curriculum. I think they would like a very
8	hands-on approach, but I think we just need to
9	look at it from a safety perspective and how
10	much they can be engaged, but we're trying to
11	integrate them into each process as much as
12	possible.
13	Q. Okay. And is there any
14	arrangement with the University that would
15	defray some of the costs of the project or are
16	all the costs going to be recovered under
17	through the company's BESS rates?
18	A. There's no agreement, so that it
19	will all be recovered through BESS rates.
20	Q. Okay. If you could turn to your
21	page three of your schedule two, and under
22	useful life and decommissioning, you identify

1	the projected useful life of the project as 30
2	years, correct?
3	A. That's correct.
4	Q. That's quite a bit longer than
5	the other BESS systems that the company's
6	proposed, correct?
7	A. I believe so.
8	Q. Is that attributable to the
9	nickel-hydrogen chemistry, or are there other
10	factors that contribute to that?
11	A. I think it's some of it is
12	directly related to that, just because of the
13	its ability from a cycling. It's not as
14	much wear and tear on the batteries,
15	potentially for other batteries.
16	Q. Okay. And then if you could
17	turn to page five of schedule two.
18	A. I'm there.
19	Q. And here you indicate that
20	BESS-6 at the time of filing had been
21	submitted for a Department of Energy funding
22	opportunity under the IIJA, correct?

1	A. That's correct.
2	Q. And I think this was clarified
3	during discovery, and I have the discovery
4	response if we need it, but for simplicity,
5	I'll just ask you, was that project selected
6	or has the company been notified that the
7	project was not selected for that opportunity?
8	A. We have been notified that it
9	was not selected.
10	Q. Okay. I do have some questions
11	for you still about this section of schedule
12	two. If you look at the second paragraph, you
13	note the Virginia State pilot would have been
14	combined with a system at Hampton University
15	and that would have included academic
16	opportunities on both campuses, correct?
17	A. Yes.
18	Q. Okay. Can you describe in the
19	next paragraph the combined combined cost
20	as \$22.8 million, correct?
21	A. That's correct.
22	Q. And that compares to \$14.4

1	million for just the Virginia State project,
2	correct?
3	A. So it was yes. That's the
4	total of the two projects was 22.8.
5	Q. Okay. The project at Hampton
6	University, was that dependent on receiving
7	this funding or will the company still be
8	pursuing that project?
9	A. We will not be pursuing it. It
10	was it was dependent on receiving the
11	funding.
12	Q. Okay. Thank you, Mr. Stevens.
13	That's all I have for you today. Thank you.
14	MR. OCHSENHIRT: No questions
15	from staff.
16	THE COURT: Does the company
17	have any redirect?
18	MS. RAY: No redirect, your
19	Honor.
20	THE COURT: All right. Well,
21	you did file rebuttal, so I may see you again
22	so you're excused for the time being.

1	MR. STEVENS: Thank you.
2	THE COURT: Thank you. That is
3	the company's well, no. We have to get
4	Miss Boschen's testimony. Several parts of
5	her testimony admitted.
6	MS. HARRIS: Your Honor, company
7	witness Boschen has been stipulated by the
8	parties and excused from the hearing.
9	Accordingly, I would ask that the document
10	entitled Direct Testimony of Amelia H. Boschen
11	consisting of one of a one-page witness
12	direct testimony summary, two typed pages of
13	questions and answers and appendix A and one
14	schedule, which was filed in public version
15	only in this proceeding on September 18, 2023,
16	be marked for identification and admitted to
17	the record.
18	THE COURT: Okay. Miss
19	Boschen's prefiled direct testimony, the
20	initial testimony filed with the application
21	is marked and admitted as Exhibit 8.
22	(Exhibit 8, Direct Testimony of

1	Amelia H. Boschen, marked into evidence.)
2	MS. HARRIS: Your Honor, I would
3	also ask that the document entitled
4	Supplemental Direct Testimony of Amelia H.
5	Boschen, consisting of a one-page witness
6	supplemental direct testimony summary, two
7	typed pages of questions and answers and two
8	additional schedules, which was filed in
9	public version only in this proceeding on
10	October 24, 2023, be marked for identification
11	and admitted to the record.
12	THE COURT: Miss Boschen's
13	prefiled supplemental direct testimony is
14	marked and admitted as Exhibit 9.
15	(Exhibit 9, Supplemental
16	Testimony of Amelia H. Boschen, marked in
17	evidence.)
18	MS. HARRIS: That completes the
19	company's direct case.
20	THE COURT: Okay.
21	MR. OCHSENHIRT: Your Honor,
22	before we hear the next witness, would it be

1	appropriate to mark the DEQ report?
2	THE COURT: That would be very
3	good.
4	MR. OCHSENHIRT: For the record,
5	that was filed on December 22, 2023 in the
6	document.
7	THE COURT: DEQ report is marked
8	and admitted as Exhibit 10.
9	(Exhibit 10, DEQ report, marked
10	in evidence.)
11	THE COURT: Coming to staff.
12	Your Honor, at this time
13	Commission staff calls Jason P. Brannick.
14	JASON P. BRANNICK,
15	after having been first duly sworn was
16	examined and testified as follows:
17	DIRECT EXAMINATION
18	BY MR. BROWN:
19	Q. Good morning, Mr. Brannick.
20	A. Good morning.
21	Q. Please state your name for the
22	record.

1	A. Jason Brannick, Commission's
2	utility engineer.
3	Q. Do you have a document with you
4	entitled the Prefiled Staff Testimony of Jason
5	P. Brannick filed on December 21, 2023,
6	consisting of a one-page summary, 38 pages of
7	questions and answers and five attachments?
8	A. Yes.
9	Q. Was this document prepared by
10	you or under your supervision?
11	A. Yes.
12	Q. Do you have any corrections to
13	your testimony?
14	A. I do. The first correction is
15	on page 17 of your staff testimony on line
16	two. On line two, BESS-4 should be BESS-5,
17	and next on the table in attachment five of my
18	testimony, there should be two more rows.
19	These two metrics were included on BESS-3, and
20	staff recommends that these two metrics should
21	be also included on BESS-4. We have the
22	documents and distributed.

1	THE COURT: Can you
	-
2	MR. OCHSENHIRT: These documents
3	have already been submitted.
4	THE COURT: Okay.
5	BY MR. BROWN:
6	Q. Could you please restate for the
7	record one more time what this additional
8	correction would be?
9	A. Yes. On attachment five of my
10	testimony, there should be two more rows.
11	These two metrics added were included on
12	BESS-3 and staff recommends that these two
13	metrics shall be included on BESS-4, as well.
14	THE COURT: So you want to
15	substitute this as attachment five is prefiled
16	testimony?
17	MR. BROWN: Correct, your Honor.
18	And what you're seeing now is the original
19	prefiled Exhibit 5 and this is a corrected
20	version with thee two
21	THE COURT: Extra rows.
22	MR. BROWN: Rows here.

1	BY MR. BROWN:
2	Q. Mr. Brannick, do you have any
3	other corrections to your testimony?
4	A. I do not.
5	Q. If I were to ask you the same
6	questions, would your answers be the same or
7	substantially the same?
8	A. Yes.
9	MR. BROWN: Your Honor, may we
10	have Mr. Brannick's direct testimony marked
11	and admitted into the record, subject to
12	cross-examination? This testimony was filed
13	in public and confidential accordance.
14	THE COURT: Mr. Brannick's
15	prefiled testimony with the corrections
16	identified today, and in particular with the
17	substitution of a new attachment five, is
18	marked and admitted subject to cross in this
19	proceeding as Exhibit 11 and 11C.
20	(Exhibit 11, Direct Testimony of
21	Jason P. Brannick, marked in evidence.)
22	(Exhibit 11C, Direct Testimony

1	of Jason P. Brannick-Confidential Version,
2	marked in evidence.)
3	MR. BROWN: Thank you, your
4	Honor. The witness is available for
5	cross-examination.
6	THE COURT: Mr. Farmer, do you
7	have any questions?
8	MR. FARMER: Yes. Just briefly,
9	your Honor.
10	CROSS-EXAMINATION
11	BY MR. FARMER:
12	Q. Mr. Brannick, my name is John
13	Farmer. How are you?
14	A. Doing fine. Thank you.
15	Q. As just a general question, were
16	you in the courtroom earlier when Mr. Martin
17	examined Mr. Stevens?
18	A. Yes.
19	Q. Did you have any comments
20	comments they may have authored about the
21	storage industry generally?
22	A. I do not.

1	Q. And if you could turn to page 15
2	of your direct testimony.
3	THE COURT: I'm sorry.
4	Exhibit 1 what, Mr. Farmer?
5	MR. FARMER: Page 15.
6	THE COURT: Page 15. Thank you.
7	THE COURT REPORTER: This is the
8	Court Reporter. I'm sorry, Mr. Farmer, if you
9	could speak up a little bit.
10	BY MR. FARMER:
11	Q. Mr. Brannick, are you on page
12	15?
13	A. Yes.
14	Q. Okay. Here you provide staff's
15	assessment of the BESS-4 project and as I
16	understand your testimony, you conclude BESS-4
17	may accomplish the two identified goals that
18	the company identified, correct?
19	A. Yes.
20	Q. Okay, but staff did not make a
21	specific recommendation in that regard,
22	correct?

1	A. Correct.
2	Q. Okay. And you provided a
3	similar assessment of BESS-5 and BESS-6,
4	correct?
5	A. Yes.
6	Q. And I did not see any discussion
7	in your testimony about the costs of BESS-4;
8	is that right?
9	A. Correct.
10	Q. Okay. How did staff analyze the
11	projected costs of the BESS-4 project?
12	A. A cost was not analyzed for this
13	project as it is under the pilot under the
14	statute. So is not a target of acceptance or
15	moving forward with them.
16	Q. Okay. Would your answer be the
17	same for BESS-5 and BESS-6?
18	A. Yes.
19	Q. Okay. Thank you, Mr. Brannick.
20	That's all the questions I have.
21	THE COURT: I'm going to follow
22	up with a similar question that I had for Mr.

1	Farmer.
2	Did staff not look at cost at all here,
3	or does staff have any view about whether or
4	not, again, not picking and choosing what
5	would be the BESS project here or there, but
6	any does staff have any does staff
7	oppose or contest that the cost for the parts
8	essentially or the costs for installing these
9	types of technologies are reasonable?
10	MR. BRANNICK: Cost did not come
11	into our
12	THE COURT: At all. At all.
13	You don't have an opinion one way or another
14	and didn't look to see whether or not this
15	type of technology, this is normally what it
16	would cost?
17	MR. BRANNICK: We did not
18	analyze cost.
19	THE COURT: Okay. Sorry I've
20	made you answer that question about, like,
21	five times. All right. Does the company have
22	any questions for Mr. Brannick?

1	MS. RAY: Your Honor, we do not
2	have any questions for Mr. Brannick. We would
3	note for the record that the company does not
4	object to that additional metric for the
5	BESS-4 that was included on his attached file.
6	THE COURT: Okay. Thank you.
7	Did this prompt any redirect?
8	MR. BROWN: No, your Honor.
9	THE COURT: Thank you, Mr.
10	Brannick.
11	MR. BRANNICK: Thank you.
12	THE COURT: This brings us back
13	to the company.
14	MS. RAY: Yes, your Honor, and I
15	will check with Mr. Farmer.
16	MR. FARMER: Your Honor, my
17	understanding is I don't have any questions
18	for Mr. Stevens on rebuttal, and it's my
19	understanding the staff does not either, so
20	unless your Honor has questions.
21	THE COURT: I do not, and
22	there's no surrebuttal that needs to be

1	offered?
2	MS. RAY: No, your Honor.
3	THE COURT: Okay. So I guess
4	we'll just go ahead and put it in the
5	rebuttal.
6	MS. RAY: Yes, ma'am. So we
7	would ask that the rebuttal testimony of Sean
8	Stevens, consisting of a one-page summary, six
9	typed pages of questions and answers, which
10	was filed in public version only on this
11	proceeding on January 10, 2024 be marked and
12	admitted into the record.
13	THE COURT: Mr. Stevens'
14	rebuttal is marked and admitted as Exhibit 12.
15	(Exhibit 12, Rebuttal Testimony
16	of Sean Stevens, marked in evidence.)
17	MS. HARRIS: Your Honor, company
18	witness Boschen has also been stipulated by
19	the parties in rebuttal. Accordingly, I would
20	ask that the document entitled Rebuttal
21	Testimony of Amelia H. Boschen, consisting of
22	a one-page witness rebuttal testimony summary

1	and three typed pages of questions and
2	answers, which was filed in the public version
3	only in this proceeding on January 10, 2024 be
4	marked for identification and admitted to the
5	record.
6	THE COURT: Boschen's rebuttal
7	testimony is marked and admitted as Exhibit
8	13.
9	(Exhibit 13, Rebuttal Testimony
10	of Amelia H. Boschen, marked in evidence.)
11	MS. HARRIS: That concludes the
12	Company's rebuttal case.
13	THE COURT: All right. Well, I
14	guess that is is there any other evidence
15	that needs to come into the record of this
16	case?
17	MR. OCHSENHIRT: No, your Honor.
18	THE COURT: So it looks like
19	we've come to the conclusion. Does anyone
20	need a few minutes well, first of all,
21	anyone have a request for post hearing briefs?
22	MR. OCHSENHIRT: No, your Honor.

1	The staff is willing to stand on our own at
2	this point. I don't think anything has
3	changed in the last hour and 11 minutes.
4	THE COURT: Okay. I have one
5	question for everybody, so just for fun.
6	MR. OCHSENHIRT: Okay.
7	THE COURT: But is everybody
8	no one wanted post hearing briefs, correct?
9	MS. RAY: That is correct, your
10	Honor, for the Company.
11	THE COURT: Okay. All right.
12	So if we can just if you don't need to do a
13	closing, but if I could have everyone respond
14	to a question that I have. You can do a
15	closing, also. I'm not trying to keep you
16	from doing that. So that in mind, we would
17	start with Consumer Counsel. Do you want to
18	do a closing, or do you have anything to add
19	from your opening, Mr. Farmer?
20	MR. FARMER: No. Your Honor. I
21	think we can stand on what was stated earlier.
22	THE COURT: Okay. My question

4	
1	is the application of 5646.1 in this case.
2	Does anyone I know the company has asked
3	for, as necessary, a CPCN in connection with
4	BESS-4 pursuant to 580D? Does Consumer
5	Counsel have any position as to whether or not
6	46.1 applies in this case at all?
7	MR. FARMER: No, Consumer
8	Counsel does not.
9	THE COURT: Okay. How about
10	staff?
11	MR. OCHSENHIRT: I don't think
12	staff has it.
13	THE COURT: You don't have a
14	position or you don't
15	MR. OCHSENHIRT: I mean, it's
16	not something that staff has assessed. If you
17	want to take a quick break for us to think
18	about it, I can put something on the record.
19	THE COURT: Why don't we take a
20	quick break?
21	MR. OCHSENHIRT: Okay.
22	THE COURT: And I'll go ahead

1	and give the Company a quick heads-up. That
2	was one question, but then I also wanted to
3	talk to you about the DEQ report with respect
4	to BESS-5 and BESS-6. This was not a factual
5	question, so I didn't need to ask Miss Boschen
6	a question about it, but in rebuttal, she said
7	that the, you know, the Company would comply
8	with those recommendations.
9	My question is, not that I don't want
10	the Company to comply with the recommendations
11	or anything they need to comply with, but is
12	the Company required to comply with those
13	things if the Commission were to conclude that
14	they don't need a CPCN for those projects?
15	How does that interact? Does the Commission
16	need to condition its approval of those
17	projects on compliance with DEQ and analyzing
18	using the environmental factors and all the

normal things, if those projects do not

require CPCN's and how long would you guys

19

20

21

22

like?

MR. OCHSENHIRT: Five minutes is

1	adequate. I don't really need a lot of time.
2	THE COURT: Okay. How about,
3	I'm going to give you 15. Okay?
4	MR. OCHSENHIRT: Okay.
5	THE COURT: So we're going to
6	stand adjourned for 15 minutes. Thank you.
7	(Off the record.)
8	THE COURT: We're back on the
9	record.
10	MR. OCHSENHIRT: Your Honor,
11	before I say anything, I'll defer to Mr.
12	Farmer because he's first with the order. Did
13	you have anything more to add?
14	MR. FARMER: Nothing further.
15	MR. OCHSENHIRT: Okay.
16	THE COURT: Well, okay.
17	MR. OCHSENHIRT: If you have
18	questions for Consumer Counsel.
19	THE COURT: I'm doing a bait and
20	switch on everyone, too, because I have one
21	extra question that you don't have to answer,
22	but I'm going to give you the opportunity to

1	do so.
2	Mr. Farmer, when it comes to the pilot
3	code section that we're dealing with, it says
4	the pilot program shall provide for the
5	recovery of all reasonable and prudent costs
6	incurred under the pilot program through the
7	electric utilities BESS rates on a
8	nondiscriminatory basis. Does the Commission
9	have to decide whether or not the cost of
10	these programs are reasonable and prudent in
11	this case, or do we are we given another
12	opportunity to address that issue when we
13	the next time they come in for a BESS rate
14	case?
15	MR. FARMER: It would seem to
16	come within the scope of the BESS rate case
17	and the issue.
18	THE COURT: Okay. You want to
19	start with that.
20	MR. OCHSENHIRT: I'll start with
21	that question. Yeah, I don't think staff
22	views this as a cost recovery proceeding.

1	THE COURT: Right.
2	MR. OCHSENHIRT: And, therefore,
3	it would be an issue for the biennial. I will
4	say in the 2019 case, the Commission did, in
5	fact, make a finding that the costs were
6	reasonable and prudent. The staff doesn't
7	have any reason in this case to suggest
8	otherwise that the costs are not reasonable.
9	You know, it's based on the line of inquiry
10	you had earlier, which is for this for a
11	project that is like BESS-4, say, the cost the
12	Company has said don't seem to be out of
13	balance to staff.
14	THE COURT: Okay.
15	MR. OCHSENHIRT: The staff did
16	not assess the costs specifically given that
17	really is an issue for the proceeding in which
18	the company seeks to recover those costs,
19	which is not this case.
20	THE COURT: Okay.
21	MR. OCHSENHIRT: That would be
22	the biannual.

1	THE COURT: However, if they
2	were to seek these costs, the Commission
3	couldn't say at that point, well, you can't
4	recover those costs because that was that
5	was a bad project. He should have never done
6	that project.
7	MR. OCHSENHIRT: No. I don't
8	think the Commission could say that.
9	THE COURT: Because we're
10	essentially approving the project in this
11	case.
12	MR. OCHSENHIRT: Yes.
13	THE COURT: Okay.
14	MR. OCHSENHIRT: Correct.
15	THE COURT: All right. So going
16	back to
17	MR. OCHSENHIRT: The 46.1. So
18	the hook to 46.1 is whether the commission,
19	quoting the code section, is required to
20	approve the construction of any electrical
21	utility facility. Staff, until the Commission
22	says something to the contrary, views that as,

1	does the Commission have to grant a
2	certificate.
3	THE COURT: Gotcha.
4	MR. OCHSENHIRT: So in this
5	case, if the Commission were to find that a
6	CPCN for BESS-4 was required, then staff would
7	say that 46.1 applies. We don't have any
8	reason to believe that any of the requirements
9	of that code section have not been that's a
10	lot of negatives. Staff would not say 46.1
11	says that the Commission could should not
12	proceed with these three pilot programs.
13	THE COURT: Right. And you
14	would also, for the most part, 580D and 46.1
15	in terms of requirements are very similar,
16	correct?
17	MR. OCHSENHIRT: Yes. The
18	Commission routinely quotes both of them at
19	its CPC headquarters.
20	THE COURT: Okay. Thank you
21	very much, Mr. Ochsenhirt. That was very
2.2	helpful.

1	MR. OCHSENHIRT: Okay.
2	THE COURT: And turning to the
3	Company.
4	MS. RAY: Okay. Your Honor, as
5	to the applicability of Virginia code section
6	56-46.1, I don't think our position is too
7	different from WorkCom. Mr. Ochsenhirt just
8	said that the Company's position is that it
9	does not apply to BESS-4 and 5 as the Company
10	considers them ordinary
11	THE COURT: You mean five and
12	six.
13	MS. RAY: Excuse me. Thank you.
14	That's five and six, because the Company
15	considers them ordinary extensions and
16	improvements in the usual course of business
17	that would not require a CPCN or otherwise any
18	sort of Commission approval. I would note
19	that the Commission did not address the
20	applicability of section 56-46.1 in the prior
21	case, but it did find that a CPCN was
22	appropriate for the BESS facility that was the

1	generation asset, so as to BESS-4, the Company
2	would state that the requirements of section
3	56-46.1 have been satisfied in this case with
4	the DEQ report and the fact that the company
5	has no objections to those recommendations.
6	THE COURT: Okay. And do you
7	have a position about cost? The question
8	the last question that I threw on Mr. Farmer
9	to start with here.
10	MS. RAY: As Counsel has
11	previously noted, the Commission did find
12	those costs to be reasonable and prudent in
13	the prior case.
14	THE COURT: Right.
15	MS. RAY: And improving the
16	projects, we do think that is appropriate
17	here. However, we would note that those could
18	also be addressed in a rate proceeding, as
19	well.
20	THE COURT: Okay. All right.
21	Thank you very much. Is there anything else
22	that needs to be brought to the Commission's

1	attention today?
2	MR. OCHSENHIRT: No. Your
3	Honor.
4	THE COURT: All right. Thank
5	you. It's very interesting. I hope everyone
6	has a great remainder of the day, their day
7	and we stand adjourned.
8	(Concluded at 11:35 a.m.)
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17	CYNTHIA BAUERLE, CSR
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15	outcome.
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17	Notary Registration No.: 7905736
18	My Commission Expires: 4/30/25
19	Jarlin Lack
20	
21	Joshua Tubbs,
22	NOTARY PUBLIC FOR THE COMMONWEALTH OF VIRGINIA