

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 3, 2024

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PETITION OF

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VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00088

For authority to reset its rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia and for expedited consideration

ORDER GRANTING PETITION

On May 15, 2024, Virginia Electric and Power Company ("Dominion" or "Company") petitioned the State Corporation Commission ("Commission") for authority to revise its rate adjustment clause ("RAC"), designated Rider RGGI, last approved in Case No. PUR-2022-00070,¹ and to reset the rate to \$0.000000 per kilowatt-hour ("kWh"). Rider RGGI is designed to recover costs related to the purchase of allowances through the Regional Greenhouse Gas Initiative ("RGGI") market-based trading program for carbon dioxide ("CO₂") emissions.

Dominion explains that, effective December 31, 2023, the Company is no longer accruing RGGI-related compliance costs and anticipates recovery of its previously incurred costs on or before July 15, 2024.² In the interest of reducing RAC-related charges incurred by customers, the Company seeks to reset Rider RGGI on or before July 15, 2024, which is prior to the end of the current rate year.

The Commission approved the current Rider RGGI to go into effect on September 1, 2023, to recover actual costs incurred after July 31, 2022, and those projected to occur over the

¹ *Petition of Virginia Electric and Power Company, For reinstatement and revision of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia, Case No. PUR-2022-00070, Doc. Con. Cen. No. 230730085, Final Order (July 12, 2023).*

² Petition at 1.

period of September 1, 2023 through August 31, 2024.³ According to the Company, in the first quarter of 2024, the Company finalized its compliance for the fifth RGGI control period ending December 31, 2023, and calculated the remaining compliance costs to be recovered.⁴ At this time, the Company states it is no longer accruing RGGI-related compliance costs and is collecting revenues to recover the costs already incurred.⁵

The Company anticipates full recovery of its RGGI-related compliance costs by mid-July 2024.⁶ The Company states that it will monitor actual recovery through May 31, 2024, to determine the appropriate date to reset Rider RGGI in order to minimize any over- or under-recovery, and will submit a compliance filing once the rate has been reset, which will be on or before July 15, 2024.⁷ The Company proposes that any residual over- or under-recovery, which is projected to be *de minimis*, would be flowed through the Company's base rates for generation services to be reviewed in the Company's next biennial review proceeding.⁸

According to the Petition, resetting Rider RGGI to a zero rate by mid-July 2024 will reduce the monthly bill of a typical residential customer using 1,000 kWh by approximately \$4.43 per month, with greater reductions for higher energy consumers in the residential, as well as commercial and industrial classes.⁹

³ *Petition of Virginia Electric and Power Company, For reinstatement and revision of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia, Case No. PUR-2022-00070, Final Order (July 12, 2023).*

⁴ Petition at 5-6.

⁵ *Id.* at 6.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* at 6.

NOW THE COMMISSION, upon consideration of the foregoing, and pursuant to the authority granted to it under § 56-40 of the Code of Virginia,¹⁰ finds that the Petition is in the public interest and should be granted.¹¹

Accordingly, IT IS ORDERED that:

(1) On or before July 15, 2024, Dominion shall revise Rider RGGI and reset the Rider RGGI rate to \$0.000000/kWh.

(2) Dominion shall incorporate any *de minimis* over- or under-recovery into the Company's base rates for generation services to be reviewed in the Company's next biennial review proceeding.

(3) This matter 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. The Service List is available from the Clerk of the Commission.

¹⁰ Code § 56-40 provides that: "The Commission, in the exercise of its discretion, may permit any public utility corporation to put into effect any proposed revision of its rate schedules or any part thereof, without notice when the proposed revision effects no increases."

¹¹ Because this Order addresses only the recovery of RGGI-related compliance costs the Company has incurred and expects to incur, it is not impacted by the pending litigation in *Association of Energy Conservation Professionals, et al. v. Virginia State Air Pollution Control Board, et al.*, Case No. CL23-173 (Floyd County Cir. Ct. 2023). Accordingly, the Commission need not—and does not—express an opinion on that litigation.