

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, OCTOBER 11, 2024

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUR-2024-00184

In re: Virginia Electric and Power Company's
Integrated Resource Plan filing pursuant to
Va. Code § 56-597 *et seq.*

ORDER

Pursuant to § 56-599 A of the Code of Virginia ("Code"), Virginia Electric and Power Company ("Dominion" or "Company") is required to file its 2024 Integrated Resource Plan ("2024 IRP") by October 15, 2024.¹ On August 20, 2024, the Staff of the Commission ("Staff") filed Staff Motion to Reopen Docket and Require Certain Information to be Included in the 2024 Integrated Resource Plan ("Motion") in Case No. PUR-2023-00066.² The Motion notes, among other things, that PJM's 2025/2026 Base Residual Auction Report issued on July 30, 2024 ("PJM Report") "indicates a significant increase in the Base Residual Auction Resource Clearing Price in 2025-2026, as it projects capacity prices in the 'Rest of RTO' to increase from \$28.92 to \$269.92/[megawatt per day ("MW-day)]."³ The Motion further notes that this projected increase in capacity prices "results in a Total Cost to Load increase from \$2.2 billion to \$14.7 billion. The capacity price in the [Dominion] Zone is even higher, at \$444.26/MW-day."⁴

¹ Code § 56-599.

² Case No. PUR-2023-00066 is in closed status. The Commission declines to reopen Case No. PUR-2023-00066 and instead will consider the Motion in a new docket established herein for the consideration of Dominion's 2024 IRP.

³ Motion at 2.

⁴ *Id.*

The Motion asserts that these projected price increases, which Staff attributes to "the surge in possible data center growth,"⁵ require that Dominion include in its upcoming 2024 IRP information sufficient to "demonstrate the specific portfolio of generation supply resources that will be needed to meet the primary driver of [the Company's] forecasted demand, i.e., data center load growth, given the unprecedented nature of the demand increase."⁶ Specifically, the Motion requests that the Commission direct Dominion to include the following information in its 2024 Plan:⁷

- (a) The resources and costs required for the Company to meet its:
 - (i) Least cost plan, with and without the annual increase in projected data center load growth, and;
 - (ii) VCEA-compliant plan, with and without the annual increase in projected data center load growth;
- (b) Forecasted transmission interconnection and enhancement costs associated with each of the plans with and without projected data center load growth; and
- (c) Updates to the capacity price forecasts used within all modeling to be reflective of the results of the PJM Report.

On September 4, 2024, the Office of the Attorney General's Division of Consumer Counsel filed a response in support of Staff's Motion.

On September 10, 2024, Dominion filed its response in opposition of Staff's Motion ("Response"), wherein the Company asserted that the relief requested in the Motion "is 1) procedurally inappropriate; 2) substantively without merit; and 3) practically unachievable."⁸

⁵ *Id.*

⁶ *Id.* at 4.

⁷ *Id.* at 5.

⁸ Response at 2.

On September 19, 2024, Staff filed its reply ("Reply") to Dominion's Response, which addressed each of the Response's arguments.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows. As noted above, we will docket this proceeding for purposes of considering Dominion's upcoming 2024 IRP and consider the Motion herein. Given the unprecedented load growth associated with large load customers, such as data centers, and the related marked increase in capacity prices resulting from PJM's July 2024 base residual capacity auction, the Commission finds merit in Staff's Motion. Specifically, the Commission finds that the additional information required below is necessary for the Commission to fully consider the Company's 2024 IRP, as required by Chapter 24 of Title 56.⁹

The Commission finds that Dominion should be required to conduct additional modeling that presents, as a sensitivity for comparison purposes to the Company's modeling presented in its 2024 IRP, the following: (i) its least cost plan, and (ii) at least one VCEA-compliant plan, both with projected data center load growth removed.¹⁰ The Commission notes that the Company is already required to "separately identify the load associated with data centers" in its

⁹ Code § 56-598 *et seq.*

¹⁰ As noted by Dominion, its modeling will include the impacts of data center load growth in its 2024 IRP. *See* Response at 10-11 ("[P]er the Commission's Final Order in Case No. PUR-2018-00065, the Company is required to use the PJM load forecast as the basis for its modeling. The PJM load forecast contains its forecast of data center load growth."). Accordingly, we find it unnecessary to direct Dominion to conduct additional modeling "with" the increase in projected data center load growth. *See* Reply at 5. Any assumptions made in conducting such modeling shall also be described and fully disclosed.

forecasts.¹¹ The Commission clarifies that this is not a requirement for the Company to recalculate all of its modeling of all alternative plans – just a sensitivity related to these two.¹²

We also agree that Dominion should conduct additional modeling to include updated capacity price forecasts that incorporate the impacts of the PJM base residual capacity auction held in July 2024 for the entire 15-year planning period. The Company represents that it has already incorporated this recent capacity pricing in its modeling for the 2025-2026 planning periods.¹³ The Commission directs the Company to obtain updated capacity price forecasts and present, as sensitivities for comparison purposes, the following with the updated capacity price forecasts: (i) its least cost plan (which includes data center load); (ii) at least one VCEA-compliant plan (which includes data center load); (iii) its least cost plan without data center load; and (iv) at least one VCEA-compliant plan without data center load.¹⁴

The additional modeling directed herein shall be filed as a supplement to the Company's 2024 IRP by November 15, 2024.

Lastly, in regards to transmission interconnection and enhancement costs, the Company is currently required to "[p]rovide, in addition to a list of planned transmission projects, the projected cost per transmission project and indicate whether or not each project is subject to PJM's Transmission Expansion Planning process."¹⁵ For each of these planned transmission projects, the Company shall also identify whether the need for the transmission project is

¹¹ *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.* Case No. PUR-2018-00065, 2019 S.C.C. Ann. Rept. 190, 195, Final Order (June 27, 2019) ("2018 IRP Final Order").

¹² Response at 13.

¹³ *Id.* at 6.

¹⁴ The Company may, but is not required to, also update price forecasts for energy, commodities, etc.

¹⁵ 2018 IRP Final Order, 2019 S.C.C. Ann. Rept. at 195.

primarily being driven by data center load growth. The Commission notes that the Company provided this information in the 2023 Integrated Resource Plan in Appendix 3C. For purposes of complying with this requirement, the Company may simply add a column to this table to identify whether the primary need driver for the project is data center load growth. Such information shall be filed as a supplement to the 2024 Plan by November 15, 2024.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2024-00184.
- (2) Staff's Motion is granted in part and denied in part as described herein.
- (3) Dominion shall file its 2024 IRP in this docket.
- (4) This matter is continued.

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.