

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00114

For approval to establish a voluntary, experimental companion tariff to support carbon-free and renewable energy generation, designated Schedule CFG, pursuant to § 56-234 B of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On June 25, 2024, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to establish an experimental, voluntary companion tariff, designated Schedule CFG – Carbon-Free or Renewable Generation Supply Service ("Schedule CFG"), pursuant to Code § 56-234 B. Dominion requests that the Commission approve Rate Schedule CFG, on an experimental basis, and allow subscriptions thereunder, for a term of no less than five years.¹ Pursuant to Code § 56-234 B, the Commission is required to issue its final order on the Application within six months of the filing date.

Through its Application, the Company states that Schedule CFG would provide the opportunity for participating non-residential customers to elect to purchase the net energy output from carbon-free or renewable energy resources ("CFG Facilities"), as well as the environmental attributes associated with this energy, in an amount up to 100 percent of their energy needs.² Dominion indicates that it has received inquiries from current and prospective commercial and

¹ Application at 7.

² *Id.* at 1.

industrial customers interested in carbon-free and renewable energy generation options, but that the Company currently has no such tariff offering for these customers, following the termination of Schedule RG.³

Dominion states that Schedule CFG is a companion schedule, available on a voluntary basis to eligible commercial and industrial customers of the Company who currently are taking (or agree to take) service under an approved applicable tariff, currently including the Company's Rate Schedule GS-1, GS-2, GS-2T, GS-3, GS-4, 10, 27, 28, MBR, and SCR (each a "principal tariff").⁴ The Company explains that if a customer elects to take service under Schedule CFG, that customer will receive service concurrently under its selected principal tariff and Schedule CFG.⁵ Dominion adds that customers may choose to aggregate multiple accounts for participation in Schedule CFG and spread the costs across these accounts.⁶ The Company further states that by enrolling in Schedule CFG, the customer would commit to purchase up to 100 percent of the net electric energy output generated from CFG Facilities (including the capacity costs, as applicable), along with their associated environmental attributes.⁷

Dominion states that it will source CFG Facilities to service participating customers in one of two ways. First, the Company states that it may construct a qualifying facility on behalf of a participating customer, subject to mutually agreeable terms, under which all costs would be ring-fenced, meaning the costs and benefits of the facility would be isolated from the Company's

³ *Id.* at 3-4.

⁴ *Id.* at 4.

⁵ *Id.*

⁶ *Id.* at 6.

⁷ *Id.* at 4.

cost-of-service study and not allocated to other customers.⁸ Second, the Company states that it may contract with a third-party to purchase the output of a qualifying facility on behalf of a participating customer through a power purchase agreement.⁹ Dominion represents that a qualifying CFG Facility will have a nameplate capacity of 1,000 kilowatts or greater, and either carbon-free¹⁰ or renewable energy¹¹ facilities will qualify for use as a CFG Facility.¹² Additionally, the Company states that only facilities located within the PJM Interconnection, L.L.C. ("PJM") footprint will qualify for use as a CFG Facility.¹³

The Company states that the CFG charge on participating customers' bill will comprise three components: (i) the Schedule CFG Charge; (ii) the Schedule CFG Adjustment; and (iii) the Schedule CFG Administrative Charge.¹⁴ The Schedule CFG Charge will be set forth in each customer's Schedule CFG Agreement reflecting the costs of the relevant CFG Facility.¹⁵ The Schedule CFG Adjustment will be equal to the PJM settlement credits for the relevant CFG Facility, representing all charges and credits, as billed by PJM, for the application of energy and capacity (if applicable) of the CFG Facility to the electrical grid.¹⁶ The PJM settlement credits

⁸ *Id.* at 4-5.

⁹ *Id.* at 5.

¹⁰ Dominion states that "carbon-free" refers to any electric generating unit that does not emit carbon dioxide as a byproduct of combusting fuel to generate electricity and could include units using nuclear power or clean hydrogen. *Id.*

¹¹ Dominion states that "renewable energy" incorporates the definition of renewable energy in Code § 56-576. *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.* at 8.

¹⁶ *Id.*

may include, but are not limited to, capacity credits (if applicable) and energy credits, as well as any balancing, ancillary, and/or administration charges or credits.¹⁷ The Schedule CFG Administrative Charge will be the greater of (i) \$500 for each 30-day billing period or (ii) \$0.25 per megawatt-hour supplied by the relevant CFG Facility.¹⁸

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Application or to participate in this proceeding as a respondent; and the Staff of the Commission ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations. Further, we find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

To promote administrative efficiency and timely service of filings upon participants, the Commission, among other things, directs the electronic filing of pleadings, unless they contain confidential information, and requires electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2024-00114.
- (2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the

¹⁷ *Id.*

¹⁸ *Id.*

Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁹ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.²⁰

(5) The Commission hereby schedules a telephonic portion of the hearing for the receipt of testimony from public witnesses on the Application, as follows:

- (a) A portion of the hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on October 30, 2024.

¹⁹ 5 VAC 5-20-10 *et seq.*

²⁰ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

- (b) To promote fairness for all public witnesses, each witness will be allotted a maximum of five minutes to provide testimony.
- (c) On or before October 23, 2024, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on October 30, 2024, the assigned Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) The evidentiary portion of the hearing on the Application shall be convened at 10 a.m. on October 30, 2024, or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence offered by the Company, any respondents, and the Staff.

(7) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, RS-2, Richmond, Virginia 23219, or lisa.r.crabtree@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before August 12, 2024, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
 VIRGINIA ELECTRIC AND POWER COMPANY
 D/B/A DOMINION ENERGY VIRGINIA
 FOR APPROVAL TO ESTABLISH A
 VOLUNTARY, EXPERIMENTAL COMPANION TARIFF TO
 SUPPORT CARBON-FREE AND RENEWABLE
 ENERGY GENERATION, DESIGNATED
 SCHEDULE CFG
CASE NO. PUR-2024-00114

On June 25, 2024, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to establish an experimental, voluntary companion tariff, designated Schedule CFG – Carbon-Free or Renewable Generation Supply Service ("Schedule CFG"), pursuant to Code § 56-234 B. Dominion requests that the Commission approve Rate Schedule CFG, on an experimental basis, and allow subscriptions thereunder, for a term of no less than five years. Pursuant to Code § 56-234 B, the Commission is required to issue its final order on the Application within six months of the filing date.

Through its Application, the Company states that Schedule CFG would provide the opportunity for participating non-residential customers to elect to purchase the net energy output from carbon-free or renewable energy resources ("CFG Facilities"), as well as the environmental attributes associated with this energy, in an amount up to 100 percent of their energy needs. Dominion indicates that it has received inquiries from current and prospective commercial and industrial customers interested in carbon-free and renewable energy generation options, but that the Company currently has no such tariff offering for these customers, following the termination of Schedule RG.

Dominion states that Schedule CFG is a companion schedule, available on a voluntary basis to eligible commercial and industrial customers of the Company who currently are taking (or agree to take) service under an approved applicable tariff, currently including the Company's Rate Schedule GS-1, GS-2, GS-2T, GS-3, GS-4, 10, 27, 28, MBR, and SCR (each a "principal tariff"). The Company explains if a customer elects to take service under Schedule CFG, that customer will receive service concurrently under its selected principal tariff and Schedule CFG. Dominion adds that customers may choose to aggregate multiple accounts for participation in Schedule CFG and spread the costs across these

accounts. The Company further states that by enrolling in Schedule CFG, the customer would commit to purchase up to 100 percent of the net electric energy output generated from CFG Facilities (including the capacity costs, as applicable), along with their associated environmental attributes.

Dominion states that it will source CFG Facilities to service participating customers in one of two ways. First, the Company states that it may construct a qualifying facility on behalf of a participating customer, subject to mutually agreeable terms, under which all costs would be ring-fenced, meaning the costs and benefits of the facility would be isolated from the Company's cost-of-service study and not allocated to other customers. Second, the Company states that it may contract with a third-party to purchase the output of a qualifying facility on behalf of a participating customer through a power purchase agreement. Dominion represents that a qualifying CFG Facility will have a nameplate capacity of 1,000 kilowatts or greater, and either carbon-free or renewable energy facilities will qualify for use as a CFG Facility. Additionally, the Company states that only facilities located within the PJM Interconnection, L.L.C. ("PJM") footprint will qualify for use as a CFG Facility.

The Company states that the CFG charge on participating customers' bill will comprise three components: (i) the Schedule CFG Charge; (ii) the Schedule CFG Adjustment; and (iii) the Schedule CFG Administrative Charge. The Schedule CFG Charge will be set forth in each customer's Schedule CFG Agreement reflecting the costs of the relevant CFG Facility. The Schedule CFG Adjustment will be equal to the PJM settlement credits for the relevant CFG Facility, representing all charges and credits, as billed by PJM, for the application of energy and capacity (if applicable) of the CFG Facility to the electrical grid. The PJM settlement credits may include, but are not limited to, capacity credits (if applicable) and energy credits, as well as any balancing, ancillary, and/or administration charges or credits. The Schedule CFG Administrative Charge will be the greater of (i) \$500 for each 30-day billing period or (ii) \$0.25 per megawatt-hour supplied by the relevant CFG Facility.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on the Company's Application. On October 30, 2024, at 10 a.m., a Hearing Examiner appointed by the Commission will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses. On or before October 23, 2024, any person

desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

Beginning at 10 a.m., on October 30, 2024, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On October 30, 2024 at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, a Hearing Examiner appointed by the Commission will convene a hearing to receive testimony and evidence offered by the Company, any respondents, and the Commission Staff.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and has required electronic service on parties to this proceeding.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Lisa R. Crabtree, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, RS-2, Richmond, Virginia 23219, or lisa.r.crabtree@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before October 30, 2024, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00114.

On or before September 11, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00114.

On or before September 25, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Company, and all other respondents simultaneous with its filing. In all filings, the respondent shall comply with the Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00114.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice, the Company's Application, the Commission's Order for Notice and Hearing, and other documents filed in this case may be viewed on the

Commission's website at:
scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION ENERGY VIRGINIA

(9) On or before August 12, 2024, the Company shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town of the service territory of the Company within the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(10) On or before August 26, 2024, the Company shall provide proof of the notice and service required by Ordering Paragraphs (8) and (9), including the name, title, and address of each official served, with the Clerk of the Commission at scc.virginia.gov/clk/efiling.

(11) On or before October 23, 2024, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00114.

(12) On or before September 11, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice

of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (11). Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00114.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent, unless these materials already have been provided to the respondent.

(14) On or before September 25, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (11). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Company, and all other respondents simultaneous with its filing. In all filings, the respondent shall comply with the Rules of Practice, including 5 VAC 5-20-140, *Filing and*

service, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2024-00114.

(15) On or before October 2, 2024, the Staff shall investigate the Application and shall file with the Clerk of the Commission its testimony and exhibits concerning the Application. Each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(16) On or before October 16, 2024, the Company shall file with the Clerk of the Commission any rebuttal testimony and exhibits it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(17) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the

assigned Staff attorney if the interrogatory or request for production is directed to the Staff.²¹
Except as modified above, discovery shall be in accordance with Part IV of the Commission's
Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) 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.

²¹ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information,
by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number,
PUR-2024-00114, in the appropriate box.