

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 23, 2024

823 - CLIENT'S OFFICE
DCCP - DISTRICT CONTROL CENTER

240240025

APPLICATION OF

APPALACHIAN POWER COMPANY

2024 FEB 23 P 4:41
CASE NO. PUR-2024-00001

For approval to construct and operate a battery
energy storage system

ORDER FOR NOTICE AND HEARING

On January 23, 2024, Appalachian Power Company ("APCo" or "Company") completed the filing with the State Corporation Commission ("Commission") of an application ("Application") pursuant to § 56-580 of the Code of Virginia ("Code"), the Utility Facilities Act,¹ and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility,² for approval to construct and operate a battery energy storage system ("BESS") project along its Glade-Whitetop distribution circuit ("Project").³

In support of its Application, the Company states that the Project will be composed of two separate BESS sites connected to the Glade-Whitetop 34.5 kilovolt distribution circuit in southwestern Virginia, with a total rating of 7.5 megawatts (capacity) and 30 megawatt-hours

¹ Code § 56-265.1 *et seq.*

² 20 VAC 5-302-10 *et seq.*

³ The initial filing on January 18, 2024, was made complete by the supplemental filing of inadvertently omitted material on January 23, 2024.

(energy).⁴ The Company states that one site is located in Smyth County, Virginia, and the other in Grayson County, Virginia.⁵

APCo represents that it will use the Project to benefit its customers in two ways.⁶ First, the Company states that it will utilize the Project to reduce costs for customers.⁷ Specifically, APCo states that the Project will be used to lower the Company's overall system demand and thus reduce the need for other sources of generation during periods when customer demand is high.⁸ Second, the Company states that it will use the Project as a primary source of power for customers served by the Glade-Whitetop distribution circuit, who have experienced disproportionally high levels of outages.⁹ APCo submits that the Project will therefore both improve reliability for the Company's customers and reduce the Company's cost of service.¹⁰

APCo states that the Project has an estimated total cost of approximately \$57.3 million with approximately \$34.5 million for the procurement and installation of the BESS components.¹¹ The Company states that it will file for recovery of eligible project costs in a future Virginia Clean Economy Act filing.¹²

⁴ Application at 3.

⁵ *Id.*

⁶ *Id.* at 3.

⁷ *Id.*

⁸ *Id.* at 3-4.

⁹ *Id.* at 4.

¹⁰ *Id.*

¹¹ *Id.* at 5.

¹² *Id.* at 6.

As provided by Code § 62.1-44.15:21 D 2, the Commission and the State Water Control Board ("Board") must consult on wetland impacts prior to the siting of electric utility facilities that require a certificate of public convenience and necessity. As provided by Section 3 of the Department of Environmental Quality – State Corporation Commission Memorandum of Agreement Regarding Consultation on Wetland Impacts, the Staff of the Commission ("Staff") has advised the Department of Environmental Quality ("DEQ"), acting on behalf of the Board, that APCo filed its Application in Case No. PUR-2024-00001 and that the Board's consultation is required.¹³

In addition to the consultation on wetlands, Code §§ 10.1-1186.2:1 B and 56-46.1 G direct the Commission and the DEQ to coordinate the environmental review of proposed generating plants and associated facilities. Additionally, Code § 56-46.1 A provides for the Commission to receive and to consider reports on the proposed facilities from state environmental agencies. Accordingly, Staff has requested the DEQ to coordinate an environmental review of the proposed BESS by the appropriate agencies and to provide a report on the review.¹⁴

Lastly, in conjunction with the filing of its Application, the Company also filed a Motion for Protective Ruling ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").¹⁵

¹³ Letter from Raymond L. Doggett, Jr., Senior Counsel, State Corporation Commission, dated January 23, 2024, to David L. Davis, Department of Environmental Quality, filed in Case No. PUR-2024-00001.

¹⁴ Letter from Raymond L. Doggett, Jr., Senior Counsel, State Corporation Commission, dated January 23, 2024, to Bettina Rayfield, Department of Environmental Quality, filed in Case No. PUR-2024-00001.

¹⁵ 5 VAC 5-10-20 *et seq.*

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; APCo should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or participate as a respondent in this proceeding; and Staff should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and 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 will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2024-00001.
- (2) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. 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 Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and 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 Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and recommendations. 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.¹⁶

(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) The portion of the hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on June 11, 2024.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before June 5, 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 Hearing Examiner 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

¹⁶ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.

(d) Beginning at 10 a.m., on June 11, 2024, the Hearing Examiner appointed to this case will telephone sequentially each person who has signed up to testify, if any, as provided above.

(e) This public witness portion of the 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 June 11, 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 the testimony and evidence of the Company, any respondents, and Staff.

(7) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before March 15, 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 service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
APPALACHIAN POWER COMPANY,
FOR APPROVAL TO CONSTRUCT AND OPERATE
A BATTERY ENERGY STORAGE SYSTEM
CASE NO. PUR-2024-00001

On January 23, 2024, Appalachian Power Company
("APCo" or "Company") completed the filing with the State

Corporation Commission ("Commission") of an application ("Application") pursuant to § 56-580 of the Code of Virginia ("Code"), the Utility Facilities Act, and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility, for approval to construct and operate a battery energy storage system ("BESS") project along its Glade-Whitetop distribution circuit ("Project").

In support of its Application, the Company states that the Project will be composed of two separate BESS sites connected to the Glade-Whitetop 34.5 kilovolt distribution circuit in southwestern Virginia, with a total rating of 7.5 megawatts (capacity) and 30 megawatt-hours (energy). The Company states that one site is located in Smyth County, Virginia, and the other in Grayson County, Virginia.

APCo represents that it will use the Project to benefit its customers in two ways. First, the Company states that it will utilize the Project to reduce costs for customers. Specifically, APCo states that the Project will be used to lower the Company's overall system demand and thus reduce the need for other sources of generation during periods when customer demand is high. Second, the Company states that it will use the Project as a primary source of power for customers served by the Glade-Whitetop distribution circuit, who have experienced a disproportionately high levels of outages. APCo submits that the Project will therefore both improve reliability for the Company's customers and reduce the Company's cost of service.

APCo states that the Project has an estimated total cost of approximately \$57.3 million with approximately \$34.5 million for the procurement and installation of the BESS components. The Company states that it will file for recovery of eligible project costs in a future Virginia Clean Economy Act filing.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled a public hearing on APCo's Application. On June 11, 2024, at 10 a.m., the Hearing Examiner assigned will hold the telephonic portion of the hearing for the purpose of receiving the testimony of public witnesses. On or before June 5, 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 Hearing Examiner 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 June 11, 2024, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On June 11, 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, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Application from 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 public version of the Company's Application may be obtained by submitting a written request to counsel for the Company: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before June 5, 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-2024-00001.

On or before April 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-2024-00001.

On or before April 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 sent to Staff, the Company, and all other. 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-2024-00001.

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 public version of 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.

APPALACHIAN POWER COMPANY

(9) On or before March 15, 2024, the Company shall serve a copy of its Application and this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or 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 April 5, 2024, the Company shall file proof of the notice and service required by Ordering Paragraphs (8) and (9), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission by filing electronically at scc.virginia.gov/clk/efiling.

(11) On or before June 5, 2024, any interested person may submit written comments on the Application by following the instructions found 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-2024-00001.

(12) On or before April 11, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation 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 shall be sent to counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00001.

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

(14) On or before April 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 sent to Staff, the Company, and all other respondents. In all filings, the respondent shall comply with the Rules of Practice, as modified herein, including, but not limited to: 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-2024-00001.

(15) On or before May 2, 2024, Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff

witness's testimony shall include a summary not to exceed one page. A copy thereof shall be sent to counsel to the Company and all respondents.

(16) On or before May 23, 2024, APCo shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall send a copy of its rebuttal testimony and exhibits to Staff and all respondents. Additionally, the Company shall serve a copy of its rebuttal testimony on DEQ by email to bettina.rayfield@deq.virginia.gov.

(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 herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(18) 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 seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, 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 Staff.¹⁷ Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

¹⁷ 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-2024-00001, in the appropriate box.

(19) This matter is continued.

Commissioner James C. Dimitri participated in this matter.

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.