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VIA ELECTRONIC DELIVERY

November 9, 2020

Ms. Kimberly B. Pate, Director
Division of Utility Accounting & Finance

Mr. William F. Stephens
Director, Division of Energy Regulation

State Corporation Commission of Virginia
Tyler Building – 4th Floor
1300 East Main Street
Richmond, Virginia 23219

**Dominion Virginia Power's Annual Report
to the State Corporation Commission on Renewable Energy,
in accordance with § 56-585.2 H of the Code of Virginia**

Dear Ms. Pate and Mr. Stephens:

Enclosed please find Virginia Electric and Power Company's Final Annual Report on Renewable Energy under former Va. Code § 56-585.2 H to address its 2019 and 2020 Voluntary Program compliance. The Company is discontinuing this report because Va. Code § 56-585.2 H has now been repealed.

Please let me know if you have any questions.

Sincerely,

/s/ Lauren W. Biskie

Lauren W. Biskie
Senior Counsel

Enclosure



Virginia Electric and Power Company

d/b/a

Dominion Energy Virginia

Annual Report to the State Corporation Commission

on Renewable Energy, in accordance with

§ 56-585.2 H of the Code of Virginia¹

November 9, 2020

¹ Va. Code § 56-585.2 H was repealed effective July 1, 2020.

I. INTRODUCTION

Prior to July 1, 2020, pursuant to § 56-585.2 H of the Code of Virginia (“Va. Code”), each investor-owned incumbent electric utility in the Commonwealth was required to report to the State Corporation Commission of Virginia (“Commission”) annually by November 1 on (i) its efforts to meet its goals under the voluntary renewable portfolio standard (“Voluntary Program”); (ii) its generation of renewable energy; and (iii) advances in renewable generation technology that affect the utility’s activities.

During its 2020 Regular Session, the Virginia General Assembly enacted the Virginia Clean Economy Act (“VCEA”).² Among other things, the VCEA repealed Va. Code § 56-585.2 governing the Voluntary Program, and established a mandatory renewable energy portfolio standard program (the “Mandatory RPS Program”) under which Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”) must meet annual requirements for the sale of renewable energy based on a percentage of non-nuclear electric energy sold to retail customers in the Company’s service territory. Starting in 2021, the Company must retire renewable energy certificates (“RECs”) equal to a certain percentage of its “total electric energy” sold in the prior calendar year.³

Accordingly, the Company submits this final Annual Report on Renewable Energy (“Report”) to the Commission under former Va. Code § 56-585.2 H to address its 2019 and 2020 Voluntary Program compliance.

² Virginia Acts of Assembly, 2020 Session, Chapters 1193 and 1194 (approved Apr. 11, 2020; effective July 1, 2020).

³ Va. Code § 56-585.5 C.

II. EFFORTS TO MEET VOLUNTARY PROGRAM GOALS

A. Statutory Guidance

For the purposes of complying with Virginia’s Voluntary Program as set forth in former Va. Code § 56-585.2 *et seq.*, “renewable energy” was defined (by reference to Va. Code § 56-576) as:

energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, land fill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.⁴

Former Va. Code § 56-585.2 further defined how such renewable energy can qualify for compliance with the Virginia Voluntary Program. Such renewable energy must:

- be generated in the Commonwealth or in the interconnection region of the regional transmission entity of which the participating utility is a member, as it may change from time to time, and purchased by a participating utility under a power purchase agreement; provided, however, that if such agreement was executed on or after July 1, 2013, the agreement shall expressly transfer ownership of renewable attributes, in addition to ownership of the energy, to the participating utility;
- be generated by a public utility providing electric service in the Commonwealth from a facility in which the public utility owns at least a 49 percent interest and that is located in the Commonwealth, in the interconnection region of the regional transmission entity of which the participating utility is a member, or in a control area adjacent to such interconnection region;
- be represented by RECs;⁵ and
- not include electricity generated from pumped storage, but shall include run-of-river generation from a combined pumped-storage and run-of-river facility.

⁴ The VCEA amended the definition of “renewable energy” in Va. Code § 56-576 to clarify that the definition of “does not include waste heat from fossil-fired facilities or electricity generated from pumped storage but includes run-of-river generation from a combined pumped-storage and run-of-river facility.”

⁵ Under former Va. Code § 56-585.2, “renewable energy certificate” was defined as either (i) a certificate issued by an affiliate of the regional transmission entity of which the participating utility is a member, as it may change from time to time, or any successor to such affiliate, and held or acquired by such utility, that validates the generation of renewable energy by eligible sources in the interconnection region of the regional transmission entity or (ii) a certificate issued by the Commission pursuant to subsection J and held or acquired by a participating utility, that validates a qualified investment made by the participating utility.

Former Va. Code § 56-585.2 B provided that “[a]ny investor-owned incumbent electric utility may apply to the Commission for approval to participate in a renewable energy portfolio standard program” and that the “Commission shall approve such application if the applicant demonstrates that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022, and 15 percent of its base year electric energy sales from renewable energy sources during calendar year 2025”

B. Dominion Energy Virginia’s Voluntary Program Plan under Former Va. Code § 56-585.2

On July 28, 2009, the Company submitted its Application for Approval to Participate in a Renewable Energy Portfolio Standard Program Pursuant to former Va. Code § 56-585.2 (the “Application”), in Case No. PUE-2009-00082. The Application represented the Company’s initial filing for approval of its Voluntary Program plan (“Voluntary Program Plan”). On May 18, 2010, the Commission issued its Final Order (the “Final Order”) in that initial proceeding, finding that the Company has demonstrated that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022, and 15 percent of its base year electric energy sales from renewable energy sources during calendar year 2025, and granting Dominion Energy Virginia’s Application seeking approval to participate in the Voluntary Program.

1. Total Electric Energy Sold in the Base Year

Pursuant to former Va. Code § 56-585.2 A, “[t]otal electric energy sold in the base year” is “total electric energy sold to Virginia jurisdictional retail customers by a participating utility in calendar year 2007, excluding an amount equivalent to the average of the annual percentages of the electric energy that was supplied to such customers from nuclear generating plants for the calendar years 2004 through 2006.”

The Company has calculated its total electric energy sold in the base year as follows:

Electric Energy Sold to Retail Customers in 2007

(Virginia Jurisdiction) 64,621,534 MWh

Three-year Average (2004-2006) Nuclear Generation

(Virginia Jurisdiction) 21,302,885 MWh

Total Electric Energy Sold in the Base Year (Target Baseline) 43,318,649 MWh

2. Voluntary Program Goals for the Years 2011 Through 2025⁶

The Company’s Voluntary Program goals were established and approved in Case No. PUE-2009-00082 by multiplying the total electric energy sold in the base year (described above) by the Voluntary Program goals for the years 2011 through 2025.

Pursuant to former Va. Code § 56-585.2 D, Voluntary Program Goals II-IV were based on multiyear averages. The Company’s Voluntary Program goals for each individual year as represented in MWh (or average MWh for a group of years) are as follows:

Year	2011- 2015	2016	2017-2021	2022	2023-24	2025
Percent	4%	7%	7%	12%	12%	15%
	Average		Average		Average	
Goal	1,732,746	3,032,305	3,032,305	5,198,238	5,198,238	6,497,797

C. Application of the Renewable Resources to Meet the Company’s Voluntary

Program Plan

⁶ As noted, the Company is now subject to Mandatory RPS Program requirements beginning in 2021 as set forth in Va. Code § 56-585.5 C.

The Company met Voluntary Program Goal I in 2010,⁷ Voluntary Program Goal II for 2011 through 2015, and Voluntary Program Goal III for 2016 through 2018. The Company's Voluntary Program Plan will permit the Company to meet its Voluntary Program Goals through 2020, after which the Company's Mandatory RPS Program requirements will apply.

Any references to MWh goals, renewable generation, and REC transactions set forth in this Annual Report are shown at the Virginia Jurisdictional percentage level and not at the Total System level. The 2018 Virginia Jurisdictional percentage is 80.8765 percent of the Total System level.⁸

1. 2019 Renewable Energy Generated & REC Transactions

The Company met and exceeded its 2019 Virginia Voluntary Program renewable target of 3,032,305 MWh through implementation of its Voluntary Program Plan approved by the Commission as illustrated in Exhibit 1 of this report. The Company achieved compliance by applying 3,035,305 purchased RECs.

As required by former Va. Code § 56-585.2 H, the breakdown of the Company's efforts to meet its Voluntary Program Goals for 2019 is as follows:

- § 56-585.2 H 1.a. – A list of all states where the purchased or owned renewable energy was generated, specifying the number of megawatt hours or renewable energy certificates originating from each state.

⁷ *Application of Virginia Electric and Power Company for a 2011 biennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2011-00027, Final Order at 22 (Nov. 30, 2011).

⁸ Rounded for the purposes of this report to 80.88 percent. This percentage is based on the Company's most recent cost of service study for the 12 months ending December 31, 2019. This allocation factor is used as the basis for apportioning existing generation MWh for inclusion in its Virginia Voluntary Program Plan.

State	Totals	Applied	Banked	Optimized
PA	574,269	0	574,269	0
MD	1,249,005	0	1,249,005	0
NC	542,752	0	542,752	0
VA	4,706,560	3,035,305	1,671,255	0
Total	7,072,586	3,035,305	4,037,281	0

- § 56-585.2 H 1.b. – A list of the decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of megawatt hours or renewable energy certificates originating from those units.

Decade	Totals	Applied	Banked	Optimized
1910s	100,869	0	100,869	0
1920s	1,298,136	0	1,298,136	0
1930s	169,170	0	169,170	0
1940s	572	0	572	0
1950s	244,923	0	244,923	0
1960s	297,829	0	297,829	0
1980s	544,629	0	544,629	0
1990s	223,331	0	223,331	0
2010s	4,193,127	3,035,305	1,157,822	0
Total	7,072,586	3,035,305	4,037,281	0

- § 56-585.2 H 1.c. – A list of fuel types used to generate the purchased or owned renewable energy, specifying the number of megawatt hours or renewable energy certificates originating from each fuel type.

Fuel Type	Totals	Applied	Banked	Optimized
Hydro	2,548,858	0	2,548,858	0
MSW	311,241	0	311,241	0
Landfill Gas	19,360	0	19,360	0
Thermal	4,193,127	3,035,305	1,157,822	0
Total	7,072,586	3,035,305	4,037,281	0

2. 2020 Renewable Energy Generated & REC Transactions

The Company will meet its 2020 Virginia Voluntary Program Plan renewable target of 3,032,305 MWh through implementation of its Voluntary Program Plan approved by the Commission which is illustrated in Exhibit 2. The Company will achieve compliance by applying 3,032,305 of purchased RECs or will use existing renewable energy resources in the form of long-term contracts from renewable energy NUGs where appropriate.

As required by former Va. Code § 56-585.2 H, the breakdown of the Company's efforts to meet its Voluntary Program Goals for 2020 is as follows:

- § 56-585.2 H 1.a. – A list of all states where the purchased or owned renewable energy was generated, specifying the number of megawatt hours or renewable energy certificates originating from each state.

State	Totals	Applied	Banked	Optimized
PA	574,269	0	574,269	0
MD	1,249,005	0	1,249,005	0
NC	1,146,941	0	1,146,888	53
VA	3,689,896	3,032,305	657,591	0
Total	6,660,111	3,032,305	3,627,753	53

- § 56-585.2 H 1.b. – A list of the decades in which the purchased or owned renewable energy generating units were placed in service, specifying the number of megawatt hours or renewable energy certificates originating from those units.

Decade	Totals	Applied	Banked	Optimized
1910s	100,869	0	100,869	0
1920s	1,298,136	0	1,298,136	0
1930s	169,170	0	169,170	0
1940s	572	0	572	0
1950s	491,991	0	491,938	53
1960s	654,950	0	654,950	0
1980s	680,657	0	680,657	0
1990s	231,461	0	231,461	0
2010s	3,032,305	3,032,305	0	0
Total	6,660,111	3,032,305	3,627,753	53

- § 56-585.2 H 1.c. – A list of fuel types used to generate the purchased or owned renewable energy, specifying the number of megawatt hours or renewable energy certificates originating from each fuel type.

Fuel Type	Totals	Applied	Banked	Optimized
Hydro	3,163,971	0	3,163,918	53
MSW	444,475	0	444,475	0
Landfill Gas	19,360	0	19,360	0
Thermal	3,032,305	3,032,305	0	0
Total	6,660,111	3,032,305	3,627,753	53

The Company began 2020 with banked renewable energy and RECs of 4,037,282 MWh and at year-end 2020 expects to have a bank of approximately 3,627,753 MWh of renewable energy and RECs, almost all of which will be carried over for use toward future Mandatory RPS Program compliance. Beginning in 2021, the Company is subject to the Mandatory RPS Program requirements under Va. Code § 56-585.5 C.

III. OVERALL DEVELOPMENT OF RENEWABLE ENERGY

The VCEA requires the development of significant renewable energy generation and energy storage resources by the Company. The development of new renewable energy generation is needed to comply with the Mandatory RPS Program also established by the VCEA. Under Va. Code § 56-585.5 D 2, the Company must petition the Commission for the necessary approvals to construct or purchase 16,100 MW of solar or onshore wind generation located in the Commonwealth by 2035. On October 30, 2020, in Case No. PUR-2020-00134, the Company submitted its 2020 RPS Development Plan, reporting on its progress towards, and plans for, solar, onshore wind, and energy storage project development.

IV. ADVANCES IN RENEWABLE GENERATION TECHNOLOGY

As detailed in its 2020 Integrated Resource Plan,⁹ the Company has assembled a new organization dedicated to pursuing innovative and sustainable technologies that will help guide the Company toward a clean energy future, including renewable energy and energy storage technologies.

V. CONCLUSION

The Company views its efforts toward its Voluntary Program in Virginia in 2019 and 2020 as successful.

⁹ Case No. PUR-2020-00035

With the enactment of the Virginia Clean Economy Act, the Company will continue to move forward in implementing its cost-effective renewable energy program, as outlined in this Annual Report to the Commission, and as addressed in its RPS Development Plan filing currently under review in Case No. PUR-2020-00134.

EXHIBIT 1
DOMINION ENERGY VIRGINIA
RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM
2019 SUMMARY

TOTAL ELECTRIC ENERGY SOLD IN THE BASE YEAR (MWh)		
Total Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007		64,621,534
Less Three-year Average Percentages (2004-2006) Nuclear Generation		<u>21,302,885</u>
Total Electric Energy Sold in the Base Year		<u><u>43,318,649</u></u>
RENEWABLE ENERGY PORTFOLIO STANDARD GOALS		
		2019
Percent		<u>7%</u>
Goal (MWh)		<u>3,032,305</u>
Company RPS Generation Resources (MWh)		
	Total Energy Generated during 2019	VA Jurisdictional Energy Generated during 2019 ⁽¹⁾
Company Owned		
North Anna	1,168	944
Gaston	368,252	297,829
Roanoke Rapids	302,836	244,923
Total Company Owned	672,256	543,696
NUGS⁽²⁾	182,969	147,979
TOTAL Renewable Energy Generated During 2019	855,225	691,675
Total Company Generated Renewable Energy as a % of goal		23%
Less Company Generated Renewable Energy Credits Optimized		<u>-</u>
Total Renewable Energy Available for 2018 Compliance		<u>691,675</u>
REC Purchases		<u>2,128,558</u>
NUG Renewable Energy and RECs Previously Banked		<u>4,252,354</u>
Total Renewable Energy and RECs Available for 2019 Compliance		<u>7,072,587</u>
Less Renewable Energy and RECs Banked for Future RPS Application		<u>(4,037,282)</u>
Renewable Energy and RECs Applied for Compliance²		<u>3,035,305</u>
Notes: (1) Based on VA jurisdictional allocation of 80.88%.		
(2) Because Goal III is a multi-year average, the Company applied 3,035,305 for RPS Compliance for 2019		

EXHIBIT 2
DOMINION ENERGY VIRGINIA
RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM
2020 SUMMARY

TOTAL ELECTRIC ENERGY SOLD IN THE BASE YEAR (MWh)			
Total Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007			64,621,534
Less Three-year Average Percentages (2004-2006) Nuclear Generation			<u>21,302,885</u>
Total Electric Energy Sold in the Base Year			<u><u>43,318,649</u></u>
RENEWABLE ENERGY PORTFOLIO STANDARD GOALS			
			2020
Percent			<u>7%</u>
Goal (MWh)			<u>3,032,305</u>
Company RPS Generation Resources (MWh)			
	Actual through September 30, 2020	Projected through Balance of Year	Estimated Total 2020 ⁽¹⁾
Company Owned			
North Anna	797	99	895
Gaston	309,739	47,381	357,121
Roanoke Rapids	205,823	41,245	247,068
Total Company Owned	516,358	88,726	605,084
NUG Renewable Energy	108,604	34,658	143,262
TOTAL	624,962	123,384	748,346
Company-Owned Renewables	516,358	88,726	605,084
less REC-Optimized Resources	(53)	0	(53)
Net Company-Owned	516,305	88,726	605,031
REC Purchases	1,137,994	736,489	1,874,483
NUG Renewable Energy	108,604	34,658	143,262
TOTAL 2020 Renewable Resources	1,762,903	859,873	2,622,776
2019 Bank Carried Forward			4,037,282
Renewable Resources to be Retired (per Target)			3,032,305
Company's Estimated Net Renewable Position for 2020 Year-End			3,627,753

Notes: (1) Based on projected VA jurisdictional allocation of 80.88%.

VERIFICATION

Virginia Electric and Power Company's 2019 RPS Goal Compliance

I, C. Eric McMillan, Manager – Power Contracts and Origination, in Energy Supply, for Virginia Electric and Power Company d/b/a Dominion Energy Virginia, do solemnly swear that the information and data in the preceding Exhibit 1 (to the 2020 RPS Annual Report) in reference to Dominion Energy Virginia having met its 2019 RPS Goal, are true and correct to the best of my knowledge and belief.



C. Eric McMillan

COMMONWEALTH OF VIRGINIA)
) to wit:
City of Richmond)

The foregoing instrument was sworn to and acknowledged before me this 29th day of October, 2020.



Notary Public

My registration number is 223170 and my commission expires: 10-31-2024



VERIFICATION

Virginia Electric and Power Company's 2020 RPS Goal Compliance

I, C. Eric McMillan, Manager – Power Contracts and Origination, in Energy Supply, for Virginia Electric and Power Company d/b/a Dominion Energy Virginia, do solemnly swear that the information and data in the preceding Exhibit 2 (to the 2020 RPS Annual Report) in reference to Dominion Energy Virginia's plan to meet its 2020 RPS Goal, are true and correct to the best of my knowledge and belief.



C. Eric McMillan

COMMONWEALTH OF VIRGINIA)
) to wit:
City of Richmond)

The foregoing instrument was sworn to and acknowledged before me this 29th day of October, 2020.


Notary Public

My registration number is 223170 and my commission expires: 10-31-2024

