

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

REC'D - CIVIL RIGHTS DIVISION
REGISTRATION CONTROL CENTER
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AT RICHMOND, JULY 26, 2024

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00123

For an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On July 1, 2024, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Code §§ 56-5-77 A 5 and 56-234 for an annual update of the Company's voluntary 100 percent renewable energy tariff, designated Rider TRG.¹ The Company began offering Rider TRG in July 2020.² According to Dominion, as of May 31, 2024, approximately 5,751 residential customers, 123 commercial customers, and two industrial customers were enrolled in Rider TRG.³

In Case No. PUR-2019-00094, the Commission approved the Company's initial Rider TRG filing, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from a portfolio of renewable energy resources owned or contracted for by the Company ("TRG Portfolio") that meet the definition of renewable

¹ Application at 1.

² *Id.* at 4, 10.

³ *Id.* at 10.

energy in Code § 56-576.⁴ In that case, the Commission approved the following resources for inclusion in the TRG Portfolio: the Scott, Whitehouse, and Woodland solar facilities; the Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements; the Gaston and Roanoke Rapids hydro facilities; and the Altavista, Hopewell, and Southampton biomass units.⁵

Customers electing to participate in Rider TRG pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of renewable energy certificates ("RECs") as a proxy for this premium ("Rider TRG Rate").⁶ In Case No. PUR-2019-00094, the Commission approved a Rider TRG Rate of \$3.98 per megawatt-hour ("MWh"), which was the weighted average price of the RECs produced by all of the resources in the approved TRG Portfolio.⁷

Dominion states that it calculates the current value of the RECs in the TRG Portfolio to be \$29.49/MWh "based on the current market value of the portfolio RECs using the same

⁴ *Application of Virginia Electric and Power Company, For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia, Case No. PUR-2019-00094, 2020 S.C.C. Ann. Rept. 280, Order Approving Tariff (July 2, 2020).*

⁵ *See id.*; Application at 6.

⁶ Application at 7.

⁷ *See id.*; Order Approving Tariff, 2020 S.C.C. Ann. Rept. at 283-84. The Commission did not modify the previously approved Rider TRG Rate of \$3.98 in either of the Company's subsequent two Rider TRG proceedings. *See Application of Virginia Electric and Power Company, For an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia, Case No. PUR-2021-00138, 2021 S.C.C. Ann. Rept. 512, 512, Order (Dec. 8, 2021) ("2021 Rider TRG Order"); Application of Virginia Electric and Power Company, For an update of the 100% renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia, Case No. PUR-2022-00101, 2023 S.C.C. Ann. Rept. 194, 196, Order Approving Application (May 5, 2023) ("2023 Rider TRG Order").* In both proceedings, the Commission decided not to modify the \$3.98 Rider TRG Rate because it found that Rider TRG continued to be in an implementation phase. *See 2021 Rider TRG Order, 2020 S.C.C. Ann. Rept. at 512 ("[T]he Commission exercises its discretion . . . not to modify the filed rate[] until Rider TRG has been in effect for a longer period of time in order to gain additional experience with the implementation thereof."); 2023 Rider TRG Order, 2023 S.C.C. Ann. Rept. at 196 (declining to modify the previously-approved Rider TRG Rate of \$3.98 per MWh because "Rider TRG is still in its implementation phase").*

historical transactions methodology that was approved as part of the original Rider TRG application."⁸ In its Application, however, Dominion proposes increasing the Rider TRG Rate to \$16.73/MWh.⁹ According to Dominion, the Company is proposing to increase Rider TRG by \$16.73/MWh rather than \$29.49/MWh "[t]o avoid the impact of a sharp increase in the rate while also ensuring the Rider TRG Rate is more aligned with the estimated current market value of the TRG Portfolio of RECs."¹⁰ Dominion indicates that the proposed Rider TRG Rate of \$16.73/MWh reflects an incremental increase of 50 percent of the difference in the current market value of the TRG Portfolio RECs and the currently approved rate of \$3.98/MWh.¹¹ According to the Company, \$16.73/MWh represents a charge over standard service, on an annualized basis, of 12.58% for participating customers.¹²

Dominion states that, for RECs that are retired on behalf of participating customers, "the Company will credit the applicable recovery mechanisms with the full market value of the RECs which are retired on behalf of TRG customers from the first day of the month at least 60 days from the Commission's final order in this proceeding."¹³ Dominion represents that it will achieve this through the proposed \$16.73/MWh charge that is collected from participating customers, plus the difference of \$12.76/MWh to be covered by the Company, to reach the full market value

⁸ Application at 7. The Company is not proposing to add any new resources to the TRG Portfolio at this time. *Id.* at 5.

⁹ *Id.* at 8.

¹⁰ *Id.* at 7-8.

¹¹ *Id.* at 8 n.14.

¹² *Id.*

¹³ *Id.* at 8.

of \$29.49/MWh.¹⁴ Dominion asserts that Rider TRG continues to be just, reasonable, and in the public interest and is designed to hold non-participating customers substantially harmless.¹⁵

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; the Company should provide notice of its Application; interested persons should have an opportunity to comment on the Application; and the Commission's Staff ("Staff") should be directed to investigate the Application and present its findings in a report ("Staff Report"). We further find that a Hearing Examiner should be appointed to rule on all discovery matters that arise during the course of this proceeding.

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-2024-00123.

(2) All pleadings, briefs, or other documents required to be served 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 and Procedure ("Rules of Practice").¹⁶ 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

¹⁴ *Id.*

¹⁵ *Id.* at 9.

¹⁶ 5 VAC 5-20-10 *et seq.*

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 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 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 rule on any discovery matters that arise during the course of this proceeding and any motions *pro hac vice* that are filed. A copy of each filing relating to discovery matters or motions *pro hac vice* made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁷

(5) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

¹⁷ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

(6) On or before August 23, 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
FOR AN UPDATE OF THE 100 PERCENT RENEWABLE
ENERGY TARIFF, DESIGNATED RIDER TRG
CASE NO. PUR-2024-00123

On July 1, 2024, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Code §§ 56-577 A 5 and 56-234 for an annual update of the Company's voluntary 100 percent renewable energy tariff, designated Rider TRG. The Company began offering Rider TRG in July 2020. According to Dominion, as of May 31, 2024, approximately 5,751 residential customers, 123 commercial customers, and two industrial customers were enrolled in Rider TRG.

In Case No. PUR-2019-00094, the Commission approved the Company's initial Rider TRG filing, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from a portfolio of renewable energy resources owned or contracted for by the Company ("TRG Portfolio") that meet the definition of renewable energy in Code § 56-576. In that case, the Commission approved the following resources for inclusion in the TRG Portfolio: the Scott, Whitehouse, and Woodland solar facilities; the Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements; the Gaston and Roanoke Rapids hydro facilities; and the Altavista, Hopewell, and Southampton biomass units.

Customers electing to participate in Rider TRG pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of renewable energy certificates ("RECs") as a proxy for this premium ("Rider TRG Rate"). In Case No. PUR-2019-00094, the Commission approved a Rider TRG Rate of \$3.98 per megawatt-hour ("MWh"), which was the weighted average price of the RECs produced by all of the resources in the approved TRG Portfolio.

Dominion states that it calculates the current value of the RECs in the TRG Portfolio to be \$29.49/MWh "based on the current market value of the portfolio RECs using the same historical transactions methodology that was approved as part of the original Rider TRG application." In its Application, however, Dominion proposes increasing the Rider TRG Rate to \$16.73/MWh. According to Dominion, the Company is proposing to increase Rider TRG by \$16.73/MWh rather than \$29.49/MWh "[t]o avoid the impact of a sharp increase in the rate while also ensuring the Rider TRG Rate is more aligned with the estimated current market value of the TRG Portfolio of RECs." Dominion indicates that the proposed Rider TRG Rate of \$16.73 reflects an incremental increase of 50 percent of the difference in the current market value of the TRG Portfolio RECs and the currently approved rate of \$3.98/MWh. According to the Company, \$16.73/MWh represents a charge over standard service, on an annualized basis, of 12.58% for participating customers.

Dominion states that, for RECs that are retired on behalf of participating customers, "the Company will credit the applicable rate recovery mechanisms with the full market value of the RECs which are retired on behalf of TRG customers from the first day of the month at least 60 days from the Commission's final order in this proceeding." Dominion represents that it will achieve this through the proposed \$16.73/MWh charge that is collected from participating customers, plus the difference of \$12.76/MWh to be covered by the Company, to reach the full market value of \$29.49/MWh. Dominion asserts that Rider TRG continues to be just, reasonable, and in the public interest and is designed to hold nonparticipating customers substantially harmless.

TAKE NOTICE that the Commission may approve a rate that is higher than the \$16.73/MWh proposed by the Company, up to \$29.49/MWh for Rider TRG. Interested persons are encouraged to review the Application and supporting documents for further details of the Company's proposals.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

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 required electronic service on parties

to this proceeding. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com.

On or before September 30, 2024, any interested person may file comments on the Application by following the instructions on the Commission's website: <https://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 such comments shall refer to Case No. PUR-2024-00123.

On or before September 30, 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. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00123. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before September 30, 2024, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the

Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2024-00123.

A copy of any notices of participation and requests for hearing shall be sent to counsel for the Company at the address above.

The Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Comment may be viewed at: scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND POWER COMPANY

(7) On or before August 23, 2024, the Company shall serve a copy of this Order for Notice and Comment 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 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.

(8) On or before September 13, 2024, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission by filing electronically at scc.virginia.gov/clk/efiling/.

(9) On or before September 30, 2024, any interested person may file comments on the Application by following the instructions on the Commission's website:

<https://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 such comments shall refer to Case No. PUR-2024-00123.

(10) On or before September 30, 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. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00123. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

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

(12) On or before September 30, 2024, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via

scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above.

Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2024-00123.

(13) On or before October 7, 2024, Dominion shall file a response to any requests for hearing filed in this matter.

(14) The Staff shall investigate the Application. On or before October 14, 2024, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the Staff Report on counsel to the Company and any respondents.

(15) On or before October 28, 2024, Dominion may file with the Clerk of the Commission any response in rebuttal to comments filed in this case, and to the Staff Report.

(16) 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 Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories 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) business 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 the Staff.¹⁸ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) 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.

¹⁸ 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-2024-00123 in the appropriate box.