

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 16, 2020

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2020 NOV 16 P 1:06

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

*Ex Parte*: Allocating RPS costs to certain  
customers of Virginia Electric and Power Company

CASE NO. PUR-2020-00164

ORDER FOR NOTICE AND HEARING

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, establishes mandatory renewable energy portfolio standards ("RPS") for Virginia Electric and Power Company ("Dominion" or "Company") in new § 56-585.5 of the Code of Virginia ("Code").<sup>1</sup>

Code § 56-585.5 F provides that the costs of compliance with Code §§ 56-585.5 and 56-585.1:11 "shall be recovered from all retail customers in the service territory of [Dominion] as a non-bypassable charge, irrespective of the generation supplier of such customer...." The statute establishes several exemptions from this non-bypassable charge, including exemptions for accelerated renewable energy buyers, Percentage of Income Payment Program ("PIPP") eligible utility customers, advanced clean energy buyers, and qualifying large general service customers, all as described in the legislation.<sup>2</sup>

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<sup>1</sup> Subdivision D 4 of Code § 56-585.5 requires Dominion to submit to the State Corporation Commission ("Commission") plans and petitions for (i) approval of new solar and onshore wind generation capacity as well as energy storage projects ("RPS Filing"), and (ii) approval or update of cost recovery mechanisms therefor. The utilities are required to make RPS Filings annually, commencing in 2020 and concluding in 2035. Dominion filed its RPS Filing on October 30, 2020, in Case No. PUR-2020-00134.

<sup>2</sup> Code § 56-585.5 F. *See* Code § 56-576 for the definition of PIPP eligible utility customers.

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Code § 56-585.5 F directs the Commission to establish a proceeding for Dominion by September 1, 2020, to determine the amount of the costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, to be allocated to retail customers within Dominion's service territory receiving electric supply service from non-utility suppliers. The statute requires that tariff provisions recovering these costs from such customers be implemented not later than January 1, 2021, and that such tariffs be updated and trued up on an annual basis.<sup>3</sup>

The Commission issued an Order Establishing Proceeding in this case on August 31, 2020 ("August 31, 2020 Order"). In its August 31, 2020 Order, the Commission docketed the matter and directed Dominion to file a proposed tariff, together with supporting information and documentation, by which an allocation of its costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, would be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than Dominion ("RPS Cost Allocation Filing" or "Filing"). The August 31, 2020 Order also provided interested persons an opportunity to file written comments, request a hearing, or participate in this proceeding as a respondent; directed the Commission Staff ("Staff") to investigate Dominion's RPS Cost Allocation Filing and file a Staff Report containing its findings and recommendations; provided Dominion an opportunity to respond to comments, hearing requests, and the Staff Report; and appointed a Hearing Examiner to rule on any discovery matters in this proceeding.

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<sup>3</sup> Code § 56-585.5 F.

Dominion submitted its RPS Cost Allocation Filing on October 5, 2020. In its Filing, the Company seeks approval of a rate adjustment clause, designated Rider NBC, for recovery of the cost of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits.<sup>4</sup>

The Company states it has designed Rider NBC, for this initial proposal, to be applicable only to any customer who is eligible for and elects to purchase electricity supply service from a competitive service provider in accordance with Code § 56-577 A, or who is eligible for and elects to purchase electricity supply service under any approved, applicable tariff rate schedule for market based rates (collectively, "Rider NBC Customers").<sup>5</sup>

According to Dominion, the RPS related costs to be recovered from Rider NBC Customers as a non-bypassable charge include costs for offshore wind subject to Code § 56-585.1:11, as well as (i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of renewable energy credits ("RECs") associated with RPS requirements.<sup>6</sup> The Company states that these costs will be netted against any fuel, capacity and ancillary benefits associated with the purchase or construction of renewable energy in accordance with the requirements of Code § 56-585.5 F.<sup>7</sup>

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<sup>4</sup> See Filing at 4.

<sup>5</sup> *Id.* at 5.

<sup>6</sup> *Id.* at 7.

<sup>7</sup> *Id.*

The Company states that it anticipates that a significant component of the costs that shall be non-bypassable will be the subject of separate riders whose charges are allocated to all of the Company's retail generation customers.<sup>8</sup> Dominion proposes that where non-bypassable projects have their own stand-alone rider, the rider rate will be calculated with Rider NBC Customers included within the applicable rate class. Rider NBC Customers will receive charges on their bill for these riders just like all other customers in the Company's retail classes. The Company seeks to have the revenue requirements and rates in those respective rider proceedings and rate changes take effect in their own respective rate years. Therefore, Rider NBC would be reserved for those costs and benefits where a stand-alone rider does not exist.<sup>9</sup>

In this proceeding, Dominion asks the Commission to approve Rider NBC for the initial rate year beginning January 1, 2021, and ending December 31, 2021 ("Rate Year").<sup>10</sup> For the Rate Year, the Company includes projected costs totaling \$420,822 on a system basis from a new 12.5 megawatt Rivanna solar power purchase agreement ("PPA").<sup>11</sup> The Company also projects \$764,696 of benefits for the Rate Year on a system basis, which represents estimated 2021 fuel benefits from the Rivanna solar PPA and the Grassfield solar project.<sup>12</sup> While the

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 9.

<sup>11</sup> *Id.* at 8. The Filing states that the Company anticipates filing stand-alone riders for (i) the costs of new generation facilities powered by sunlight, designated Rider CE, and (ii) the costs of RECs purchased in order to comply with RPS requirements, designated Rider RPS, subsequent to this filing. On October 30, 2020, the Company filed for approval of Rider CE as part of its 2020 RPS Filing in Case No. PUR-2020-00134. On November 9, 2020, the Company filed for approval of Rider RPS in Case No. PUR-2020-00170.

<sup>12</sup> *Id.*

costs of the Rivanna solar PPA are included in Rider NBC, Dominion proposes to recover the costs of the Grassfield solar project in a separate rider, designated Rider CE.<sup>13</sup>

Together, the costs and benefits included in Rider NBC yield a net benefit of \$343,873 on a system basis, and a net benefit of \$271,038 on a Virginia jurisdictional basis.<sup>14</sup> This results in a total revenue requirement for Rider NBC of (\$20,031) for the Rate Year.<sup>15</sup> Pursuant to Code § 56-585.5 F, the Company states that it intends to update and true-up Rider NBC on an annual basis, subject to continuing review and approval by the Commission.<sup>16</sup>

To collect the total revenue requirement of (\$20,031) for the Rate Year, Dominion proposes an initial rate of \$0.000000/kilowatt-hour ("kWh") for the period January 1, 2021, through May 31, 2021, and a rate of -\$0.000005/kWh for the period June 1, 2021, through December 31, 2021.<sup>17</sup> The Company proposes this split in the cost recovery for the Rate Year because, as is described above, the costs and benefits used to develop the revenue requirement for Rider NBC relate to the Rivanna solar PPA and the Grassfield solar project. The Rivanna solar PPA has a proposed commercial operation date in June 2021 and the Grassfield solar project (which is the subject of Rider CE) has a projected effective date of June 1, 2021. Accordingly, the Company states that it would be reasonable to begin the cost recovery related to these facilities at the same time, beginning on June 1, 2021.<sup>18</sup>

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 8, 10.

<sup>15</sup> *Id.* at 10.

<sup>16</sup> *Id.* at 9.

<sup>17</sup> *Id.* at 10.

<sup>18</sup> *Id.*

Notices of participation were filed by the Apartment and Office Building Association of Metropolitan Washington ("AOBA"); the Board of Supervisors of Culpeper County, Virginia; Calpine Energy Solutions, LLC ("Calpine"); Chaparral (Virginia) Inc.; Collegiate Clean Energy, LLC ("Collegiate"); Constellation NewEnergy, Inc. ("Constellation"); Costco Wholesale Corporation ("Costco"); Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, "Direct Energy"); Kroger Limited Partnership I and Harris Teeter, LLC (collectively, "Kroger"); Reynolds Group Holdings Inc. ("Reynolds"); the Virginia Committee for Fair Utility Rates; Walmart Inc ("Walmart"); and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 2, 2020, comments were filed by AOBA, Calpine, Constellation, Kroger, Consumer Counsel, Reynolds, and Walmart.<sup>19</sup> Calpine and Direct Energy filed requests for hearing on the Company's Filing on November 2, 2020 ("Requests for Hearing").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

First, in light of the significant interest in this matter and the complexity of the case, the Commission finds that the Requests for Hearing should be granted as set forth herein. We therefore suspend the remainder of the procedural schedule established in the August 31, 2020 Order and establish a new procedural schedule as set forth herein. We find that Dominion should provide public notice of its Filing; a hearing should be scheduled for the purpose of receiving testimony and evidence on the Filing; interested persons should have further opportunity to file comments on the Filing or to participate as respondents in this proceeding;

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<sup>19</sup> While the August 31, 2020 Order did not call for the prefiling of respondent testimony, Collegiate, Costco and Direct Energy prefired testimony on November 2, 2020.

and the Staff should be directed to investigate the Filing and file testimony and exhibits containing its findings and recommendations thereon.

As required by Code § 56-585.5 F, the Commission must "direct that tariff provisions be implemented to recover [costs from customers] beginning no later than January 1, 2021. Thereafter, such charges and tariff provisions shall be updated and trued up by the utility on an annual basis, subject to continuing review and approval by the Commission." To comply with the statutory requirement that Dominion's tariff provisions be implemented no later than January 1, 2021, the Commission finds that the Company should be permitted to put the following rates into effect on an interim basis through the periods set forth below or until the Commission issues its final order in this proceeding, whichever is first.

<b>Jan. 1, 2021-May 31, 2021</b>	<b>June 1, 2021 – Dec. 31, 2021</b>
\$0.000000/kWh	-\$0.000005/kWh

We also 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.

Accordingly, IT IS ORDERED THAT:

- (1) The Requests for Hearing are granted as set forth herein.
- (2) Ordering Paragraph (13) and Ordering Paragraph (14) of the August 31, 2020 Order are hereby suspended. In all other respects, the requirements of the August 31, 2020 Order remain in full force and effect.
- (3) Dominion is permitted to put the following rates into effect on an interim basis through the periods set forth below or until the Commission issues its final order in this proceeding, whichever comes first.

Jan. 1, 2021-May 31, 2021	June 1, 2021 – Dec. 31, 2021
\$0.000000/kWh	-\$0.000005/kWh

(4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission.

(5) Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Company's Filing, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Company's Filing shall be convened telephonically at 10 a.m. on March 26, 2021, with no witness present in the Commission's courtroom.<sup>20</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before March 24, 2021, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m. on March 26, 2021, the Commission will telephone sequentially each person who has signed up to testify as provided above. This hearing will not be convened, and the parties will be notified of such, if no person signs up to testify as a public witness.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

<sup>20</sup> The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.



(6) On March 26, 2021, if time permits following the receipt of public witness testimony, or at 10 a.m. if there are no public witnesses, the Commission, via Microsoft Teams with no party present in the Commission's courtroom, will receive opening statements from case participants and will receive uncontested exhibits into evidence.

(7) A public evidentiary hearing shall be convened at 10 a.m. on March 29, 2021, and shall be held remotely, with no party present in the Commission's courtroom. Specifically, the Commission will convene the evidentiary hearing via Microsoft Teams, to receive opening statements in the event that, due to time constraints, opening statements were not received on March 26, 2021, as well as the testimony and evidence offered by the Company, respondents, and the Staff on the Company's Filing. The evidentiary hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting). Further details on the hearing may be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(8) An electronic copy of the Company's Filing may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or [lcrabtree@mcguirewoods.com](mailto:lcrabtree@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(9) On or before December 22, 2020, 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 within Virginia:

NOTICE TO THE PUBLIC OF A FILING ALLOCATING RPS  
COSTS TO CERTAIN CUSTOMERS BY  
VIRGINIA ELECTRIC AND POWER COMPANY  
D/B/A DOMINION ENERGY VIRGINIA  
CASE NO. PUR-2020-00164

- Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") file a proposed tariff, designated Rider NBC, by which an allocation of its costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, would be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than Dominion.
- As proposed, Rider NBC applies to any customer who is eligible for and elects to purchase electricity supply service from a competitive service provider in accordance with Code § 56-577 A, or who is eligible for and elects to purchase electricity supply service under any approved, applicable tariff rate schedule for market based rates.
- Dominion's projected compliance costs, offset by the projected benefits, results in a total revenue requirement credit for Rider NBC of \$20,031 for the rate year beginning January 1, 2021, and ending December 31, 2021.
- Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the State Corporation Commission will hold a telephonic hearing in this case on March 26, 2021, for the receipt of public witness testimony.
- An evidentiary hearing will be held remotely on March 29, 2021, via Microsoft Teams, for the receipt of evidence of Dominion, respondents and Commission Staff.
- Further information about this case is available on the SCC website at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, establishes mandatory renewable energy portfolio standards ("RPS") for Virginia Electric and Power Company ("Dominion" or "Company") in new § 56-585.5 of the Code of Virginia ("Code").

Code § 56-585.5 F provides that the costs of compliance with Code §§ 56-585.5 and 56-585.1:11 "shall be recovered from all retail customers in the service territory of [Dominion] as a non-bypassable charge, irrespective of the generation supplier of such customer...." The statute establishes several exemptions from this non-bypassable charge, including exemptions for accelerated renewable energy buyers, Percentage of Income Payment Program eligible utility customers, advanced clean energy buyers, and qualifying large general service customers, all as described in the legislation.

Code § 56-585.5 F directs the State Corporation Commission ("Commission") to establish a proceeding for Dominion by September 1, 2020, to determine the amount of the costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, to be allocated to retail customers within the Dominion's service territory receiving electric supply service from non-utility suppliers. The statute requires that tariff provisions recovering these costs from such customers be implemented not later than January 1, 2021, and that such tariffs be updated and trued up on an annual basis.

The Commission issued an Order Establishing Proceeding in this case on August 31, 2020 ("August 31, 2020 Order"). In its August 31, 2020 Order, the Commission docketed the matter and directed Dominion to file a proposed tariff, together with supporting information and documentation, by which an allocation of its costs of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits, would be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than Dominion ("RPS Cost Allocation Filing" or "Filing").

Dominion submitted its RPS Cost Allocation Filing on October 5, 2020. In its Filing, the Company seeks approval of a rate adjustment clause, designated Rider NBC, for recovery of the

cost of compliance with Code §§ 56-585.5 and 56-585.1:11, net of benefits.

The Company states it has designed Rider NBC, for this initial proposal, to be applicable only to any customer who is eligible for and elects to purchase electricity supply service from a competitive service provider in accordance with Code § 56-577 A, or who is eligible for and elects to purchase electricity supply service under any approved, applicable tariff rate schedule for market based rates (collectively, "Rider NBC Customers").

According to Dominion, the RPS related costs to be recovered from Rider NBC Customers as a non-bypassable charge include costs for offshore wind subject to Code § 56-585.1:11, as well as (i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of renewable energy credits associated with RPS requirements. The Company states that these costs will be netted against any fuel, capacity and ancillary benefits associated with the purchase or construction of renewable energy in accordance with the requirements of Code § 56-585.5 F.

The Company states that it anticipates that a significant component of the costs that shall be non-bypassable will be the subject of separate riders whose charges are allocated to all of the Company's retail generation customers. Dominion proposes that where non-bypassable projects have their own stand-alone rider, the rider rate will be calculated with Rider NBC Customers included within the applicable rate class. Rider NBC Customers will receive charges on their bill for these riders just like all other customers in the Company's retail classes. The Company seeks to have the revenue requirements and rates in those respective rider proceedings and rate changes take effect in their own respective rate years. Therefore, Rider NBC would be reserved for those costs and benefits where a stand-alone rider does not exist.

In this proceeding, Dominion asks the Commission to approve Rider NBC for the initial rate year beginning January 1, 2021, and ending December 31, 2021 ("Rate Year"). For the Rate Year, the Company includes projected costs totaling

\$420,822 on a system basis from a new 12.5 megawatt Rivanna solar power purchase agreement ("PPA"). The Company also projects \$764,696 of benefits for the Rate Year on a system basis, which represents estimated 2021 fuel benefits from the Rivanna solar PPA and the Grassfield solar project. While the costs of the Rivanna solar PPA are included in Rider NBC, Dominion proposes to recover the costs of the Grassfield solar project in a separate rider, designated Rider CE.

Together, the costs and benefits included in Rider NBC yield a net benefit of \$343,873 on a system basis, and a net benefit of \$271,038 on a Virginia jurisdictional basis. This results in a total revenue requirement for Rider NBC of (\$20,031) for the Rate Year. Pursuant to Code § 56-585.5 F, the Company states that it intends to update and true-up Rider NBC on an annual basis, subject to continuing review and approval by the Commission.

To collect the total revenue requirement of (\$20,031) for the Rate Year, Dominion proposes an initial rate of \$0.000000/kilowatt-hour ("kWh") for the period January 1, 2021, through May 31, 2021, and a rate of -\$0.000005/kWh for the period June 1, 2021, through December 31, 2021. The Company proposes this split in the cost recovery for the Rate Year because, as is described above, the costs and benefits used to develop the revenue requirement for Rider NBC relate to the Rivanna solar PPA and the Grassfield solar project. The Rivanna solar PPA has a proposed commercial operation date in June 2021 and the Grassfield solar project (which is the subject of Rider CE) has a projected effective date of June 1, 2021. Accordingly, the Company states that it would be reasonable to begin the cost recovery related to these facilities at the same time, beginning on June 1, 2021.

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

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Filing and supporting documents and thus may adopt rates that differ from those appearing in the Company's Filing and supporting documents.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, permitted Dominion to put the following rates into effect on an interim basis through the

periods set forth below or until the Commission issues its Final Order in this proceeding, whichever comes first.

<b>Jan. 1, 2021-May 31, 2021</b>	<b>June 1, 2021 – Dec. 31, 2021</b>
\$0.000000/kWh	-\$0.000005/kWh

In its Order for Notice and Hearing, the Commission also scheduled public hearings on Dominion's RPS Allocation Filing. On March 26, 2021, at 10 a.m., the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On March 24, 2021, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

A public evidentiary hearing shall be convened at 10 a.m. on March 29, 2021, and shall be held remotely with no party present in the Commission's courtroom to receive the testimony and evidence offered by the Company, respondents, and the Staff on the Company's Filing. Please see the Commission's Order for Notice and Hearing for further details on the evidentiary hearing.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, 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"). 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. For the duration of the COVID-19 emergency, 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.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's August 31, 2020 Order for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Filing may be obtained by submitting a written request to counsel for the Company, Lisa R. Crabtree, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or [lcrabtree@mcguirewoods.com](mailto:lcrabtree@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

On or before March 26, 2021, any interested person may file comments on the Filing by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). All comments shall refer to Case No. PUR-2020-00164.

On or before February 12, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to Rule 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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00164.

On or before February 12, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's 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-2020-00164.

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 Commission order, 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 Company's Filing, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing and August 31, 2020 Order may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

VIRGINIA ELECTRIC AND POWER COMPANY  
d/b/a DOMINION ENERGY VIRGINIA

(10) On or before December 22, 2020, 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 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.<sup>21</sup>

(11) On or before January 19, 2021, the Company shall file proof of the notice and service required by Ordering Paragraphs (9) and (10) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State

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<sup>21</sup> See August 31, 2020 Order; *Petition of Virginia Electric and Power Company, For a continuing waiver of 20 VAC 5-201-10 J of the Rules Governing Utility Rate Applications and Annual Informational Filings to permit electronic service to local officials upon request*, Case No. PUE-2016-00039, Doc. Con. Cen. No. 160420194, Order (Apr. 19, 2016).



Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(12) On or before March 26, 2021, any interested person may file comments on the Filing by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). All comments shall refer to Case No. PUR-2020-00164.

(13) On or before February 12, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to 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-2020-00164.

(14) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of the Filing on the respondent.

(15) On or before February 12, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's 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-2020-00164.

(16) On or before March 1, 2021, the Staff shall investigate the Filing and file with the Clerk of the Commission its testimony and exhibits concerning the Filing, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(17) On or before March 15, 2021, Dominion 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 serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(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.

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, AUGUST 31, 2020

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

*Ex Parte*: Allocating RPS costs to certain  
customers of Virginia Electric and Power Company

CASE NO. PUR-2020-00164

ORDER ESTABLISHING PROCEEDING

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, establishes mandatory renewable energy portfolio standards ("RPS") for Virginia Electric and Power Company ("Dominion" or "Company") and Appalachian Power Company ("APCo") (collectively "utilities") in new § 56-585.5 of the Code of Virginia ("Code").<sup>1</sup>

Further, § 56-585.5 F of the Code provides that the utilities' costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code<sup>2</sup> "shall be recovered from all retail customers in the

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<sup>1</sup> Subdivision D 4 of Code § 56-585.5 requires Dominion and APCo to submit to the State Corporation Commission ("Commission") plans and petitions for (i) approval of new solar and onshore wind generation capacity as well as energy storage projects ("RPS Filing"), and (ii) approval or update of cost recovery mechanisms therefor. The utilities are required to make RPS Filings annually, commencing in 2020 and concluding in 2035. By Order dated July 10, 2020, the Commission established dockets for Dominion and APCo to make their RPS Filings not later than November 2, 2020, in Case Nos. PUR-2020-00134 and PUR-2020-00135, respectively.

<sup>2</sup> As stated therein, such costs include "(i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired by a Phase I or Phase II Utility after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of [Renewable Energy Certificates] associated with RPS Program requirements pursuant to this section."

CLERK'S OFFICE  
STATE CORPORATION COMMISSION  
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service territory of a Phase I [APCo] or Phase II [Dominion] Utility as a non-bypassable charge, irrespective of the generation supplier of such customer...."<sup>3</sup> The statute establishes several exemptions from this non-bypassable charge, including exemptions for accelerated renewable energy buyers, PIPP eligible utility customers, advanced clean energy buyers, and qualifying large general service customers, all as described in the legislation.<sup>4</sup>

Section 56-585.5 F of the Code directs the Commission to establish proceedings for Dominion and APCo by September 1, 2020, to determine the amount of the utilities' costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code, net of benefits, to be allocated to retail customers within the utilities' service territory receiving electric supply service from non-utility suppliers. The statute requires that tariff provisions recovering these costs from such customers be implemented not later than January 1, 2021, and that such tariffs be updated and trued up on an annual basis.<sup>5</sup>

NOW THE COMMISSION, upon consideration of the foregoing and pursuant to the requirements of Code § 56-585.5 F, hereby establishes this docket. Dominion shall file herein a tariff, together with supporting information and documentation, by which an allocation of its costs of compliance with §§ 56-585.5 and 56-585.1:11 of the Code, net of benefits, is proposed to be recovered from retail customers within its service territory that elect to receive electric supply from a supplier of electric energy other than Dominion ("RPS Cost Allocation Filing" or "Filing").

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<sup>3</sup> Section 56-585.5 F of the Code.

<sup>4</sup> *Id.* See Code § 56-576 for the definition of "Percentage of Income Payment Program (PIPP) eligible utility customer."

<sup>5</sup> Section 56-585.5 F of the Code.

The Commission will, by separate Order, establish a docket in which APCo will be directed to make its own RPS Cost Allocation Filing.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.<sup>6</sup> The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>7</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless it contains confidential information, and require electronic service of pleadings on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Commission hereby establishes Case No. PUR-2020-00164 for the receipt and the Commission's consideration of Dominion's RPS Cost Allocation Filing.

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<sup>6</sup> See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam. See also, Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay At Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: <https://www.governor.virginia.gov/executive-actions/>.

<sup>7</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

(2) All pleadings in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and Format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").<sup>8</sup> Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with Rule 5 VAC 5-20-170, *Confidential information*. For the duration of the COVID-19 emergency, 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.<sup>9</sup>

(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 Commission Staff ("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 Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including any motion for protective order.

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<sup>8</sup> 5 VAC 5-20-10 *et seq.*

<sup>9</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency.



(5) On or before October 5, 2020, Dominion shall file, with the Clerk of the Commission, its RPS Cost Allocation Filing in accordance with Code § 56-585.5 F.

(6) In addition to the information required by Ordering Paragraph (5), Dominion shall include additional information and analyses in its Filing as provided in the Attachment to this Order. The Filing shall include an index that identifies the specific location(s) within that Filing corresponding to the questions and issues for which utility responses are required.

(7) An electronic copy of the public version of Dominion's RPS Cost Allocation Filing, once filed, may be obtained by downloading unofficial copies of the public version of the Filing and other documents filed in this case from the Commission's website:

<https://scc.virginia.gov/pages/Case-Information>.

(8) On or before November 2, 2020, any interested person or entity may file written comments on Dominion's Filing with the Clerk of the Commission by following the instructions on the Commission's website: <https://scc.virginia.gov/casecomments/Submit-Public-Comments>. All comments shall refer to Case No. PUR-2020-00164.

(9) On or before November 2, 2020, any interested person may participate as a respondent in this proceeding by filing, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. 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-2020-00164.

(10) Within three (3) business days of receipt of a notice of participation as a respondent, Dominion shall serve a copy of the public version of its 2020 RPS Cost Allocation Filing on the respondent.

(11) On or before November 2, 2020, any interested person or entity may file, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a request that the Commission convene a hearing on the Company's RPS Cost Allocation Filing. Requests for hearing must 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 such filings shall refer to Case No. PUR-2020-00164.

(12) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company identified in its 2020 RPS Cost Allocation Filing.

(13) The Staff shall investigate the Company's Filing. On or before November 19, 2020, 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 all respondents.

(14) On or before December 4, 2020, Dominion may file with the Clerk of the Commission (i) any response to any requests for hearing and any comments filed by interested persons in this proceeding, and (ii) any rebuttal to the Staff Report.



(15) 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, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) 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 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 the Staff.<sup>10</sup> 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.*

(17) The Commission's Division of Public Utility Regulation shall promptly transmit electronically a copy of this Order to individuals, entities or organizations identified by the Commission Staff as potentially having an interest in this proceeding,<sup>11</sup> and shall also make available an electronic copy of this Order on the Division of Public Utility Regulation's section of the Commission's website: <https://scc.virginia.gov/pages/Utility-Regulation>.

(18) This matter is continued.

<sup>10</sup> The assigned Staff attorney is identified on the Commission's website, <https://scc.virginia.gov/pages/Case-Information>, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00164 in the appropriate box.

<sup>11</sup> No entity or individual is considered part of the official Service List in this case unless and until they file a Notice of Participation in this case.

AN ATTESTED COPY hereof shall be sent electronically by the Clerk of the Commission to Paul E. Pfeffer, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, [paul.e.pfeffer@dominionenergy.com](mailto:paul.e.pfeffer@dominionenergy.com); C. Meade Browder, Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia, 23219, [Mbrowder@oag.state.va.us](mailto:Mbrowder@oag.state.va.us); and the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

ATTACHMENT

1. Identify all existing customers that potentially qualify as "accelerated renewable energy buyers" under § 56-585.5 G.
  - (a) Provide the total annual load for 2019 associated with these customers.
  - (b) Provide the total peak load for 2019 associated with these customers.
  
2. Identify all existing customers that potentially qualify as "advanced clean energy buyers" under § 56-585.1:11 that (i) had an aggregate load over 100 megawatts in 2019; and (ii) with an aggregate amount of at least 200 megawatts of solar or wind energy supply currently under contract with a term of 10 years or more from facilities located within the Commonwealth.
  - (a) Provide the total annual load for 2019 associated with these customers.
  - (b) Provide the total peak load for 2019 associated with these customers.