

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 21, 2018

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2018-00135

For a prudency determination with respect to the
Water Strider Solar Power Purchase Agreement
pursuant to § 56-585.1:4 F of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On August 17, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1:4 F of the Code of Virginia ("Code"), filed a petition ("Petition") with the State Corporation Commission ("Commission") for a prudency determination with respect to the Company's proposed power purchase agreement ("PPA") with Water Strider Solar LLC, associated with an 80 megawatt ("MW") solar facility to be located in Halifax County, Virginia ("Project").

The Company states that the Project will be an 80 MW solar facility located in Halifax County, Virginia, developed by Cypress Creek Renewables and interconnected to the Dominion Energy Virginia Transmission system.¹ According to the Petition, the Company selected the Project through a competitive solicitation process.² The Company states that it reviewed proposals for completeness and conformity to the request for proposals requirements, and a short list was developed.³ The Company further asserts that the Project offered the highest customer

¹ Petition at 2-3.

² *Id.* at 3.

³ *Id.*

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net present value of all the short-listed PPA proposals when compared to market purchases.⁴ The Company states that it executed a PPA on May 31, 2018, contingent upon receiving Commission approval.⁵ The Company states that it will recover the costs associated with the Project through base rates and the fuel factor, as applicable.⁶

The Petition states that, if deemed prudent by the Commission, the anticipated commercial operations date for the Project is the fourth quarter of 2020 with a PPA term of 20 years.⁷

Finally, in conjunction with the filing of its Petition, on August 17, 2018, the Company filed the Motion of Virginia Electric and Power Company for Entry of a Protective Order and Additional Protective Treatment ("Motion for Protective Order") and a proposed protective order that establishes procedures governing the use of confidential and extraordinarily sensitive information in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Dominion should provide public notice of its Petition; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Petition; interested persons should have an opportunity to file comments on the Petition or to participate as respondents in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon. Further, we find that a Hearing Examiner should be assigned to rule

⁴ *Id.* at 4.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 3.

on any discovery matters that may arise in this proceeding, including the Company's Motion for Protective Order.

Accordingly, IT IS ORDERED THAT:

(1) This matter hereby is docketed and assigned Case No. PUR-2018-00135.

(2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),⁸ a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including the Company's Motion for Protective Order.

(3) A public hearing on the Petition shall be convened on October 15, 2018, at 1 p.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses.⁹ Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff. A public evidentiary hearing on the Petition shall convene on October 16, 2018, at 9:30 a.m., in the same location, to receive the testimony and evidence offered by the Company, any respondents, and the Staff.

(4) The Company shall make copies of its Petition, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Horace P. Payne, Jr., Esquire, Dominion Energy Services, Inc., Law Department, Riverside 2, 120 Tredegar Street,

⁸ 5 VAC 5-20-10 *et seq.* See 5 VAC 5-20-120.

⁹ Time permitting, the Commission will also hear opening statements after receiving any testimony from public witnesses.

Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents filed in this case also shall be available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(5) On or before September 4, 2018, 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 PETITION BY VIRGINIA
ELECTRIC AND POWER COMPANY
D/B/A DOMINION ENERGY VIRGINIA
FOR A PRUDENCY DETERMINATION WITH RESPECT TO THE
WATER STRIDER SOLAR POWER PURCHASE AGREEMENT
PURSUANT TO § 56-585.1:4 F OF THE CODE OF VIRGINIA
CASE NO. PUR-2018-00135

On August 17, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Company"), pursuant to § 56-585.1:4 F of the Code of Virginia, filed a petition ("Petition") with the State Corporation Commission ("Commission") for a prudency determination with respect to the Company's proposed power purchase agreement ("PPA") with Water Strider Solar LLC, associated with an 80 megawatt ("MW") solar facility to be located in Halifax County, Virginia ("Project").

The Company states that the Project will be an 80 MW solar facility located in Halifax County, Virginia, developed by Cypress Creek Renewables, and interconnected to the Dominion Energy Virginia Transmission system. According to the Petition, the Company selected the Project through a competitive solicitation process. The Company states that it reviewed proposals for completeness and conformity to the request for proposals requirements, and a short list was developed. The Company further asserts that the Project offered the highest

customer net present value of all the short-listed PPA proposals when compared to market purchases. The Company states that it executed a PPA on May 31, 2018, contingent upon receiving Commission approval. The Company states that it will recover the costs associated with the Project through base rates and the fuel factor, as applicable.

The Petition states that, if deemed prudent by the Commission, the anticipated commercial operations date for the Project is the fourth quarter of 2020 with a PPA term of 20 years.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing to be held on October 15, 2018, at 1 p.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses. Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff. The public hearing shall reconvene on October 16, 2018, at 9:30 a.m., in the same location, to receive the testimony and evidence offered by the Company, respondents, and the Staff of the Commission ("Staff").

On or before September 27, 2018, the Company, Staff and any respondent in this proceeding may submit a brief on legal issues raised by the Petition. On October 4, 2018, at 9:30 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Commission will receive oral argument on the legal issues raised by the Petition from the Company, Staff, and any respondent who filed a legal brief in this proceeding.

The Company's Petition and the Commission's Order for Notice and Hearing are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Horace P. Payne, Jr., Esquire, Dominion Energy Services, Inc., Law Department, Riverside 2, 120 Tredegar Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of all documents filed in this case also are available for interested persons to review in the

Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before September 11, 2018. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also must be sent to counsel for the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00135.

On or before September 25, 2018, 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. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth above. Respondents also 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-2018-00135.

On or before October 8, 2018, any interested person may file written comments on the Petition with the Clerk of the Commission at the address set forth above. Interested persons desiring to file comments electronically may do so on or before October 8, 2018, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact disks or any other form of electronic storage medium

may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00135.

All documents filed 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.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address above.

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

(6) On or before September 4, 2018, 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 by either personal delivery or first-class mail to the customary place of business or residence of the person served.¹⁰

(7) On or before September 11, 2018, the Company shall file proof of the notice and service required by Ordering Paragraphs (5) and (6) above, including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

¹⁰ Service may also be made electronically if a locality has submitted a written request to the Company for electronic service, pursuant to the Commission's April 19, 2016 Order in Case No. PUE-2016-00039. *See 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).

(8) On or before October 8, 2018, any interested person may file written comments on the Petition with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Any interested person desiring to submit comments electronically may do so on or before October 8, 2018, by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00135.

(9) Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before September 11, 2018. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (7), and the respondent shall simultaneously serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (4). 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 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00135.

(10) On or before September 25, 2018, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (7), 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. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission. In all filings, respondents shall comply with the Commission's Rules of Practice, 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-2018-00135.

(11) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the Petition, and all materials filed by the Company with the Commission in this proceeding, unless these materials already have been provided to the respondent.

(12) On or before October 2, 2018, the Staff shall investigate the Petition and file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits, 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.

(13) On or before October 9, 2018, Dominion shall file with the Clerk of the Commission: (a) 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; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company simultaneously shall serve a copy on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (7).

(14) The Company, Staff, and any respondent in this proceeding may submit briefs on any legal issues raised by the Petition on or before September 27, 2018.

(15) On October 4, 2018, at 9:30 a.m., in the Commission's second floor courtroom

located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Commission will receive oral argument on legal issues raised by the Petition from the Company, Staff, and any respondent who submitted a legal brief pursuant to Ordering Paragraph (14) above. For judicial economy, the Commission will allow oral argument in this case and in PUR-2018-00121 to be heard concurrently.

(16) All documents filed in 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.

(17) Responses and objections to written interrogatories and requests for production of documents shall be served within three (3) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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, or by facsimile, 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.¹¹ 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.*

(18) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Horace P. Payne, Jr., Esquire, Dominion Energy Services, Inc., Law Department, Riverside 2,
120 Tredegar Street, Richmond, Virginia 23219; Elaine S. Ryan, Esquire, and

¹¹ The assigned Staff attorney is identified on the Commission's website: <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00135, in the appropriate box.

Timothy D. Patterson, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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