



PUE-2012-00142.<sup>2</sup> Dominion asserts that the terms and structure of the proposed Schedule RG have been developed through and in response to discussions with large non-residential customers and potential customers.<sup>3</sup> Proposed Schedule RG is designed to allow participating customers to benefit from the Company's sale of energy output of specified renewable generation facilities into the PJM Interconnection, LLC ("PJM") markets, while increasing the level of renewable energy generation and use in the Commonwealth.<sup>4</sup>

As proposed, Schedule RG would be a companion schedule, available on a voluntary basis to eligible commercial and industrial customers of the Company who currently are taking (or agree to take) service under an approved applicable tariff (Rate Schedules GS-1, GS-2, GS-3, GS-4, 10, 27, and 28).<sup>5</sup> Pursuant to the proposed Schedule RG, Dominion would: (i) contract with a third-party renewable energy provider to purchase the desired electrical output and associated environmental attributes on the customer's behalf and/or; (ii) at the customer's request and subject to mutually agreeable terms, construct a renewable generation facility on the customer's behalf to generate the desired electrical output.<sup>6</sup> A participating customer may request a specific type of renewable energy resource, provided that it generates "renewable

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<sup>2</sup> Application at 1. The RG Pilot Program and Rate Schedule RG closed in April 2017. *See Application of Virginia Electric and Power Company, For approval to establish a renewable generation pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2012-00142, 2013 S.C.C. Ann. Rept. 346, Final Order (Dec. 16, 2013). The Company represents that it is not offering an experimental rate. Application at 4, n.1.

<sup>3</sup> Application at 4-5, 15.

<sup>4</sup> *Id.* at 6.

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

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

energy" as defined by Code § 56-576.<sup>7</sup> According to the Company, under the proposed Schedule RG, any renewable generation facility from which the Company would purchase renewable energy on behalf of a participating customer may be located outside of the Company's service territory but would have to be located physically within and interconnected with the PJM wholesale electric market for purposes of accounting for the generation and delivery of the energy and associated environmental attributes.<sup>8</sup>

To be eligible for Schedule RG, a customer, in addition to taking service under an approved applicable tariff, would need to agree to purchase electrical output from a Company renewable resource or through a power purchase agreement of at least 1,000 kilowatts nameplate capacity, where the electric energy purchased from such Company renewable resource or through such power purchase agreement does not exceed the customer's annual electrical energy load.<sup>9</sup> Schedule RG, as proposed by Dominion, would permit the aggregation of accounts to satisfy the minimum resource requirement.<sup>10</sup> Proposed Schedule RG also provides that the Company would be the exclusive provider of electric service, including the exclusive provider of electricity supply service for the customer's account(s) to which Schedule RG applies.<sup>11</sup>

A Schedule RG customer would execute a Schedule RG Agreement, setting forth the mutual terms and conditions associated with the Company's purchase or supply of renewable

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

<sup>8</sup> *Id.* at 7. Dominion represents that the Company will endeavor to source new renewable energy resources within the Commonwealth to serve customers on Schedule RG, to the extent such resources are available and consistent with participating customers' needs and interests. *Id.* at 15.

<sup>9</sup> Application at 8.

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

<sup>11</sup> *Id.* at 14.

generation to be delivered to the grid on behalf of the customer from each renewable generation facility under Schedule RG.<sup>12</sup> As proposed, Schedule RG also would require that the Company and a renewable generator execute a power purchase agreement ("Schedule RG PPA") if a prospective Schedule RG customer requests that the Company purchase renewable energy from a renewable generator on behalf of the customer.<sup>13</sup>

Under Dominion's proposal, eligible customers electing to apply for service pursuant to Schedule RG would pay a non-refundable application fee of \$2,000 (regardless of the number of accounts served), which is intended to defray the costs related to the Company's solicitation process for Schedule RG.<sup>14</sup> The customer's monthly billing statement would, in addition to the capacity and energy charges associated with the full requirements of its load, reflect the cost associated with contracted-for renewable energy, net of PJM settlement credits and charges associated with the customer's purchase of electrical output by specified renewable generation facilities under proposed Schedule RG ("Net Schedule RG Settlement").<sup>15</sup> The Net Schedule RG Settlement charge or credit could be distributed equitably among multiple accounts for the same customer.<sup>16</sup>

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<sup>12</sup> *Id.* at 8.

<sup>13</sup> *Id.* at 8-9. The Schedule RG PPA would recognize the participating customer as a third-party beneficiary to the agreement.

<sup>14</sup> Application at 11-12.

<sup>15</sup> *Id.* at 12. The Net Schedule RG Settlement would be comprised of the following components: (i) the "Schedule RG Charge"; (ii) the "Schedule RG Adjustment"; and (iii) the "Schedule RG Administrative Charge." *Id.* The details of all three of these components are set forth in the Company's Application.

<sup>16</sup> Application at 12.



Dominion asserts, among other things, that the proposed Schedule RG is just and reasonable and in the public interest.<sup>23</sup> Dominion also asserts that Schedule RG would further the Commonwealth's Energy Policy as set forth in Code §§ 67-101 and 67-102, the Governor's Executive actions encouraging utilities to increase their renewable power generation and decrease carbon dioxide emissions, and Virginia's Energy Plan.<sup>24</sup> Dominion asserts that the proposed Schedule RG would help to attract and retain industry-leading, innovative commercial and industrial customers with sustainability goals or renewable energy mandates, while growing and preserving jobs and diversifying the economy of the Commonwealth.<sup>25</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, or request that a hearing be convened; the Commission's Staff ("Staff") should be directed to investigate the Application and present its findings and recommendations in a report; and a Hearing Examiner shall be assigned to conduct all further proceedings in this matter, concluding with the filing of a report containing the Hearing Examiner's findings and recommendations on the Company's Application.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application hereby is docketed and assigned Case No.

PUR-2017-00163.

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<sup>23</sup> *Id.* at 4, n.1; 14.

<sup>24</sup> *Id.* at 14-15.

<sup>25</sup> *Id.* at 16.

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

(3) A copy of the Application and this Order for Notice and Comment, as well as other orders and documents now or hereafter filed in this matter, shall be available for public inspection 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. A copy of this Application also may be obtained by submitting a written request to counsel for the Company, Jakarra J. Jones, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219-3916. Upon receipt of a request for a copy of the Application, the Company shall serve copies of the same upon the requesting party within three business days of such request. If acceptable to the requesting party, the Company may provide the Application by electronic means. In addition, the Commission's Order for Notice and Comment and other orders entered in this docket, Hearing Examiner's Rulings, the Commission's Rules of Practice and Procedure, as well as other information concerning the Commission and the statutes it administers, may be viewed on the Commission's website at <http://www.scc.virginia.gov/case>.

(4) On or before February 13, 2018, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
 VIRGINIA ELECTRIC AND POWER COMPANY FOR  
 APPROVAL TO ESTABLISH A COMPANION TARIFF,  
 SCHEDULE RG, PURSUANT TO § 56-234  
 OF THE CODE OF VIRGINIA  
CASE NO. PUR-2017-00163

On December 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or the "Company"), pursuant to § 56-234 of the Code of Virginia ("Code") and Rule 5 VAC 5-20-80 of the Rules of Practice and Procedure ("Rules of Practice") of the State Corporation Commission ("Commission"), filed with the Commission its Application of Virginia Electric and Power Company for Approval to Establish a Companion Tariff, Designated Schedule RG, Pursuant to § 56-234 of the Code of Virginia ("Application").

Through its Application, Dominion seeks approval to establish a voluntary tariff, designated Schedule RG - Renewable Generation Supply Service ("Schedule RG"), whereby participating large non-residential customers voluntarily may elect to purchase, in an amount up to 100 percent of their energy needs, the net energy output from renewable energy resources, as well as the renewable and environmental attributes associated with this renewable energy.

The Company states that Schedule RG is modeled after the experimental voluntary RG Pilot Program and Rate Schedule RG, which was approved by the Commission in Case No. PUE-2012-00142. Dominion asserts that the terms and structure of the proposed Schedule RG have been developed through and in response to discussions with large non-residential customers and potential customers. Proposed Schedule RG is designed to allow participating customers to benefit from the Company's sale of energy output of specified renewable generation facilities into the PJM Interconnection, LLC ("PJM") markets, while increasing the level of renewable energy generation and use in the Commonwealth.

As proposed, Schedule RG would be a companion schedule, available on a voluntary basis to eligible commercial and industrial customers of the Company who currently are taking (or agree to take) service under an approved applicable tariff (Rate Schedules GS-1, GS-2, GS 3, GS-4, 10, 27, and 28). Pursuant to the proposed Schedule RG, Dominion would: (i) contract with a

third-party renewable energy provider to purchase the desired electrical output and associated environmental attributes on the customer's behalf and/or; (ii) at the customer's request and subject to mutually agreeable terms, construct a renewable generation facility on the customer's behalf to generate the desired electrical output. A participating customer may request a specific type of renewable energy resource, provided that it generates "renewable energy" as defined by Code § 56-576. According to the Company, under the proposed Schedule RG, any renewable generation facility from which the Company would purchase renewable energy on behalf of a participating customer may be located outside of the Company's service territory but would have to be located physically within and interconnected with the PJM wholesale electric market for purposes of accounting for the generation and delivery of the energy and associated environmental attributes.

To be eligible for Schedule RG, a customer, in addition to taking service under an approved applicable tariff, would need to agree to purchase electrical output from a Company renewable resource or through a power purchase agreement of at least 1,000 kilowatts nameplate capacity, where the electric energy purchased from such Company renewable resource or through such power purchase agreement does not exceed the customer's annual electrical energy load. Schedule RG, as proposed by Dominion, would permit the aggregation of accounts to satisfy the minimum resource requirement. Proposed Schedule RG also provides that the Company would be the exclusive provider of electric service, including the exclusive provider of electricity supply service for the customer's account(s) to which Schedule RG applies.

A Schedule RG customer would execute a Schedule RG Agreement, setting forth the mutual terms and conditions associated with the Company's purchase or supply of renewable generation to be delivered to the grid on behalf of the customer from each renewable generation facility under Schedule RG. As proposed, Schedule RG also would require that the Company and a renewable generator execute a power purchase agreement ("Schedule RG PPA") if a prospective Schedule RG customer requests that the Company purchase renewable energy from a renewable generator on behalf of the customer.

Under Dominion's proposal, eligible customers electing to apply for service pursuant to Schedule RG would pay a non-refundable application fee of \$2,000 (regardless of the number of

accounts served), which is intended to defray the costs related to the Company's solicitation process for Schedule RG. The customer's monthly billing statement would, in addition to the capacity and energy charges associated with the full requirements of its load, reflect the cost associated with contracted-for renewable energy, net of PJM settlement credits and charges associated with the customer's purchase of electrical output by specified renewable generation facilities under proposed Schedule RG ("Net Schedule RG Settlement"). The Net Schedule RG Settlement charge or credit could be distributed equitably among multiple accounts for the same customer.

Dominion proposes to solicit customer interest in proposed Schedule RG within 60 days of receiving approval from the Commission and, at minimum, once a year thereafter. If approved, prospective customers may enroll in proposed Schedule RG outside of an enrollment period in the event that the prospective customer either identifies a specific renewable generator with whom the Company would execute a purchase power agreement on behalf of the prospective customer, or requests Dominion construct a Company renewable resource on behalf of the customer.

As proposed, Schedule RG would be available to eligible customers until an initial proposed cap of 50 customers is met. The Company proposes no cap on the quantity of renewable energy purchases under Schedule RG except that a customer may purchase up to 100 percent of its annual electrical energy load.

Dominion intends to contain the costs related to the purchase and sale of electrical output under Schedule RG to each participating customer. Specifically, pursuant to the Schedule RG Agreement, no costs related to the Schedule RG PPA (if applicable) or the Company renewable resource (if applicable) would be assigned to the Company's other jurisdictional or non-jurisdictional customers.

Dominion asserts, among other things, that the proposed Schedule RG is just and reasonable and in the public interest. Dominion also asserts that Schedule RG would further the Commonwealth's Energy Policy as set forth in Code §§ 67-101 and 67-102, the Governor's Executive actions encouraging utilities to increase their renewable power generation and decrease carbon dioxide emissions, and Virginia's Energy Plan. Dominion asserts that the proposed Schedule RG would help to attract and retain

industry-leading, innovative commercial and industrial customers with sustainability goals or renewable energy mandates, while growing and preserving jobs and diversifying the economy of the Commonwealth.

Interested persons are encouraged to review the Application and supporting documents for the details of Dominion's proposed Schedule RG.

The Company's Application is docketed and assigned Case No. PUR-2017-00163. Copies of the Application and the public version of all documents filed in this case 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>.

A copy of the Application also may be obtained at no cost by making a written request to the Company's counsel, Jakarra J. Jones, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219-3916. If acceptable to the requesting party, the Company may provide the Application by electronic means.

On or before April 10, 2018, any interested person wishing to comment on the Company's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before April 10, 2018, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2017-00163.

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 must comply fully with the requirements of 5 VAC 5-20-150, *Copies and Format*, of the Commission's Rules of Practice.

On or before March 13, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. 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 above. 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, 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. All filings shall refer to Case No. PUR-2017-00163. 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 March 13, 2018, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to the Clerk of the Commission at the address above, and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Company at the address set forth above. All requests for a hearing shall refer to Case No. PUR-2017-00163.

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 Comment in this proceeding may be obtained from the Clerk of the Commission at the address above.

#### VIRGINIA ELECTRIC AND POWER COMPANY

(5) On or before February 13, 2018, Dominion shall serve a copy of its Application and this Order for Notice and Comment on the following 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 personal delivery or by first class mail, postage prepaid, to the customary place of business or residence of the person served.<sup>26</sup>

(6) On or before February 27, 2018, Dominion shall file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, proof of the notice and service required by Ordering Paragraphs (4) and (5).

(7) On or before April 10, 2018, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (6).

Any interested person desiring to submit comments electronically may do so on or before April 10, 2018, by following the instructions found on the Commission's website:

<http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No.

PUR-2017-00163.

(8) On or before March 13, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. 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 (6). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (3). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation

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<sup>26</sup> 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).

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-2017-00163.

(9) Within five (5) 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 Comment, a copy of the Application, and all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(10) On or before March 13, 2018, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (6), and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Company at the address in Ordering Paragraph (3). All requests for a hearing shall refer to Case No. PUR-2017-00163.

(11) The Staff shall investigate the Application. On or before May 1, 2018, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its report and exhibits regarding its investigation of the Application.

(12) On or before May 30, 2018, Dominion may file with the Clerk of the Commission any comments on the Staff's report, comments from interested persons, and requests for hearing that were filed with the Commission. If not filed electronically, an original and fifteen (15) copies of Dominion's comments may be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (6).

(13) 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.

(14) 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) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, 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>27</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.*

(15) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Lisa S. Booth, Esquire, William H. Baxter II, Esquire, and David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Riverside 2, Richmond, Virginia 23219; Joseph K. Reid III, Esquire, Jakarra J. Jones, Esquire, and Anne Hampton Andrews, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219-3916; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney

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<sup>27</sup> 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-2017-00163, in the appropriate box.

General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219. 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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