

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 4, 2018

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUR-2018-00051

In re: Appalachian Power Company's
Integrated Resource Plan filing pursuant to
Va. Code § 56-597 *et seq.*

ORDER FOR NOTICE AND HEARING

On May 1, 2018, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code").¹

An IRP, as defined by § 56-597 of the Code, is "a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility." Pursuant to § 56-599 C of the Code, the Commission determines whether an IRP is reasonable and in the public interest.

APCo states that it serves approximately 956,000 retail electric customers in Virginia, West Virginia, and Tennessee and that the peak load requirements of APCo's total retail and wholesale customers is seasonal in nature, with distinctive peaks occurring in the summer and winter seasons.²

¹ Coincident with filing the IRP, APCo filed a Motion for Protective Ruling seeking to maintain the confidentiality of certain information filed under seal in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*

² IRP at 2.

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APCo states that its IRP, based upon various assumptions, provides for adequate capacity resources, at reasonable cost, through a combination of supply-side resources, including renewable supply-side resources, and demand-side programs through the forecast period.³ According to the Company, the IRP encompasses the 15-year planning period from 2018 to 2032 and is based on the Company's current assumptions regarding customer load requirements, commodity price projections, supply-side alternative costs, demand-side management program costs and analysis, and the effect of environmental rules and guidelines.⁴

As amended in 2015, § 56-599 of the Code requires, among other things, that an IRP evaluate: (i) the effect of current and pending environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities; and (ii) the most cost-effective means of complying with current and pending environmental regulations.⁵ APCo states that, although "there is considerable uncertainty surrounding the future of the Clean Power Plan" ("CPP"), per the Commission's directive in its Final Order in APCo's 2017 IRP case,⁶ the Company analyzed plans that are potentially compliant with the CPP as part of its IRP.⁷

APCo also notes that, in its 2017 IRP Order, the Commission directed APCo to include, in this and future IRPs, plans to implement the mandates contained in the recently-enacted Grid

³ IRP Executive Summary at 13.

⁴ *Id.* at 2.

⁵ 2015 Acts of Assembly, Chapter 6.

⁶ *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 597 et seq.*, Case No. PUR-2017-00045, Doc. Con. Cen. No. 180320096, Final Order (March 12, 2018) ("2017 IRP Order").

⁷ IRP Executive Summary at 2-3.

Transformation and Security Act,⁸ which will become effective July 1, 2018.⁹ Accordingly, APCo considered the impact of the resource additions required by the Grid Transformation and Security Act, which include solar, energy storage, and energy efficiency.¹⁰ In addition, the Company's IRP takes into consideration the impacts of the federal Tax Cuts and Jobs Act of 2017.¹¹

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company should provide public notice of its IRP; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's IRP; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's IRP or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the IRP and file testimony and exhibits containing its findings and recommendations. Further, we find that a Hearing Examiner should be appointed to rule on all discovery matters that arise during the course of this proceeding, including the Company's Motion for Protective Ruling.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2018-00051.
- (2) 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

⁸ 2018 Acts of Assembly, Chapter 296.

⁹ IRP Executive Summary at 2.

¹⁰ *Id.* at 3, 6.

¹¹ *Id.* at 5.

rule on any discovery matters that may arise during the course of this proceeding, including the Company's Motion for Protective Ruling.

(3) A public hearing on the IRP shall be convened at 1 p.m. on October 1, 2018, 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. A public hearing shall convene on October 2, 2018, at 9:30 a.m., in the same location, to receive the testimony and evidence offered by the Company, respondents, and the Staff on the Company's Application.

(4) The Company shall make a copy of the public version of its IRP, 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. A copy also may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of public versions 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 June 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 Virginia service territory:

NOTICE TO THE PUBLIC OF A
FILING BY APPALACHIAN POWER COMPANY OF ITS
INTEGRATED RESOURCE PLAN
CASE NO. PUR-2018-00051

On May 1, 2018, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code").

An IRP, as defined by § 56-597 of the Code, is "a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility." Pursuant to § 56-599 C of the Code, the Commission determines whether an IRP is reasonable and in the public interest.

APCo states that it serves approximately 956,000 retail electric customers in Virginia, West Virginia, and Tennessee and that the peak load requirements of APCo's total retail and wholesale customers is seasonal in nature, with distinctive peaks occurring in the summer and winter seasons.

APCo states that its IRP, based upon various assumptions, provides for adequate capacity resources, at reasonable cost, through a combination of supply-side resources, including renewable supply-side resources, and demand-side programs through the forecast period. According to the Company, the IRP encompasses the 15-year planning period from 2018 to 2032 and is based on the Company's current assumptions regarding customer load requirements, commodity price projections, supply-side alternative costs, demand-side management program costs and analysis, and the effect of environmental rules and guidelines.

As amended in 2015, § 56-599 of the Code requires, among other things, that an IRP evaluate: (i) the effect of current and pending environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities; and (ii) the most cost-effective

means of complying with current and pending environmental regulations. APCo states that, although "there is considerable uncertainty surrounding the future of the Clean Power Plan" ("CPP"), per the Commission's directive in its Final Order in APCo's 2017 IRP case (Case No. PUR-2017-00045), the Company analyzed plans that are potentially compliant with the CPP as part of its IRP.

APCo also notes that, in the Commission's Final Order in Case No. PUR-2017-00045, the Commission directed APCo to include, in this and future IRPs, plans to implement the mandates contained in the recently-enacted Grid Transformation and Security Act, which will become effective July 1, 2018. Accordingly, APCo considered the impact of the resource additions required by the Grid Transformation and Security Act, which include solar, energy storage, and energy efficiency. In addition, the Company's IRP takes into consideration the impacts of the federal Tax Cuts and Jobs Act of 2017.

The Commission entered an Order for Notice and Hearing in this case that, among other things, scheduled a public hearing at 1 p.m. on October 1, 2018, 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 testify as a public witness should appear at the hearing location fifteen (15) minutes before the starting time of the hearing and contact the Commission's Bailiff. A public hearing will convene at 9:30 a.m. on October 2, 2018, in the same location, to receive the testimony and evidence offered by the Company, respondents, and the Staff on the Company's Application.

The public version of the Company's IRP 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, Noelle J. Coates, Esquire, American Electric Power, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of the IRP and other documents filed in this case are also 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>.

On or before September 25, 2018, any interested person wishing to comment on the Company's IRP shall file written comments 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 September 25, 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 such comments shall refer to Case No. PUR-2018-00051.

On or before July 11, 2018, any person or entity may participate as a respondent in this proceeding 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 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-2018-00051. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

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 set forth above.

APPALACHIAN POWER COMPANY

(6) On or before June 13, 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.

(7) On or before July 11, 2018, the Company 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 (5) and (6), including the name, title, and address of each official served.

(8) On or before June 27, 2018, the Company shall file an original and fifteen (15) copies of any testimony and exhibits in support of its IRP with the Clerk of the Commission at the address set forth in Ordering Paragraph (7), and each witness's testimony shall include a summary not to exceed two pages and shall specify those portions of the IRP that the witness will sponsor at the hearing. In lieu of prefiled testimony and exhibits, the Company may file with the Clerk of the Commission, on or before June 27, 2018, a document in which the Company: (a) identifies witnesses who will appear and offer testimony in support of the Company's IRP at the hearing; (b) specifies those portions of the IRP that such witnesses will adopt and support as their testimony at the hearing; and (c) includes a summary not to exceed

two pages of each such witness's testimony. The Company shall serve copies thereof on counsel for all respondents and the Staff.

(9) On or before September 25, 2018, any interested person may file written comments on the IRP with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Any interested person desiring to file comments electronically may do so on or before September 25, 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-2018-00051.

(10) On or before July 11, 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 (7). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address set forth 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-2018-00051.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of this Order for Notice and Hearing, a copy of the public version of the IRP, and a copy of the public version of all materials filed by

the Company with the Commission, unless these materials have already been provided to the respondent.

(12) On or before August 22, 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 two pages. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). 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 5-20-150, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00051.

(13) On or before September 4, 2018, the Staff shall investigate the IRP and shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the IRP, and each Staff witness's testimony shall include a summary not to exceed two pages. The Staff shall serve a copy thereof on counsel to APCo and all respondents.

(14) On or before September 18, 2018, the Company 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 two pages. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7).

(15) 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.

(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, 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.¹² 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) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Noelle J. Coates, Esquire, American Electric Power, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219; James R. Bacha, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219; and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

¹² The assigned Staff attorney is identified on the Commission's website: <http://www.scc.virginia.gov/case>, by clicking "Docket Search," then "Search Cases," and entering the case number, PUR-2018-00051, in the appropriate box.