

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 31, 2019

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2019-00081

For approval of a voluntary renewable energy rate,  
designated Rider REC, pursuant to § 56-234 A  
of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On May 15, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-234 A of the Code of Virginia ("Code") and Rule 80 A of the Commission's Rules of Practice and Procedure ("Rules of Practice"),<sup>1</sup> for approval of a voluntary rate, designated Rider REC, whereby participating customers can elect to purchase renewable energy certificates ("RECs") sourced from a broad range of generation facilities across the United States to match all or a portion of a participating customer's usage.<sup>2</sup>

According to the Company, Rider REC will provide customers with a lower cost option to purchase RECs, compared to its existing Rider G,<sup>3</sup> and aims to build on the success of the Company's Green Power Program by broadening the geographic boundaries and available

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> Application at 1.

<sup>3</sup> The Company states that Rider G is a current voluntary offering that allows customers to purchase regional premium RECs to match all or a portion of their usage. Direct Testimony of Derek L. Wenger ("Wenger Direct") at 3. The Commission previously approved Rider G in Case No. PUE-2008-00044. *See Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff, Case No. PUE-2008-00044, 2008 S.C.C. Ann. Rept. 539, Order Approving Tariff (Dec. 3, 2008).*

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renewable energy supply options from which RECs will be procured on customers' behalf.<sup>4</sup> To be eligible to supply RECs for Rider REC, the Company states that a generator must (1) be located within the geographical boundaries of the continental United States and (2) produce energy that meets the definition of renewable energy in Code § 56-576.<sup>5</sup> As proposed, the Company will use an established third-party registry to track and retire the RECs procured on behalf of the participating customers.<sup>6</sup>

The Company states that Rider REC will be available to any residential or non-residential customer who currently takes electric supply service pursuant to, or who otherwise qualifies to take service under, an approved tariff rate schedule for bundled electric service from the Company.<sup>7</sup> Customers taking temporary service from the Company or taking electric supply service from a competitive service provider, however, are not eligible to participate in Rider REC.<sup>8</sup>

The Company provides two enrollment options for Rider REC: (1) participants may purchase blocks of RECs on a monthly (or billing period) basis where each block equates to 100 kilowatt-hours ("kWh"), for a fixed price per block; or (2) participants can match 100% of their monthly (or billing period) usage in kWh.<sup>9</sup> For both enrollment options, Rider REC will

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<sup>4</sup> Wenger Direct at 2.

<sup>5</sup> Application at 2; Wenger Direct at 4.

<sup>6</sup> Application at 2-3; Wenger Direct at 4.

<sup>7</sup> Application at 3; Direct Testimony of Timothy P. Stuller, Jr. ("Stuller Direct"), at 2.

<sup>8</sup> Application at 3; Stuller Direct at 2.

<sup>9</sup> Application at 3; Wenger Direct at 4.

offer the same fixed price per kWh.<sup>10</sup> Dominion states that customers may terminate service under Rider REC by giving the Company at least 30 days' prior notice.<sup>11</sup> The Company proposes to set an initial Rider REC rate of 0.10 cents per kWh.<sup>12</sup> The Company indicates that it may file periodically with the Commission to amend the pricing of Rider REC or to make other revisions in response to changing market conditions or customer feedback.<sup>13</sup>

The Company submits that the proposed Rider REC is just and reasonable under Code § 56-234 A because it reflects the cost to offer Rider REC, including acquisition of low-cost renewable generation RECs from the national market.<sup>14</sup> Additionally, the Company notes that non-participating customers will not be required to pay for, or subsidize, the costs to procure RECs for Rider REC participants.<sup>15</sup>

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 Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, and/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 should be assigned to rule on any discovery matters that may arise during the course of this proceeding.

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<sup>10</sup> Stuller Direct at 2.

<sup>11</sup> Application at 3; Stuller Direct at 3.

<sup>12</sup> *Id.* at 2-3.

<sup>13</sup> *Id.* at 3.

<sup>14</sup> Application at 3; Wenger Direct at 5.

<sup>15</sup> Application at 3; Wenger Direct at 5.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2019-00081.

(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, a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding.

(3) The Company shall make copies of its Application, as well as a copy of this Order for Notice and Comment, 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, David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Riverside 2, 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 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>.

(4) On or before July 1, 2019, the Company shall cause a copy of 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 OF A VOLUNTARY RENEWABLE  
ENERGY RATE, DESIGNATED RIDER REC,  
PURSUANT TO § 56-234 A  
OF THE CODE OF VIRGINIA  
CASE NO. PUR-2019-00081

On May 15, 2019, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-234 A of the Code of Virginia ("Code") and Rule 80 A of the Commission's Rules of Practice and Procedure ("Rules of Practice"), for approval of a voluntary rate, designated Rider REC, whereby participating customers can elect to purchase renewable energy certificates ("RECs") sourced from a broad range of generation facilities across the United States to match all or a portion of a participating customer's usage.

According to the Company, Rider REC will provide customers with a lower cost option to purchase RECs, compared to its existing Rider G, and aims to build on the success of the Company's Green Power Program by broadening the geographic boundaries and available renewable energy supply options from which RECs will be procured on customers' behalf. To be eligible to supply RECs for Rider REC, the Company states that a generator must (1) be located within the geographical boundaries of the continental United States and (2) produce energy that meets the definition of renewable energy in Code § 56-576. As proposed, the Company will use an established third-party registry to track and retire the RECs procured on behalf of the participating customers.

The Company states that Rider REC will be available to any residential or non-residential customer who currently takes electric supply service pursuant to, or who otherwise qualifies to take service under, an approved tariff rate schedule for bundled electric service from the Company. Customers taking temporary service from the Company or taking electric supply service from a competitive service provider, however, are not eligible to participate in Rider REC.

The Company provides two enrollment options for Rider REC: (1) participants may purchase blocks of RECs on a monthly (or billing period) basis where each block equates to 100 kilowatt-hours ("kWh"), for a fixed price per block; or (2) participants can match 100% of their monthly (or billing period) usage in kWh. For both enrollment options, Rider REC will offer the same fixed price per kWh. Dominion states that customers may terminate service under Rider REC by giving the Company at least 30 days' prior notice. The Company proposes to set an initial Rider REC rate of 0.10 cents per kWh. The Company indicates that it may file periodically with the Commission to amend the pricing of Rider

REC or to make other revisions in response to changing market conditions or customer feedback.

The Company submits that the proposed Rider REC is just and reasonable under Code § 56-234 A because it reflects the cost to offer Rider REC, including acquisition of low-cost renewable generation RECs from the national market. Additionally, the Company notes that non-participating customers will not be required to pay for, or subsidize, the costs to procure RECs for Rider REC participants.

Interested persons are encouraged to review the Application and supporting documents for further details of the Company's proposals.

The Company's Application and the Order for Notice and Comment that the Commission entered in this case 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, David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Riverside 2, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the Application and 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>.

On or before August 15, 2019, 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 August 15, 2019, 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-2019-00081.

On or before August 15, 2019, 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-2019-00081.

On or before August 15, 2019, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth above. Written requests for hearing shall refer to Case No. PUR-2019-00081 and shall include: (i) a precise statement of the interest of the filing party; (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 the matter. A copy also shall be served on Dominion at the address set forth above.

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 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 July 1, 2019, 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>16</sup>

(6) On or before July 15, 2019, 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 (4) and (5), including the name, title, and address of each official served.

(7) On or before August 15, 2019, 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 August 15, 2019, 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-2019-00081.

(8) On or before August 15, 2019, 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

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<sup>16</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).*



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 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-2019-00081.

(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 have already been provided to the respondent.

(10) On or before August 15, 2019, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (6). Written requests for hearing shall refer to Case No. PUR-2019-00081 and shall include: (i) a precise statement of the interest of the filing party; (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 the matter. A copy also shall be served on counsel to the Company at the address in Ordering Paragraph (3).

(11) The Staff shall investigate the Application. On or before September 24, 2019, 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 October 15, 2019, the Company may file with the Clerk of the Commission any response to the Staff's report, comments, and requests for hearing filed with the Commission. If not filed electronically, an original and fifteen (15) copies of such comments shall be filed with the Clerk of the Commission.

(13) 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.

(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, 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.<sup>17</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.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Elaine S. Ryan, Esquire, and Sarah R. Bennett, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Lisa S. Booth, Esquire, and David J. DePippo, Esquire,

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<sup>17</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-2019-00081, in the appropriate box.

Dominion Energy Services, Inc., 120 Tredegar Street, Riverside 2, Richmond, Virginia 23219; 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. 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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