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Virginia State Corporation Commission
Tyler Building
1300 E. Main St.
Richmond, Virginia 23219

November 14, 2019

RE: Docket No. PUR-2019-00094, For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A5 and 56-234 of the Code of Virginia

To the State Corporation Commission:

As companies with operations in Virginia and ambitious plans to increase our use of renewable energy, we appreciate the opportunity to provide feedback to the Virginia State Corporation Commission ("Commission") in response to the application by Virginia Electric Power Company ("Dominion") for approval of Rider Total Renewable Generation ("Rider TRG") in the above-captioned docket.

Along with a growing number of our peers, our companies are all actively moving toward meeting aggressive renewable energy and greenhouse gas reduction targets. Participation in utility renewable energy programs and renewable energy purchases in competitive markets are equally important tools to reach these goals. Unfortunately, **Rider TRG fails to meet the criteria we look for in utility programs and also closes off otherwise-available opportunities** for our companies to pursue renewable energy through competitive service providers offering this service in Virginia. For these reasons, we urge the Commission against approval of Rider TRG as proposed.

Our collective experience participating in utility renewable energy programs across the country informs a set of criteria that we look for as we evaluate new programs. There are now nearly two dozen utility renewable energy programs in place across almost as many states, and to date commercial and industrial (C&I) customers have purchased nearly 3 Gigawatts (GW) of renewable energy through such programs. While each of our companies has different needs and preferences, we all agree that a successful Virginia renewable energy program must, at minimum:

- **Drive impact in Virginia,** i.e., result in high-quality, new renewable energy that will deliver carbon emission reductions; and
- **Be priced based on value in Virginia,** rather than assigning an automatic price premium.

While there are other important criteria that we also consider, these two cut to the core of what we look for in utility programs. Other Dominion programs, including Schedule Market-Based Rate ("Schedule MBR") and Schedule Renewable Generation ("Schedule RG") get closer to meeting these requirements for large customers who qualify for those tariffs; Rider TRG does not.

First, Rider TRG fails to meet the criteria of *driving impact.* The program relies entirely on existing facilities developed by Dominion that currently serve Dominion customers, including substantial amounts of carbon-generating wood-burning biomass from standalone biomass facilities and from the biomass-fired portion of the output of an existing coal plant. These biomass assets do not meet some organizations' needs around purchasing from sustainable energy sources that produce incremental carbon reductions. Even setting this concern aside, however, participating customers would not be able to credibly claim that their participation in Rider TRG has incented incremental emission reductions at all because the entire TRG portfolio already exists and operates in the absence of Rider TRG. Our companies already have ready access to REC purchasing options that would have equivalent impact; when participating in utility programs we do so to drive deployment of new renewable energy. For organizations that have committed to transition to a zero-carbon future, including some that are operating under fossil-fuel divestment plans, this offering is insufficient.

Second, Rider TRG fails to meet the criteria of being *priced based on value.* As discussed, this program is only marginally impactful to the transition to a low-carbon grid because it relies on assets that have already been constructed and for which Dominion has already received approval for cost-recovery. Redirecting the Renewable Energy Certificates (RECs) from these already-installed and legacy-operating assets delivers minimal value to customers, yet is priced at an automatic premium. In other words, under Rider TRG customers would be asked to pay not only for the cost of already-rate based assets, but also to fund an extra premium to deliver RECs *that are already being generated.* Customers that want RECs can purchase equally impactful but lower-cost RECs from other sources. In addition, successful green tariffs offered by other utilities across the country allow customers to take on some degree of risk in exchange for potential cost savings; the automatic price premium under Rider TRG offers no such opportunity. Given all of these factors, Rider TRG does not offer a viable value proposition.

Third, Rider TRG suffers these shortcomings while also serving as a roadblock to otherwise-available pathways for customers to achieve our renewable energy goals in Virginia. Specifically, because Dominion has petitioned for approval of Rider TRG under § 56-577 A5 of the Code of Virginia, approval would preclude customers from pursuing 100% renewable energy offerings from competitive service providers. The precedential value of foreclosing competition for a 100 percent renewable energy supply option should not be disregarded. Foreclosing competition where the utility is offering an inferior tariff at rates that are not reasonable or just is inconsistent with the public interest.

For all these reasons, our companies caution the Commission against approval of Rider TRG. We stand ready to provide additional input and perspective on meeting C&I renewable energy targets, and welcome any opportunity to engage with Dominion and the Commission in a constructive conversation about a clean energy future for the Commonwealth.

Sincerely,

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Akamai Technologies
Equinix
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Microsoft Corporation
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Unilever
Worthen Industries

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