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COMMONWEALTH OF VIRGINIA
BEFORE THE
STATE CORPORATION COMMISSION

PETITION OF)
)
VIRGINIA ELECTRIC AND POWER)
COMPANY)
) CASE NO. PUR-2022-00124
*For approval of its 2022 RPS Development)
Plan under § 56-585.5 of the Code of)
Virginia and related requests)*

COMMENTS OF
THE SOLAR ENERGY INDUSTRIES ASSOCIATION

Pursuant to Ordering Paragraph (11) of the “Order for Notice and Hearing” issued by the State Corporation Commission (“Commission”) on October 27, 2022, the Solar Energy Industries Association (“SEIA”) submits the following comments on the Petition of Virginia Electric Power Company (“Dominion” or “Company”) for approval of its 2022 RPS Development Plan.

I. INTRODUCTION

SEIA intervened in this proceeding so that the solar industry would have a voice in the implementation of, and compliance with, the Virginia Clean Energy Act (“VCEA”), which is being managed by this Commission through a review of each Phase I and Phase II utility’s annual Renewable Portfolio Standard (“RPS”) report. In this regard, SEIA focused its review of Dominion’s Petition on its RPS Development Plan and supporting testimony.

SEIA strongly supports the approval of the distributed and utility-scale solar and energy storage projects included in the Dominion filing as necessary for the achievement of the RPS target established by the legislature. While SEIA supports the approval of all the renewable

projects and power purchase agreements in this filing advanced by Dominion in furtherance of meeting its VCEA targets, SEIA believes that the Commission should take several actions that will allow Dominion to comply with the VCEA more efficiently in future years. The recommended changes SEIA advances herein will help to ensure efficient, accountable, and cost-effective VCEA implementation and help to build transparency and trust to broaden the market to a diverse set of participants. It should be noted that this is the second time SEIA has made the recommended changes to how Dominion implements and complies with the VCEA, having brought them before the Commission in Dominion's 2021 RPS proceeding. Specifically, SEIA recommends:

- An independent evaluator should be used in the review of all projects related to the RPS implementation, regardless of whether they are procured through the competitive Requests for Proposals ("RFP") process or through bilateral negotiations. Further, Dominion-sourced projects must be evaluated on the same timeline and under the same review criteria as RFP-sourced projects.
- The Commission should take a more active role in providing guidance to Dominion about how to evaluate projects. Greater focus should be paid to how Dominion's self-developed projects fit into the process.
- The Commission should impose enhanced RPS compliance reporting metrics to ensure that both the Commission and stakeholders can review each Phase I and Phase II utility's plans for achieving the RPS requirements.
- The Commission should continue to employ the PJM GATS system for tracking RPS compliance, but such a process must be married with effective in-state certification of RPS resources. As such, the Commission should develop a streamlined process to register existing and new projects located in Virginia.
- The Commission should direct Dominion to submit template contracts for large and small development projects to the Commission for review and approval.
- The Commission should open a proceeding to revise Dominion's interconnection process using the information it has collected in Case No. PUR-2022-00073.

II. SUPPORT FOR PROJECTS

SEIA supports the Commission granting Dominion certificates of public convenience and necessity to construct and operate the CE-3 Projects consisting of (i) seven utility-scale solar generating facilities totaling approximately 474 MW (the “CE-3 Solar Projects”); and (ii) one stand-alone energy storage resource totaling approximately 15.7 MW (the “CE-3 Storage Project”). In addition, SEIA supports the cost recovery for two distributed solar projects, representing four distributed solar facilities, totaling approximately 6 MW and related interconnection facilities (the “CE-3 Distributed Solar Projects”). Finally, SEIA supports the Commission providing Dominion the necessary prudence determination to enter into 13 power purchase agreements (“PPAs”) for solar and energy storage resources totaling approximately 270 MW of solar and 49 MW of energy storage (the “CE-3 PPAs”).

As detailed in the testimony of Dominion witness Drummond, these projects and PPAs are necessary to meet the significant renewable procurement requirements under the VCEA,¹ which are discussed in more detail in Section III of these comments. In addition, witness Drummond explains how these projects and PPAs will assist in meeting Dominion customers’ peak capacity and energy needs over the next several years.² Much like Dominion’s 2021 RPS filing, the projects the Company seeks to contract with or own represent a diverse portfolio of sizes, technologies, and geographical locations. Importantly, all of these projects are located in the Commonwealth, providing the economic and environmental benefits clearly contemplated in the VCEA.

¹ See *Direct Testimony of Victoria Drummond on behalf of Virginia Electric and Power Company*, Case No. PUR-2022-00124 (“Drummond Testimony”), pp. 4-6, see also *Direct Testimony of Todd Flowers on behalf of Virginia Electric and Power Company*, Case No. PUR-2022-00124 (“Flowers Testimony”), pp. 16-18, pp. 20-21, and pp. 23-24.

² Drummond Testimony, pp. 6-10.

III. REFORM OF PROCUREMENT PRACTICES NEEDED TO AFFORDABLY MEET SCALE REQUIRED BY VCEA

In accord with Va. Code § 56-585.5 D. 4, Dominion submitted its 2022 RPS Development Plan as Exhibit 2 to its Petition. Therein, Dominion purports to show full compliance with the requirements of the VCEA. The documentation provided by Dominion, however, brings into question whether it has established a clear path toward efficient, cost-effective compliance with the VCEA procurement requirements. Dominion has demonstrated a commitment to procuring renewable energy and energy storage resources to meet the VCEA requirements. As of August 31, 2022, the Company has procured approximately 2,600 MW of onshore wind and solar resources, as well as approximately 167 MW of energy storage resources. However, given the scale required in the VCEA, the Company will need to procure nearly 6 times more onshore wind and solar and 16 times more energy storage capacity. To achieve these goals, Virginia will need a robust market of developers and EPC firms to provide competitive resources.

A. Overview of Requirements

The VCEA requires that Dominion petition the Commission for the necessary approvals to construct and purchase 1100 MW of distributed generation projects less than 3 MW (“DG projects”) located in Virginia by 2035. Meeting this required target necessitates that Dominion petition the Commission to construct or purchase an average of 73 MW of DG projects per year between 2020 and 2035. Prior to its current RPS submittal, Dominion has made two previous petitions to the Commission (2020 and 2021) pursuant to the requirements of the VCEA. These petitions sought approval of a total of 3.6 MW of developed DG projects and 27 MW of power

purchase agreements³ – less than ¼ of the annual MW necessary if Dominion is to steadily progress towards the statutory requirement of 1100 MW. As SEIA noted in its testimony in Dominion’s 2021 RPS proceeding, while the Company has been conducting RFPs for distributed resources since 2017, “[t]here is a clear pattern in these small-system RFPs – for one reason or another, project developers are having a difficult time navigating the RFP process and successfully signing contracts with Dominion.”⁴

Figure 4 of Dominion’s 2022 RPS Development Plan purportedly reflects its “long-term development plan for distributed solar generation facilities through 2035.”⁵ Dominion attests that “this plan presents reasonable estimates of generation capacity targets, which reflect the best available information at this time.”⁶ Figure 4 shows a marked increase in the MW which Dominion anticipates coming online starting in 2025 -102 MW – in comparison to prior years. Dominion does not provide any basis for this anticipated jump, merely stating that “in furtherance of these plans, the Company will issue annual requests for proposals (“RFPs”) for development proposals and third-party PPAs for new solar and onshore wind projects.”⁷ When specifically requested to provide all analysis underlying the MW targets in its development plan for distributed solar generation set forth in Figure 4, Dominion’s response was that the plan was “developed by first reflecting the actual development activities related to Company-owned and

³ At the time of Dominion’s 2022 Petition none of these projects were online but had commercial operation dates in 2022 and 2023. See *Dominion Energy Virginia’s 2022 RPS Development Plan*, Exhibit 2 to Petition, Case No. PUR-2022-00124 (“RPS Development Plan”), p. 4, footnote 1.

⁴⁴ See *Direct Testimony of Kevin M. Lucas on behalf of the Joint Respondents Solar Energy Industries Association and the Chesapeake Solar and Storage Association*, Case No. PUR-2021-00146 (November 16, 2021) (“Lucas Testimony”), p. 22.

⁵ RPS Development Plan, p. 5.

⁶ *Id.*

⁷ *Id.*

PPA projects to date, and then spreading out the development required to reach the VCEA targets, taking into consideration the interim targets and allocation percentages set forth by statute, as well as the volume of annual development the Company believes to be reasonable”⁸

In other words, there does not appear to be any analytics underlying Company’s Distributed Generation Development Plan that reflect the realities of developing projects for their RFPs, but rather it is their hope that the targets set by the legislation will result in the volume needed.

A similar lack of clarity exists with respect to how Dominion will meet the VCEA requirements for the required MW for large-scale projects. Dominion must petition the Commission for the necessary approvals to construct or purchase 15,000 MW of solar or onshore wind generation located in Virginia by 2035. While these targets are offset by the capacity of solar or onshore wind generation resources under contract with accelerated renewable energy buyers (“ARBs”), which is currently 1,301 MW, Dominion still must meet a development target of approximately 13,699 MW. When that number is reduced by 386.4 MW, which Dominion had online prior to the adoption of the VCEA, the Company’s obligation under the VCEA is to petition the Commission for the necessary approvals to construct or purchase 13,313 MW over the 15-year period of 2020 to 2035, or, on average, 887.5 MW per year. A review of Figure 2 of the RPS Development Plan shows that the amount of large-scale solar and wind which Dominion anticipates to be brought online in the period from 2021 to 2024 is 2279.4 MW or, on average, 569.85 MW a year. Figure 3, “Utility-Scale Solar and Onshore Wind Development Plan” in the RPS Development Plan, however, shows significant increases in the MW anticipated to come online each year starting in 2026 (1180 MW), with most of this increase coming from

⁸ See Dominion Response to Question 2 of SEIA’s First Set of Data Request, appended to these comments as Attachment I.

Company-owned generation. Again, Dominion does not offer any explanation for this significant jump in MW, merely stating that “ in furtherance of these plan, the Company will issue annual requests for proposals (“RFPs”) for development proposals and third-party PPAs for new solar and onshore wind projects.”⁹ When specifically requested to provide all analysis underlying the MW targets provided in its development plan for Utility-Scale Solar and Onshore Wind Development Plan the set forth in Figure 3, the Company provided the same response as it provided with respect to its distributed generation development plan-¹⁰ i.e., it represents its best guess.

B. Requests for Proposals

Dominion’s RPS Development Plan implies that it is relying on robust RFPs as a means of meeting its VCEA targets. But the results of Dominion’s solicitations to date are not yielding the results which will lead to Dominion meeting these targets with the most cost-effective projects. The results may, in part, be related to the challenges developers face in meeting the RFP and contractual requirements imposed by the Company. As SEIA described in testimony submitted in Dominion’s 2021 RPS proceeding regarding the Company’s RFP process:

“[T]he contract risk is heavily tilted towards the developer and EPC contractor. The Company provides a lengthy checklist of documents that must be filed as part of the RFP process, some of which require substantial funding and time to attain (e.g., interconnection studies and local permitting). Dominion as a buyer places tight restrictions on the total build costs despite the natural uncertainty surrounding the development cycle of solar and storage projects. Some of these restrictions, such as limitations of change orders related to force majeure as well as representations and warranties beyond the scope of the control of the firm, are inconsistent with general industry practices. There are

⁹ *Id.*

¹⁰ *See* Dominion Response to Question 2 of SEIA’s First Set of Data Request, appended to these comments as Attachment 1.

also no publicly available template contracts that the Commission and interested parties can review for consistency with industry norms.”¹¹

Such tight restrictions could result in higher bid prices as developers are compelled to increase their bid price in response to the added risk. The impact of the higher bid prices is twofold - the bids might not make it through the RFP process or, if they do, may result in a contract that is not the most cost-effective for ratepayers.

As part of Dominion’s 2021 RPS proceeding, SEIA and other parties made several recommended changes to enhance the results of Dominion’s RFP process. While making note of recommended changes to the RFP process advanced by these parties, the Commission did not require Dominion to make any changes to its process. However, the Commission “strongly encouraged” Dominion “to consider input from Staff and other interested parties and to continue to refine and update its RFP process to ensure the inclusion of the most economical and least environmentally invasive projects.”¹² It appears that the Commission’s strong encouragement was mostly ignored. As relayed by Staff witness Kuleshova, in response to a Staff request to provide an exhaustive list of refinements and updates to Dominion’s RFP process implemented in response to the encouragement proffered by the Commission, Dominion stated that “the annual cadence of the Company's RFP does not align exactly with the annual cadence of the Company's annual filing for approval of its RPS 2 Development Plan and related requests. For example, by the time the Final Order was issued in March 2022 in Case No. PUR-2021-00146,

¹¹ Lucas Testimony, Case No. PUR-2021-00146, p. 39.

¹² *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Final Order, (Mar. 15, 2022) (“2021 RPS Final Order”), p.13.

the RFP for projects and PPAs to be brought forward in the current case was essentially completed...”¹³ Even assuming it was too late for the 2022 RFP cycle, as far as SEIA is aware, Dominion has not taken the opportunity to initiate any outreach to the developer community or other stakeholders to seek input on improvements to its RFP process in preparation for its 2023 RFP. Indeed, Dominion has clarified that it believes that it is not under any obligation to undertake such outreach.¹⁴

SEIA recognizes that Dominion has made changes to its RFP process, including making the RFP a rolling procurement and splitting the RFPs by the ownership arrangement.¹⁵ These changes, while helpful, are not significant enough to result in the volume of development needed to achieve the VCEA targets. Dominion’s RFPs continue to come up short of their desired results. As detailed in Dominion’s filing, neither the 2022 RFP held for distributed generation projects, nor the 2022 RFP held for utility-scale scale wind and solar projects yielded robust results. Specifically in the DG RFP, Dominion sought PPA and Development proposals for up to 80 MW (ac) total, with a COD no later than 2023, and for up to 95 MW (ac) total capacity with a COD no later than 2024.¹⁶ Seven developers submitted proposals for 27 development projects; five developers submitted PPAs for 17 projects.¹⁷ Of the 27 development projects submitted, Dominion selected only two for a total of 6 MW.¹⁸ With respect to the PPAs, Dominion selected

¹³ See *Prefiled Testimony of Katya Kuleshova*, Case No. PUR -2022-00124 , pp. 6-7.

¹⁴ See Dominion Response to Question 3 of SEIA’s First Set of Data Request, appended to these comments as Attachment 2.

¹⁵ RPS Development Plan, p. 6.

¹⁶ Filing Schedule 46-A, Statement 2, p. 5.

¹⁷ *Id.*, p. 7.

¹⁸ *Id.*, p. 7 and Petition, p. 11.

6 for a total of 16 MW.¹⁹ Thus, of the 175 MW of DG projects sought, the RFP ultimately yielded 22 MW. It should be noted, however, that Dominion initially selected nine PPA proposals for distributed solar facilities, but when it initiated negotiations with developers, two developers withdrew three of the PPA proposals because the projects were no longer economically viable at the bid.²⁰

With respect to the utility-scale RFP, Dominion sought PPA and Development Proposals for up to 1,000 MW (ac) total capacity at the point of interconnection from new solar PV and onshore wind facilities with online dates no later than mid-2025.²¹ It also sought an additional 100 MW of solar plus storage, wind plus storage, or standalone storage projects. Dominion received 33 development proposals: 11 solar proposals, 21 stand-alone storage proposals, and 1 onshore wind proposal.²² Nineteen developers submitted PPA proposals for 35 unique sites.²³ Ultimately, of the 33 development proposals submitted, Dominion selected only three solar projects, while also selecting four solar projects and one storage project that was Company-sourced (i.e., outside the RFP process) for inclusion in this application.²⁴ The total combined megawatts of these projects is approximately 474 MW, of which only 60MW are from projects selected from the RFO.²⁵ With respect to the PPAs, Dominion selected five solar generating facilities totaling approximately 254 MW and two PPAs for stand-alone energy storage resources

¹⁹ Filing Schedule 46-A, Statement 2, p. 9 and Petition, p. 14.

²⁰ See *Direct Testimony of Brian M. Keefer on behalf of Virginia Electric and Power Company*, Case No. PUR-2022-00124 (“Keefer Testimony”), p. 8.

²¹ Filing Schedule 46-A, Statement 1, p. 6.

²² *Id.*, p. 10.

²³ *Id.*

²⁴ *Id.*, p. 13.

²⁵ Flowers Testimony, p.7.

totaling approximately 49 MW. In sum, the results of these solicitations were far from robust, nowhere near the 1100 MW sought.

C. Improvements to Ensure Enhanced Participation /Selection of Projects

1. Changes to the RFP Process

The Commission must take action to enhance the robustness of Dominion's RFP process. The relatively low results from the RFPs conducted to date could be indicative of a lack of clarity in the developer community regarding the requirements of the RFP and/or how the proposals are evaluated. Dominion's RFP process lacks transparency. The public information on the RFP process which Dominion provided in its RPS filings to date has been very high level. As described by Dominion, it performs several rounds of evaluations on bids received, some of which are completely opaque, with no indication of what occurs. For example, Dominion makes reference to "initial reviews" and "further diligence" without defining what occurs during those steps.²⁶ Dominion further states that "[F]or development proposals that were included in the scoring process, the Company primarily relied on the non-price evaluation to select a list of finalists that posed the least risk." And while the non-price criteria and associated weighting are provided, the act is subjective and being performed by "in house teams."²⁷ Finally, Dominion states that after non-price evaluation, it estimates the total project costs, and then "[a]s further diligence was performed, development proposals found to have key risks were dropped from further consideration."²⁸ Exactly what comprises this "further diligence" or what are considered "key risks" is not stated. The bottom line is that the process is not transparent, and Dominion

²⁶ Filing Schedule 46A, Statement 1, p. 9.

²⁷ *Id.*, p.11.

²⁸ Filing Schedule 46A, Statement 1, p.9

should not be determining a short-list of projects or conducting non-price evaluations, particularly considering that it is evaluating its own development assets alongside the competitively solicited bids.²⁹

In order to bring some transparency to the process and thereby enhance successful participation in Dominion's RPS RFOs - both DG and large-scale projects - the Commission should require an Independent Evaluator ("IE") to perform more of the evaluation steps for all RPS-related projects (both those sourced through and outside the competitive RFP process) and to prevent Dominion from controlling steps that lack clear quantitative guidance for how similar bids should be treated. For instance, it is appropriate for Dominion to perform calculations to determine and rank the levelized energy cost of bids as there are clear and specific steps to follow to produce the result. Similarly, Dominion is best positioned to know how easy or difficult it will be for a project to interconnect to its transmission system. But the IE should be in control of steps where there is no clear objective standard to follow and where conflicts of interest could arise. Screening projects based on non-price factors is one obvious step that should be performed by an independent entity. The Commission should direct a strong role for an IE in the overall bid evaluation and non-price factor analysis. Moreover, the IE's role should not be confined to the review of third-party bids, but Company-sourced projects as well. Such participation by the IE will ensure that all projects are reviewed in an unbiased manner and provide the development community the assurance that Company-sourced projects are not unfairly advantaged.

2. Modifications to the Balance of Risk between Dominion and Developer

²⁹ Filing Schedule 46A, Statement 1, p. 3 ("All Company-sourced projects were evaluated in accordance with the RFP criteria discussed below").

To facilitate Dominion's cost-effective compliance with the VCEA, the Commission should direct Dominion to submit template contracts for large and small development projects to the Commission for review and approval. To increase participation in the RFPs and ensure that projects winning bids are able to execute contracts with Dominion, the Commission must help ensure that the contract risks are fairly divided between Dominion and the developer. This can be done by ensuring that Dominion's standard contract provisions are consistent with industry norms and best practices.

3. Changes Necessary to Increase DG Development

As noted above, Dominion's DG RFP sought PPA and Development proposals for up to 175 MW but only resulted in 22 MW. Moreover, certain winning bidders had to drop out of the process after the start of negotiations as their bids were no longer economically viable. The low success rate for these small systems is in part an indication that project developers are having a difficult time navigating the RFP process and successfully signing contracts with Dominion. This is a concern as the VCEA clearly embodies the recognition of the importance of distributed generation. As noted above, the VCEA requires 1,100 MW of projects 3 MW or less. In addition, it also has a "1% Carve Out" which requires that 1% of Dominion's compliance obligation for REC retirements be from DER projects of 1 MW or less.

In testimony submitted in Dominion's 2021 RPS proceeding, SEIA documented the major hurdles to developing small projects in Dominion's territory. In addition to difficulties navigating Dominion's RFPs, SEIA pointed out that the small DG projects faced challenges with the distribution interconnection process with its protracted study timelines and prohibitive interconnection costs.

Given these interconnection problems being experienced by DG projects in Dominion's territory, SEIA recommended that the current distribution interconnection tariff and technical standards employed by Dominion's interconnection team be revised. Specifically, SEIA recommended that a stakeholder working group be established that would enable the development community and Dominion to "find pathways to improve the interconnection process in a way that balances safety and reliability with achieving the legislative priorities of deploying distributed generation in a timely and affordable manner."³⁰

While the Commission did not act on SEIA's recommendation, it subsequently issued an order for comment on DER interconnection issues.³¹ This order resulted from the Commission's review of Dominion's plan for electric distribution grid transformation projects.³² In that context, Commission Staff raised concerns regarding Dominion's ability to process the expected influx of DER interconnection requests it receives in a timely and efficient manner, especially noting concerns regarding the length of time to complete studies and the cost to interconnect³³ - the same concerns which SEIA had raised in Dominion's 2021 RPS proceeding.

The Commission's order soliciting comments on interconnection issues resulted in significant stakeholder input and a Staff Report issued on September 19, 2022.³⁴ The Staff Report noted the myriad of issues plaguing the interconnection process and noted various options

³⁰ Lucas Testimony, Case No. PUR-2021-00146 p. 25.

³¹ *Ex Parte: In the matter considering utility distributed energy resource interconnection-related issues and questions*, Case No. PUR-2022-00073, Order for Comment (May 24, 2022).

³² *Petition of Virginia Electric Power Company For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00117, Final Order, (January 7, 2022), pp. 25-26.

³³ *Post Hearing Brief of the Staff of the State Corporation Commission*, Case No. PUR-2021-00127 (November 16, 2021), pp. 18-19

³⁴ Staff Report of the Division of Public Utility Regulation, Case No. PUR-2022-00073 (September 19, 2022).

for tackling those issues including: (i) making reforms to the existing Regulations ("Regulations Reform"); (ii) establishing working groups; (iii) implementing pilot studies; (iv) establishing separate proceedings outside the scope of the Regulations Reform; and (v) using utility administration and application processes.

The Staff Report documents a clear and immediate need for interconnection reform but to date the framework governing interconnection of projects at various sizes remains largely unchanged. We recommend that the Commission open a proceeding to revise Dominion's interconnection process using the information it has collected via the 2022 interconnection proceeding.

IV. MEANS OF TRACKING REC COMPLIANCE MUST BE AUGMENTED

A. REC Retirement Obligations

The VCEA establishes clear requirements for the retirement of Renewable Energy Credits ("RECs"). Starting with compliance year 2021, Dominion must retire RECs equal to a certain percentage of its "total electric energy" sold in the prior calendar year.³⁵ Of that requirement, in each compliance year, 1% of the RECs must be from certain distributed energy resources ("DERs") located in Virginia with a nameplate capacity of 1 MW or less (the "1% Carve Out"). If available, no less than 25% of that 1% shall come from RECs produced by "low-income qualifying projects" as defined in Va. Code § 56-585.5 A. In years 2021 to 2024, the RECs for RPS Program compliance must originate from renewable energy facilities located within the PJM Interconnection, LLC region that meet the definition of "renewable energy" in Va. Code § 56-576, with certain exceptions. Starting in 2025, however, 75% of the RECs used by Dominion for RPS Program compliance must come from resources located in Virginia.

³⁵ Va. Code § 56-585.5 C.

B. Current Reporting Obligations

In its order on Dominion's 2020 RPS Filing, over the objections of Dominion, the Commission found that the annual RPS proceeding was the proper venue to consider annual RPS compliance, and "direct[ed] Dominion to propose reporting metrics, and any needed protocols, associated with RPS Program certification in its 2021 RPS filing."³⁶ In its 2021 RPS Filing, Dominion submitted a brief one-page attachment to its 2021 RPS Plan that outlined reporting metrics related to its annual RPS compliance. SEIA protested the proposed reporting metrics as insufficient and advocated that they be developed through a robust stakeholder process.³⁷ As noted by SEIA, "[t]hese reports will be instrumental to the industry and care must be taken to ensure they contain sufficient information for developers to make informed decisions about the supply and demand requirements in Virginia."³⁸ The Commission did not heed SEIA's suggestion, and, instead found that the very rudimentary metrics proposed by Dominion were reasonable for the purposes of Dominion making its first annual certification of compliance with the RPS Program,³⁹ which Dominion has done as part of its 2022 RPS submission.⁴⁰ The Commission also endorsed Dominion's proposal to provide a report from the PJM Generation Attribute Tracking System ("GATS"), which includes detailed information on all RECs used for RPS Program compliance ("GATS Compliance Report") and to make that report available electronically.⁴¹ In doing so, the Commission stated that "Staff and interested parties will have

³⁶ Case No. PUR-2020-00134 Final Order at 7.

³⁷ Lucas Testimony, Case No. PUR-2021-00146, p.6.

³⁸ *Id.*

³⁹ 2021 Final RPS Order, p. 11

⁴⁰ See Petition, Exhibit 3, 2021 Virginia RPS Compliance Report.

⁴¹ 2021 Final RPS Order, p. 11.

an opportunity to address any issues with the Company's 2022 Compliance Report and GATS Compliance Report in the next RPS proceeding.”⁴² SEIA submits that the Commission should take this opportunity to revisit the sufficiency of Dominion’s compliance showing and direct certain changes that will not only result in a more accurate account of Dominion’s fulfillment of its obligations under the VCEA but will facilitate achievement of the VCEA’s target MW goals by providing developers a clear picture of the utility’s MW needs.

C. Current Reporting Metrics are Deficient, and at minimum, Must be Augmented

In its current submission, Dominion provided a “2021 RPS Compliance Report” which provides the required charts and tables, including:

- The REC requirement for the relevant compliance year
- A pie chart showing the type and quantity of RECs retired for each RPS eligible source.
- A table showing the vintages of RECs retired.
- A table showing the location of RECs retired.
- A pie chart showing the type and quantity of RECs retired to meet the 1% Carve Out or the deficiency payment to be made, if necessary.
- The total amount of any required deficiency payments to be deposited with the Commonwealth.
- A table showing the bank of RECs available for future compliance, including vintage and RPS eligible source type.

These tables and charts, however, can only be taken at face value as there is absolutely no source data cited. And while some of this data can be pulled from the GATS Compliance Report, as shown below, absent changes, the GATS Compliance Report is not a reliable means of tracking the retirement of RECs in Virginia. In short, the information provided by Dominion is not sufficiently robust to ensure compliance. Moreover, while the tables and charts provide high-level information, they fail to provide the type of information needed for a vigorous review

⁴² *Id.*

of the Company's RPS compliance by the Commission and other stakeholders. For example, while the Company provides a graphic purportedly demonstrating the retirement of RECs to meet the 1% carve-out, there is no information on the system sizes, locations, and business models that make up the RECs retired for that requirement. Similarly, REC banking information does not demonstrate the location of the resources whose RECs were banked or any information for the Commission on the Company's plans for the REC bank. In years where there is less RPS shortfall to procure, an understanding of banking optimization will be critical in determining the need for procuring more resources.

Accordingly, SEIA renews its request from the 2021 RSP proceeding that a stakeholder engagement process be established to provide a recommendation for reporting requirements. This process should include representatives of the solar and storage industries, among other parties. The stakeholder group could work to develop robust reporting metrics, including spreadsheet templates that should be used for compliance. The results of the stakeholder group could then be presented to the Commission for approval.

If, however, the Commission declines to direct such a stakeholder group, then, at minimum, it should enhance the current reporting metrics by requiring Dominion to detail the sources of the data set forth in the report and provide an officer verification as to its truth and accuracy. Such verifications are common in states with robust RPS compliance metrics such as California.⁴³

Moreover, the reporting metrics should be augmented by requiring Dominion to submit a projection of its "renewable net short" ("RNS") position. – i.e., the new generation that is

⁴³ See *Assigned Commissioner's Ruling regarding 2022 RPS Compliance Filings*, Ordering Paragraph 11 <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M467/K556/467556099.PDF>

necessary for the utility to meet or exceed its RPS procurement requirement.⁴⁴ In other states which require the reporting of utilities' RNS position, the process entails the utilities producing both deterministic and stochastic forecasts to "achieve and maintain RPS compliance and minimize customer cost within an acceptable level of risk."⁴⁵ Moreover, it includes a detailed analysis of how banked RECs will be used for future compliance. Such a mechanism is a means of tracking future compliance, enabling the utilities to meet their statutory obligations. The Commission should require Dominion to submit a comparable analysis as part of its annual compliance filing.

D. SCC Must Establish a Process to Register RECS in PJM GATS

GATS is not a certification system – it does not certify that projects have any particular attributes, such as fuel type or the required type of meter. Rather it tracks production from registered systems -- i.e., it creates and tracks a generator-specific electronic certificate for every megawatt-hour of electricity produced by the generator. The system tracks the environmental and emissions attributes of generation as provided by the resource and attested by the relevant regulatory authority, along with the ownership of credits as they are traded or used to meet renewable electricity standards or goals. While GATS has the potential to be a reliable tool for tracking REC compliance in Virginia, certain steps need to be taken.

First, the Commission should direct Virginia utilities to use PJM GATS as the official registration and tracking mechanism for RPS compliance. Second, to ensure that registered Virginia projects actually exist and have the necessary attributes, the SCC must establish a

⁴⁴ See, e.g., *Pacific Gas and Electric Company Draft 2022 Renewable Energy Procurement Plan* (July 1, 2022), starting at p. 73
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M493/K762/493762538.PDF>

⁴⁵ *Id.*, p. 73.

process to register projects with GATS, comparable to what has been created in Maryland and other states that use GATS for credit tracking.

For example, in Maryland, applicants complete registration online through the Maryland Public Service Commission's ("MPSC") website. After receiving permission to connect the system from their host utility, the system owner or responsible party registers the system through the MPSC's webpage. The initial application requires a signed interconnection agreement from the utility. For larger solar projects (in Maryland, those greater than 2 MW), the project must go through the administrative hearing docket. These are typically included in the "consent agenda" portion of the hearing that is intended to include "noncontroversial" matters. After the system owner completes these registration steps, the MPSC staff manages the remainder of the process to certify the system. MPSC staff assigns a registration number to the project and registers the system in GATS with relevant attributes confirmed (size, fuel type, etc.).

Maryland's process, which is comparable to the process used in both Pennsylvania and the District of Columbia, offers a useful model for the SCC to manage system registration for all Virginia utilities. Creating and maintaining a consistent application process will simplify system registration for all parties, streamline the administrative efforts associated with VCEA compliance, and ensure that RECs in the GATS system represent the generation and attributes they claim.

It should be noted that SEIA is not implying that Dominion or any other party is creating or retiring non-compliant RECs, but rather that there are deficiencies in the certification system that could allow non-compliant RECs to be submitted and retired. The Commission cannot continue to rely on GATS for compliance as the renewables market matures in Virginia absent a certification process for the projects located in Virginia that are registered with GATS.

V. CONCLUSION

SEIA appreciates the opportunity to participate in this proceeding and provide comments on Dominion's third annual VCEA filing made pursuant to Va. Code § 56-585.5 D. The solar industry believes that its recommendations, if adopted, will improve Dominion's future VCEA filings.

Respectfully submitted,

/s/ Jeanne Armstrong

Jeanne Armstrong (Admitted *Pro Hac Vice*)

(CA Bar No. 207656)

(D.C. Bar No. 416843)

SOLAR ENERGY INDUSTRIES ASSOCIATION

1425 K Street, N.W., Suite 1000

Washington, D.C. 20005

Senior Regulatory Counsel for Solar Energy Industries Association

/s/ Jasdeep S. Khaira

Jasdeep S. Khaira (VSB # 97059)

GENTRY LOCKE

919 E Main Street, Suite 1130

Richmond, VA 23219

Local Counsel for Solar Energy Industries Association

January 18, 2023

ATTACHMENT 1

Virginia Electric and Power Company
Case No. PUR-2022-00124
Solar Energy Industries Association
First Set

As it pertains to PPA proposals, the following response to Question No. 2 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

David G. McKelvey
Sr. Power Contract Specialist, Power Contracts
Virginia Electric Power Company

As it pertains to development proposals, the following response to Question No. 2 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

Christine I. Sedlar
Business Development Manager
Virginia Electric Power Company

As it pertains to legal matters, the following response to Question No. 2 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

Sarah Bennett Bures
McGuireWoods LLP

Question No. 2

Please refer to Figures 2, 3 and 4 of Dominion's 2022 RPS Development Plan, Exhibit 2 to the Petition. With respect to the Development Plans reflected in each of these Figures, Dominion states that they "present reasonable estimates of generation capacity targets, which reflect the best available information at this time." Please provide all documentation and analysis comprising the "best information at this time" upon which Dominion relied to make the estimates of generation capacity targets set forth in each of Figures, 2, 3 and 4.

Response:

The Company objects to this request as vague, overly broad, and unduly burdensome to the extent it seeks "all documentation and analysis comprising the 'best information at this time.'" Notwithstanding and subject to these objections, the Company provides the following response.

Figures 2, 3, and 4 of the 2022 RPS Development Plan were developed by first reflecting the actual development activities related to Company-owned and PPA projects to date, and then spreading out the development required to reach the VCEA targets, taking into consideration the interim targets and allocation percentages set forth by statute, as well as the volume of annual development the Company believes to be reasonable. The documentation related to actual development activities for the CE-1, CE-2, and CE-3 Projects and PPAs have been made available in this and prior annual proceedings under Va. Code § 56-585.5 D 4.

2025 RELEASE UNDER E.O. 14176

ATTACHMENT 2

Virginia Electric and Power Company
Case No. PUR-2022-00124
Solar Energy Industries Association
First Set

As it pertains to PPA proposals, the following response to Question No. 3 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

David G. McKelvey
Sr. Power Contract Specialist, Power Contracts
Virginia Electric Power Company

As it pertains to development proposals, the following response to Question No. 3 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

Christine I. Sedlar
Business Development Manager
Virginia Electric Power Company

As it pertains to legal matters, the following response to Question No. 3 of the First Set of Interrogatories and Requests for Production of Documents propounded by the Solar Energy Industries Association and received on January 4, 2023, has been prepared under my supervision.

Sarah Bennett Bures
McGuireWoods LLP

Question No. 3

Please refer to the March 15, 2022, Order of the Virginia State Corporation Commission approving Dominion's 2021 RPS Filing. On page 13 it states:

The Commission will not require Dominion to implement any modifications to its RFP process at this time. *We strongly encourage the Company, however, to consider input from Staff and other interested parties and to continue to refine and update its RFP process* to ensure the inclusion of the most economical and least environmentally invasive projects.

Please detail each incident where an agent or employee of Dominion contacted a solar, storage, or wind developer, or an association representing such developers, to solicit input on Dominion's RFP process. With respect to each incident, provide: (1) the company / individual contacted; (2) the date of the contact; (3) the input received; and (4) if such input was incorporated into Dominion's 2022 RFP process, and if so, how; and (5) whether Dominion is intending to

incorporate such input into its 2023 RFP process, and, if so, how. Please provide any documentation in Dominion's possession associated with this request.

Response:

The Company objects to this request as vague, overly broad, and unduly burdensome to the extent it seeks "any documentation in [the Company's] possession associated with this request." Notwithstanding and subject to these objections, the Company provides the following response.

As highlighted in the request, the Commission encouraged the Company to consider input from Staff and other interested parties regarding the RFP process, not to solicit input. Accordingly, the Company disagrees with the premise of this request.

The Company receives feedback on the RFP process from developers by varying means throughout the year that include, but are not necessarily limited to, the question and answer process, as detailed in the 2021 Solar-Wind-Storage RFP Report, and our annual RFP webinar most recently held in June 2022. Details on the webinar can be found on the Company's RFP website—<https://www.dominionenergy.com/DEVCleanEnergyRFP>. Developers may also contact the Company at any time through its dedicated RFP mailbox and we will respond appropriately.

Refer to the Company's response to Staff Set 02-43(a) for information on refinements made to the RFP process implemented in response to the encouragement from the Commission.