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STATE CORPORATION COMMISSION

September 1, 2022

The Honorable Glenn A. Youngkin
Governor, Commonwealth of Virginia

The Honorable Richard L. Saslaw
Chairman, Senate Committee on Commerce and Labor

The Honorable Kathy J. Byron
Chairman, House Committee on Commerce and Energy

Members of the Commission on Electric Utility Regulation

Ladies and Gentlemen:

Please find enclosed the Virginia State Corporation Commission's Status Report on the Implementation of the Virginia Electric Utility Regulation Act pursuant to § 56-596 B of the Code of Virginia.

Please let us know if we may be of further assistance.

Respectfully submitted,

Jehmal T. Hudson
Chairman

Judith Williams Jagdmann
Commissioner

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Report to the Governor of the Commonwealth of Virginia,
the Chairman of the Senate Committee on Commerce and Labor,
the Chairman of the House Committee on Commerce and Energy,
and the Commission on Electric Utility Regulation
of the Virginia General Assembly

Status Report: Implementation of the Virginia Electric Utility Regulation Act Pursuant to § 56-596 B of the Code of Virginia

September 1, 2022

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EXECUTIVE SUMMARY

This document contains the report of the Virginia State Corporation Commission ("Commission") pursuant to § 56-596 B of the Code of Virginia ("Code"), which directs the Commission to provide an update by September 1 of each year on the status of the implementation of the Virginia Electric Utility Regulation Act, Code §§ 56-576 through 56-596.3 ("Regulation Act"). The Regulation Act has expanded in recent years with new programs and requirements that fall within the Commission's purview. This report summarizes the Commission's efforts to implement the Regulation Act for incumbent electric utilities[1] as well as the electric cooperatives.

Key highlights from the report include:

A. Current Status of the Regulation Act

- Over the past several years, the Regulation Act has been amended to require new or expanded programs and rulemakings that apply to the Commonwealth's incumbent electric utilities and electric cooperatives. These programs include ones that implement the requirements of the Virginia Clean Economy Act ("VCEA").[2] The VCEA includes provisions establishing mandatory Renewable Energy Portfolio Standard ("RPS") and Energy Efficiency Resource Standard. The relevant Commission dockets that implement or update these programs, as well as the dockets that continue to provide oversight of the utility's existing operations, are summarized in Section IV, below.

- On November 18, 2021, the Commission issued its Final Order concerning its triennial review of Dominion Energy Virginia's ("DEV") rates, terms, and conditions for the provision of generation, distribution, and transmission services.[3]

[1] Code § 56-580 G generally suspends application of the Regulation Act to Kentucky Utilities, d/b/a Old Dominion Power Company ("KU/ODP"), which is an investor-owned incumbent electric utility whose service territory is located entirely within Dickenson, Lee, Russell, Scott, and Wise Counties. However, certain provisions of the Regulation Act, including Code §§ 56-585.5 and 56-594, have been made applicable, at least in part, to KU/ODP.

[2] 2020 Va. Acts chs. 1193, 1194.

[3] *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms, and conditions for the provision of generation, distribution,and transmission services pursuant to § 56-585.1 A*

- On January 7, 2022, the Commission issued a Final Order concerning its review of DEV's petition for approval of Phase II of its Grid Transformation ("GT") Plan.[4] The approved GT Plan investments focus on grid reliability and are designed to accommodate or facilitate the expected increase in distributed energy resources. Approved Phase II investments include (i) advanced metering infrastructure; (ii) the customer information platform; (iii) grid infrastructure, which comprises targeted corridor improvement and voltage island mitigation; (iv) grid technologies; (v) telecommunications; (vi) cyber security; (vii) physical security; and (viii) customer education. The projected capital and operations expenses for Phase II are projected to be approximately $776 million. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements.

- On March 15, 2022, the Commission issued a Final Order concerning its review of DEV's 2021 RPS Filing which included (i) DEV's RPS Development Plan (encompassing proposed development of new solar, onshore wind, and energy storage resources); (ii) requests for approval to construct 13 new utility-scale projects and to enter into 24 new purchase power agreements ("PPAs"); and (iii) DEV's request for approval of revised Rider CE. The Commission (i) found that, for the limited purpose of filing its second annual RPS plan under Code § 56-585.5 D 4, DEV's plan was reasonable and prudent; (ii) approved the utility-scale projects and PPAs proposed by the Company; and (iii) approved revised Rider CE.[5]

- On July 1, 2022, the Commission issued a Final Order concerning its review of DEV's request for approval of a rate adjustment clause, designated Rider SNA, for costs associated with preparing Petitions for Subsequent License Renewal to the Nuclear Regulatory Commission to extend the operating licenses of, and the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to operate safely and reliability, Dominion's Surry Units 1

of the Code of Virginia, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

[4] *Petition of Virginia Electric and Power Company, For approval of a plan for electric grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00127, Doc. Con. Cen. No. 22010126, Final Order (January 7, 2022).

[5] *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 § 56-585.1 A 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, Doc. Con. Cen. No. 220320113, Final Order (March 15, 2022) (approving 857 megawatts ("MW") of new solar generation capacity and 103 MW of energy storage capacity). The Commission previously approved 498 MW of new solar facilities for Dominion. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242,243, Final Order (April 30, 2021).

and 2 and North Anna Units 1 and 2 in an extended period of operation.[6] The Commission adopted a proposed Stipulation in that case and approved the Petition as modified by the Stipulation.

- On July 15, 2022, the Commission issued its Final Order concerning Appalachian Power Company's ("APCo") 2021 RPS Plan. The Commission: (i) found APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of renewable energy certificates ("RECs") purchased in the PJM[7] REC market; and (v) approved rate adjustment clauses ("RACs") for cost recovery.[8] The Commission also established additional directives regarding APCo's modeling in its subsequent RPS Plans.[9] The Commission further directed APCo to continue filing a consolidated bill analysis in its RPS Filings.

- On August 5, 2022, the Commission issued a Final Order approving requested cost recovery associated with DEV's proposed 2,587 MW Coastal Virginia Offshore Wind Commercial Project ("CVOW Project") to be located in a federal lease area off the coast of Virginia Beach, Virginia.[10] The project consists of 176 wind turbines, each designed to generate 14.7 MW. The project is expected to have a capital cost of $9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia. The Commission also approved the electric interconnection and transmission facilities to connect the CVOW Project reliably with the existing transmission system. DEV and Consumer Counsel have requested the Commission reconsider aspects of the Final Order.

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[6] *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00229, Doc. Con. Cen. No. 220710001, Final Order (July 1, 2022).

[7] PJM Interconnection, L.L.C. ("PJM")

[8] *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022).

[9] *See, e.g., id.* at 6-7.

[10] *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Doc. Con. Cen. No. 220820117, Final Order (August 5, 2022).

- On August 10, 2022, the Commission issued a Final Order in DEV's annual demand-side management ("DSM") filing that approved, among other things, (i) DEV's proposed Phase X DSM Programs including proposed enhancement and expansion of certain previously approved programs; (ii) reorganization and consolidation of the DEV's DSM Portfolio; and (iii) cost recovery through associated RACs.[11] The Commission had previously approved, on September 7, 2021, the DEV's application seeking (i) approval of the Company's Phase IX DSM programs, including 11 new energy efficiency and demand response programs; (ii) the expansion and modification of certain existing programs; and (iii) approval of cost recovery through associated RACs.[12]

- Both APCo (a Phase I Utility) and DEV (a Phase II Utility) estimate that they are on target to implement energy efficiency programs and measures to achieve the total annual energy savings targets for 2023 as specified by Code § 56-596.2.

B. Rate and Capital Outlook

DEV

- DEV's typical[13] monthly residential bill has increased by $46.34 to $136.93[14] (a 51.15% increase) from July 1, 2007,[15] to July 1, 2022. Over the 12 months ended July 1, 2022, DEV's typical monthly residential bill has increased by $15.65.

- DEV did not file an Integrated Resource Plan ("IRP") in 2021. In accordance with Code § 56-599, DEV's next IRP will be due by May 1, 2023.

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[11] *Petition of Virginia Electric and Power Company, For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2021-00247, Doc. Con. Cen. No. 220830003, Final Order (August 10, 2022).

[12] *Application of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, 2021 S.C.C. Ann. Rept. 350, Final Order (September 7, 2021).

[13] For purposes of this report, a typical residential bill is based on usage of 1,000 kilowatt-hours ("kWh") per month.

[14] This amount includes an interim fuel factor rate of $0.35379 which is subject to change pending a final order in Case No. PUR-2022-00064. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6,* Case No. PUR-2022-00064, Doc. Con. Cen. No. 220540002, Order Establishing 2022-2023 Fuel Factor Proceeding (May 24, 2022).

[15] Enactment Clause 7 of 2007 Va. Acts chs. 888 and 933 requires the Commission, in consultation with the Office of the Attorney General, to "submit a report to the Governor and General Assembly by November 1, 2012, and every five years thereafter, assessing the rates and terms and conditions of incumbent electric utilities in the Commonwealth." The first five-year window for this rate assessment was 2007-2012. The Commission begins its rate analysis with the year 2007 in this report to coincide with this window.

- On November 18, 2021, the Commission issued a Final Order in DEV's first triennial review, covering the period 2017 – 2020.[16] The Commission approved a Stipulation among DEV, Commission Staff, and certain case participants.[17] The Stipulation provided for customer refunds, totaling $330 million, the statutory maximum annual rate reduction of $50 million, and customer credit reinvestment offsets of $309 million.[18] For a typical residential customer, this results in a decrease of approximately $0.90 per month effective January 1, 2022 and refunds totaling approximately $67.00 over the 2022-2023 period. The Commission also approved a 9.35% return on common equity ("ROE") as fair and reasonable for the 2021 – 2023 period that will be the subject of DEV's next triennial review.[19]

- As reported by DEV, its base rate financial results for 2021 reflect an actual earned ROE of 11.49%, which is above its authorized ROE of 9.35%.[20] DEV's 2021 financial results will be audited as part of its next triennial review, which will be filed in 2024 and will cover the period 2021 – 2023.

- In a February 2022 presentation to investors, DEI[21] identified DEV capital investments of approximately $27.9 billion for the five-year period 2022 – 2026, including investments in wind and solar generation, energy storage, nuclear facility relicensing, transmission, distribution undergrounding, and grid transformation. These investments would reflect a 74% increase in DEV's rate base by 2026, with 55% being recovered from customers through RACs.

APCo

- APCo's typical monthly residential bill has increased by $55.64 to $122.25 (an 83.53% increase) from July 1, 2007, to July 1, 2022. Over the 12 months ending July 1, 2022, APCo's typical monthly residential bill has increased by $5.16.

- On August 18, 2022, the Supreme Court of Virginia issued its opinion on the appeals of APCo and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") concerning the Commission's decision in APCo's

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[16] *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

[17] The remaining participants did not join, but did not oppose, the Stipulation. *Id.* at 2-3.

[18] *Id.* at 3.

[19] *Id.* at 5.

[20] *Id.*

[21] Dominion Energy, Inc. ("DEI").

2020 Triennial Review.[22] The Court affirmed in part, reversed in part, and remanded the case to the Commission for further proceedings consistent with the Court's opinion.[23]

- As reported by APCo, its base rate financial results for 2021 reflect an actual earned ROE of 5.38%, which is below its authorized ROE of 9.20%.[24] APCo's 2021 financial results will be audited as part of its next triennial review, which is due to be filed by March 31, 2023, and will cover the period 2020 – 2022.

- APCo filed its 2022 IRP on April 29, 2022. Based on APCo's billing analysis, showing projected annual impacts to a residential bill over the next five years incorporating the requirements of the VCEA, the monthly bill of a Virginia residential customer using 1,000 kWh per month is projected to be between $141.73 and $143.07 by 2026, an increase of between $19.50 and $20.84 per month over the April 29, 2022 typical residential bill (or an estimated annual increase of $234.00 to $250.08).[25] APCo's 2022 IRP is pending before the Commission and an evidentiary hearing is scheduled to begin on October 25, 2022.[26]

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[22] *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, 2020 S.C.C. Ann. Rept. 421, Final Order (November 24, 2020).

[23] *Appalachian Power Co. v. State Corp. Comm'n*, Record No. 210391 (Va. Aug. 18, 2022).

[24] The authorized ROE of 9.20% was set in the Commission's Final Order in Case No. PUR-2020-00015.

[25] The projected monthly bill increases of $19.50 and $20.84 are based on the 2022 IRP Least Cost Plan and Hybrid Plan, respectively.

[26] *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUR-2022-00051, Doc. Con. Cen. No. 220540021, Order for Notice and Hearing (May 24, 2022).

I.
INTRODUCTION

The Commission appreciates this opportunity to provide an update to the General Assembly on the Commission's implementation of the Regulation Act including the VCEA. The Commission has conducted numerous proceedings over the last year pursuant to the Regulation Act that are discussed in detail below. As a general matter, the Commission is seeing upward pressure on utility rates, not just for investor-owned electric utilities,[27] but across all regulated utilities. Factors contributing to increased utility costs include inflation, pandemic recovery, supply chain limitations, and high natural gas and other commodity prices, as well as geopolitical events. The Commission is keenly aware of the economic pressures that are impacting all utility customers and takes seriously its responsibility to review rate recovery requests. In each case, the Commission evaluates the request pursuant to the applicable laws, as well as the findings of fact supported by the evidence in the record.

The Commission continues to implement the VCEA in a manner that faithfully applies the requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service. Since the effective date of the VCEA, the Commission has approved DEV's requests for approval of 1,355 MW of new solar facilities (DEV-owned and PPA) and 103 MW of new energy storage capacity under the VCEA.[28] The Commission also recently issued an order approving cost

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[27] DEV's most recent fuel factor filing, for example, showed a projected fuel deferral balance over the July 2021-June 2022 period of approximately $1 billion, due to increases in commodity prices over the past year. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249*.6, Case No. PUR-2022-00064, Application at 2 (filed May 5, 2022).

[28] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann.

recovery associated with DEV's 2,587 MW CVOW Project, which is discussed in more detail below. For APCo, the Commission has approved 498 MW of new renewable generation supply since the passage of the VCEA.[29]

The Commission also concluded the first triennial review of DEV, approving the statutory maximum annual rate reduction of $50 million effective January 1, 2022, and customer refunds totaling $330 million over the 2022-2023 period, which is discussed in further detail below.

As detailed in Section V below, in addition to reviewing individual utility applications, the Commission has also sponsored and contributed to several stakeholder processes related to various aspects of utility regulation. Among those, as directed by House Bill 2282,[30] the Commission conducted a stakeholder process in the fall of 2021 focused on the transportation electrification with over 60 different organization participating in these meetings. On April 29, 2022, the Commission submitted a report to the General Assembly regarding policy proposals governing public electric utility programs to accelerate widespread transportation electrification in the Commonwealth,

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Rept. 242, 243, Final Order (April 30, 2021) (approving 498 MW of new solar facilities); *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 § 56-585.1 A 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, Doc. Con. Cen. No. 220320113, Final Order at 6 (March 15, 2022) (approving 857 MW of new solar generation capacity and 103 MW of energy storage capacity).

[29] *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022); *Petition* of A*ppalachian Power Company, For a prudency review, pursuant to § 56-585.1:4 H of the Code* of *Virginia, with respect to the purchase of the Amherst Solar Facility*, Case No. PUR-2021-00066, Doc. Con. Cen. No. 220230049, Final Order (February 18, 2022).

[30] 2021 Va. Acts ch. 268 (Special Session 1).

noting that the increased deployment of motor vehicles powered by electricity presents several issues that potentially could affect the affordability and reliability of electricity service delivered to consumers by regulated utilities.[31] Consistent with the recommendations of the stakeholder report, the Commission subsequently issued an Order that required DEV and APCo to file transportation electrification plans on or before May 1, 2023.[32]

Pandemic-related Activities

The Commission has previously reported on its response to the public health concern related to the spread of the coronavirus, or COVID-19. As noted in the 2021 Report, through several orders, the Commission directed regulated electric, natural gas, and water and sewer companies in Virginia to suspend service disconnections through October 5, 2020, affording the General Assembly and the Governor time to address the economic impact on utility customers legislatively.[33] Thereafter, the General Assembly in a November 2020 Special Session enacted budget legislation further prohibiting utility shut-offs during the then state of emergency declared by the Governor, subject to certain

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[31] House Doc. No. 8, Report: Policy Proposals Governing Public Electric Utility Programs to Accelerate Widespread Transportation Electrification in the Commonwealth Pursuant to Chapter 268 of the 2021 Virginia Acts of Assembly (Special Session I) (HB 2282) (April 29, 2022). https://rga.lis.virginia.gov/Published/2022/HD8/PDF

[32] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electrification of Motor Vehicles*, Case No. PUR-2020-00051, Doc. Con. Cen. No. 220630077, Order Directing the Filing of Transportation Electrification Plans (June 15, 2022).

[33] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, 2020 S.C.C. Ann. Rept. 467, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (March 16, 2020); 2020 S.C.C. Ann. Rept. 467, Order Extending Suspension of Service Disconnections (April 9, 2020); 2020 S.C.C. Ann. Rept. 469, Order on Suspension of Service Disconnections (June 12, 2020); 2020 S.C.C. Ann. Rept. 473, Order on Moratorium (August 24, 2020); 2020 S.C.C. Ann. Rept. 475, Additional Order on Moratorium (September 15, 2020).

conditions and limitations.[34] This budget legislation also directed the Commission to distribute $100 million of Virginia's portion of coronavirus relief funds ("CRF") received under Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act, to electric, natural gas, and water and sewer utilities, including municipal utilities, throughout the Commonwealth to offset utility customer billing arrearages due to COVID-19.[35] Relatedly, budget legislation enacted by the General Assembly during a 2021 Special Session directed the Commission, in coordination with the Department of Housing and Community Development, to distribute $120 million of additional coronavirus relief funds received by Virginia under Public Law 117-2: American Rescue Plan Act of 2021 ("ARPA").[36] These funds were also distributed to Virginia's utilities (as identified above) to offset utility customer billing arrearages due to COVID-19. The Commission and its Staff continue to provide oversight of these CRF and ARPA distributions. Additionally, and at the General Assembly's direction, the Commission since 2020 has submitted annual reports to the General Assembly and the Executive Branch detailing current utility customer billing arrearages and utility service disconnections.[37] The annual submission of these reports will continue through 2023.

Composition of the Electric Industry in Virginia

The Commission's responsibilities include regulating a diverse electric industry pursuant to the Virginia Constitution and the laws enacted by the General Assembly.

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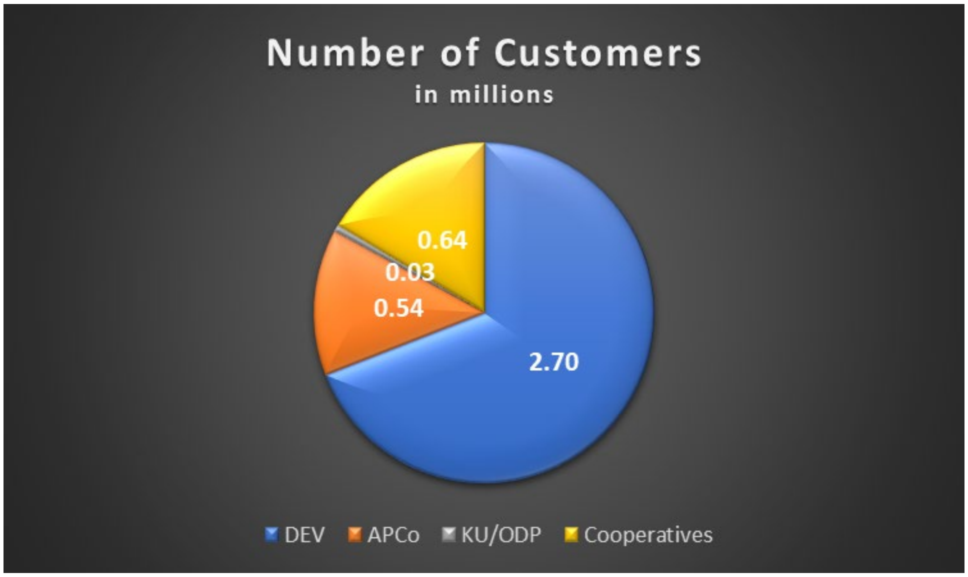
[34] *See,* House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 4-14)

[35] *See,* House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 479.10). *See also,* House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552 (modifying pertinent provisions in Item 479.10).

[36] *See,* House Bill 7001, 2021 Va. Acts, Special Session II, ch. 1 (Item 479.20).

[37] *See,* House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 4-14)

Virginia's electric industry, for which the Commission regulates the rates and services to customers, consists of three investor-owned utilities and 13 member-owned electric cooperatives.[38] The number of Virginia jurisdictional customers by utility is shown below:[39]



II.
RATE AND CAPITAL OUTLOOK

DEV Typical Residential Bill

Below is a chart that reflects the magnitude of the three financial components of DEV customer bills as of the effective dates of the Regulation Act (July 1, 2007),[40] the Transitional Rate Period (July 1, 2015),[41] the Grid Transformation and Security Act

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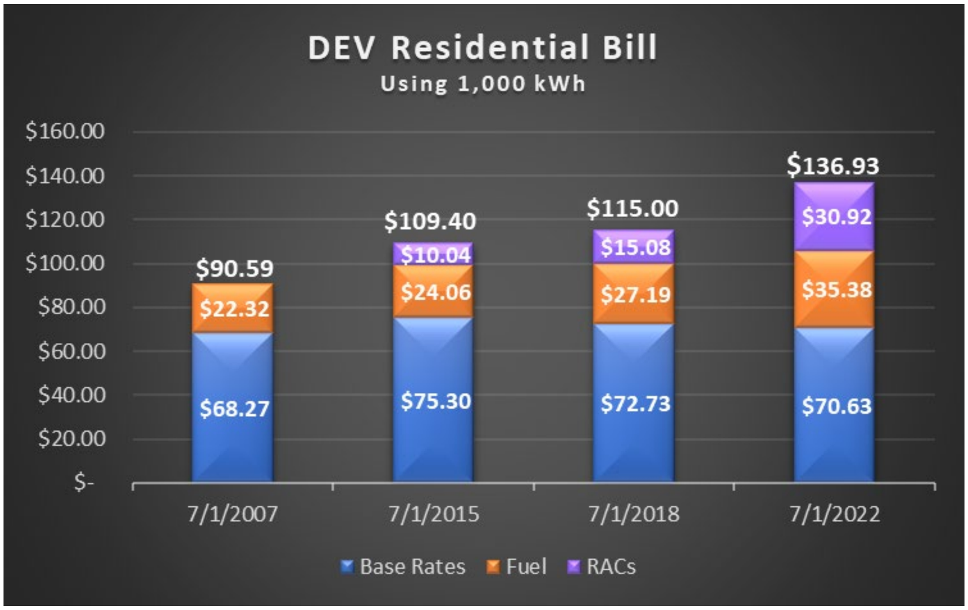
[38] Non-jurisdictional utilities, such as municipal electric utilities, also provide service in Virginia.

[39] Total Virginia customer numbers were reported in Federal Energy Regulatory Commission ("FERC") Form 1 and Annual Operating Reports.

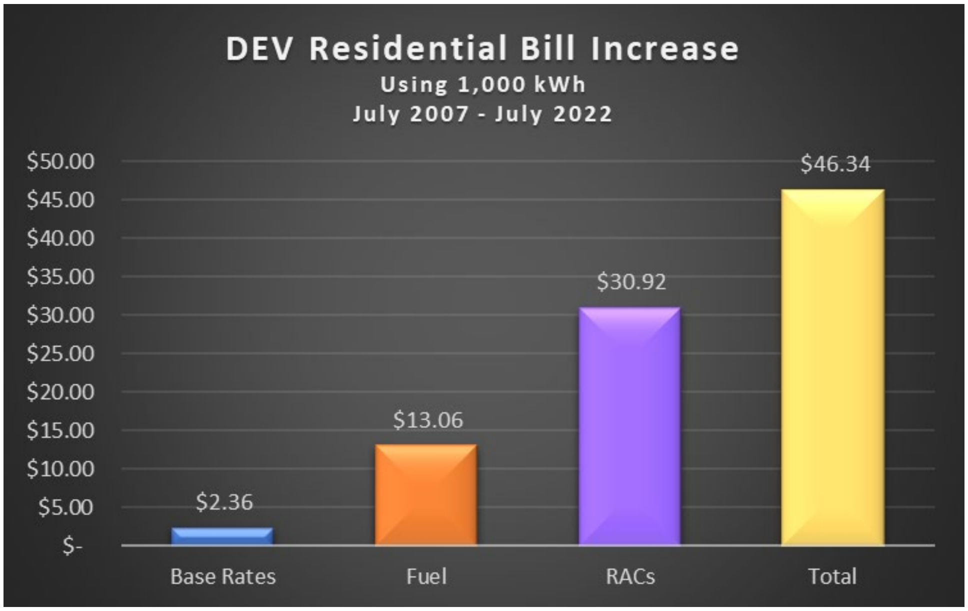
[40] 2007 Va. Acts. chs. 888 and 933.

[41] *See* Code § 56-585.1:1 for the specific transitional rate periods for Dominion and APCo. Both utilities were in their transitional rate periods on July 1, 2015.

("GTSA") (July 1, 2018), and the current year (July 1, 2022) for a typical residential customer using 1,000 kWh per month.



As the chart above indicates, DEV's monthly residential bill was $90.59 as of July 1, 2007. The bill has increased by $46.34 (51.15%) to $136.93 per month as of July 1, 2022. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.


DEV Residential Bill Increase
Using 1,000 kWh
July 2007 - July 2022
$50.00
$45.00
$40.00
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$-
$2.36
$13.06
$30.92
$46.34
Base Rates
Fuel
RACs
Total

The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2022.

DEV Electric Utility Bills
As of July 1, 2022

Recovery Mechanism	Description	Current Residential Bill	Proposed Increase if Pending	Proposed Bill	Requested Effective Date
Base Rates	Base	$ 70.63	$ -	$ 70.63	-
Fuel Factor	Fuel	$ 35.38	$ -	$ 35.38	7/1/22*
Rider T1	Transmission	$ 6.90	$ (3.69)	$ 3.21	9/1/22
Rider R	Bear Garden Gas CC	$ 1.14	$ -	$ 1.14	-
Rider W	Warren Gas CC	$ 2.34	$ (0.38)	$ 1.96	4/1/23
Rider BW	Brunswick Gas CC	$ 2.10	$ 0.70	$ 2.80	9/1/22
Rider GV	Greensville Gas CC	$ 2.75	$ -	$ 2.75	-
Rider S	VCHEC	$ 3.70	$ -	$ 3.70	-
Rider B	Biomass	$ 0.30	$ 0.33	$ 0.63	4/1/23
Rider US-2	Solar	$ 0.17	$ 0.05	$ 0.22	9/1/22
Rider US-3	Solar	$ 0.96	$ -	$ 0.96	-
Rider US-4	Solar	$ 0.30	$ -	$ 0.30	-
Rider CE	Solar	$ 1.32	$ 1.13	$ 2.45	-
Rider SNA	Nuclear Relicensing	$ -	$ 2.11	$ 2.11	9/1/22
Rider RPS	RECs	$ 0.18	$ 1.64	$ 1.82	9/1/22
Rider RGGI	RGGI	$ -	$ -	$ -	7/1/22**
Rider OSW	Offshore Wind	$ -	$ 1.45	$ 1.45	9/1/22
Rider PPA	Renewable PPAs	$ -	$ (0.07)	$ (0.07)	9/1/22
Riders C1A/C2A/etc.	Energy Efficiency	$ 1.31	$ 0.29	$ 1.60	9/1/22
Rider U	Strategic Undergrounding	$ 2.50	$ (0.51)	$ 1.99	4/1/23
Rider GT	Grid Transformation	$ 1.16	$ -	$ 1.16	-
Rider E	Coal Ash	$ 1.25	$ 0.70	$ 1.95	9/1/22
Rider CCR	Coal Ash	$ 2.95	$ 0.01	$ 2.96	12/1/22
Rider RBB	Rural Broadband	$ 0.03	$ 0.14	$ 0.17	12/1/22
PIPP USF***	PIPP	$ 0.03	$ -	$ 0.03	-
Rider VCR****	Voluntary Credit Rider	$ (0.47)	$ -	$ (0.47)	
Total		**$ 136.93**	**$ 3.90**	**$ 140.83**	

*The fuel factor rate was implemented on an interim basis on 7/1/22, subject to modification.

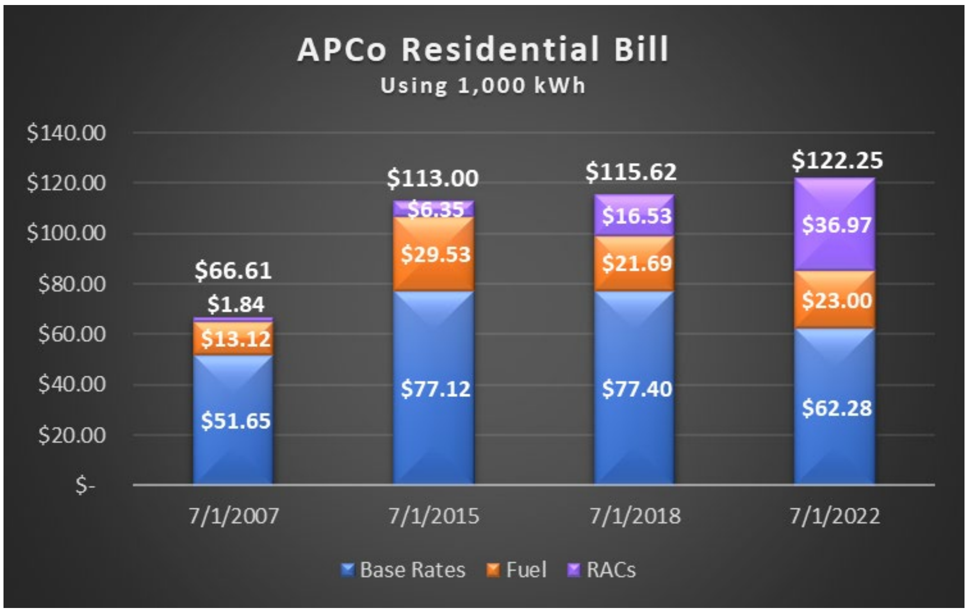
**The Commission granted DEV's petition to reset Rider RGGI to zero and recover the unrecovered RGGI compliance costs through base rates.

***Current PIPP collections are designed to fund the estimated start-up costs of DSS needed to establish the PIPP. The PIPP will commence no later than one year after DSS publishes guidelines for the adoption, implementation, and general administration of the PIPP and Percentage of Income Payment Fund.

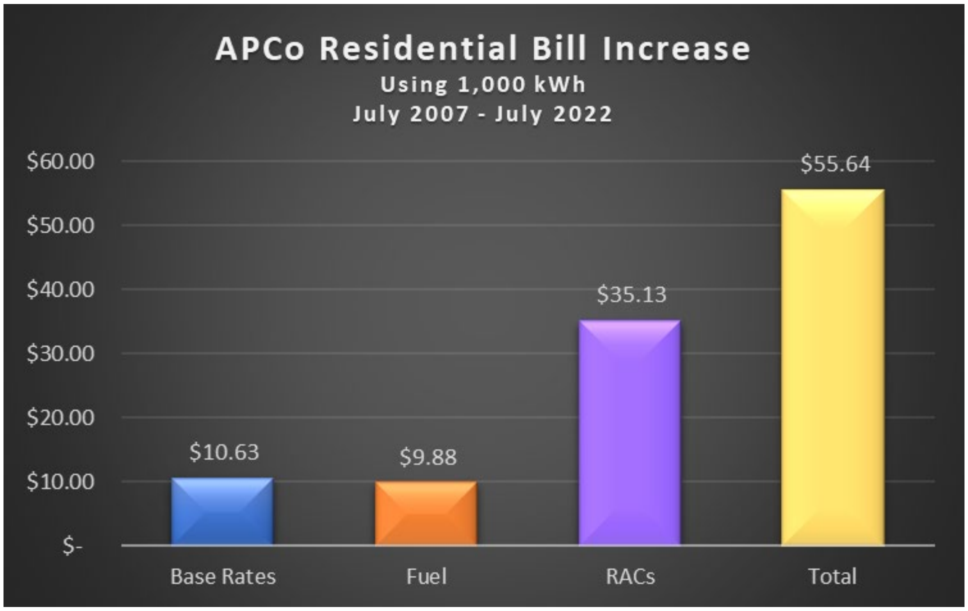
****Rider VCR provides bill credits to customers pursuant to the stipulation in DEV's 2021 triennial review.

APCo Typical Residential Bill

Below is a chart that reflects the magnitude of the three financial components of APCo customer bills as of the effective dates of the Regulation Act (July 1, 2007), the Transitional Rate Period (July 1, 2015), the GTSA (July 1, 2018), and the current year (July 1, 2022) for a typical residential customer using 1,000 kWh per month.



As the chart indicates, APCo's monthly residential bill was $66.61 as of July 1, 2007. The bill has increased by $55.64 (83.53%) to $122.25 per month as of July 1, 2022. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.


APCo Residential Bill Increase
Using 1,000 kWh
July 2007 - July 2022
$60.00
$50.00
$40.00
$30.00
$20.00
$10.00
$-
$10.63
$9.88
$35.13
$55.64
Base Rates
Fuel
RACs
Total

The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2022.[42]

APCo Electric Utility Bills
As of July 1, 2022

Recovery Mechanism	Description	Current Residential Bill	Proposed Increase if Pending	Proposed Bill	Requested Effective Date
Base Rates	Base	$ 65.40	$ -	$ 65.40	-
Fuel Factor	Fuel	$ 23.00	$ -	$ 23.00	-
TRR Rider Credit	Tax Reform	$ (3.12)	$ -	$ (3.12)	-
PIPP USF	PIPP*	$ 0.04	$ -	$ 0.04	-
T-RAC	Transmission	$ 31.55	$ 2.88	$ 34.43	8/1/22
G-RAC	Dresden Gas CC	$ 2.55	$ -	$ 2.55	-
EE-RAC	Energy Efficiency	$ 1.12	$ 0.34	$ 1.46	9/1/22
DR-RAC	Demand Response	$ 0.22	$ -	$ 0.22	-
E-RAC	Coal Ash	$ 2.11	$ 0.80	$ 2.91	12/1/22
BC-RAC	Rural Broadband	$ 0.54	$ (0.69)	$ (0.15)	2/1/23
RPS-RAC (legacy)	Voluntary RPS	$ (1.16)	$ -	$ (1.16)	-
RPS-RAC (new)	Mandatory RPS	$ -	$ 2.37	$ 2.37	8/1/22
Total		$ 122.25	$ 5.70	$ 127.95	

*Current PIPP collections are designed to fund the estimated start-up costs of DSS needed to establish the PIPP. The PIPP will commence no later than one year after DSS publishes guidelines for the adoption, implementation, and general administration of the PIPP and Percentage of Income Payment Fund.

<u>Rate and Capital Outlook</u>

2021 RPS Plans

On September 15, 2021, DEV submitted its petition for approval of its 2021 RPS Plan to develop new solar and onshore wind generation capacity and energy storage as required by the VCEA pursuant to Code § 56-585.5 D 4. Among other things, DEV's 2021 RPS Plan calls for 3,105 MW of solar and onshore wind development through 2024 and the development of 331 MW of energy storage resources through 2025.[43] DEV

[42] The TRR Rider Credit is a temporary base rate rider credit to return to customers the impacts of the 2018 Tax Cuts and Jobs Act.

[43] *Petition of Virginia Electric and Power Company, For approval of its 2021 RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests,* Case No. PUR-2021-00146, Doc. Con.

estimates that by 2045, it may have 18,356 MW (nameplate) of solar resources, 5,174 MW (nameplate) of offshore wind resources, and 316 MW (nameplate) of hydroelectric resources that it will use toward meeting its capacity obligations in PJM, in addition to 2,580 MW (nameplate) of energy storage.[44]

The Commission issued a Final Order on March 15, 2022, wherein it: (i) found DEV's RPS Plan was reasonable and prudent for the limited purpose of its second annual plan; (ii) approved approximately 857 MW of new solar generation capacity in the Commonwealth including both company-owned resources and PPAs; (iii) approved 103 MW of energy storage capacity; and (iv) approved a RAC for cost recovery associated with approved company-owned solar facilities.[45] The Commission also established additional directives regarding DEV's modeling in its subsequent RPS Plans.[46] The Commission further directed DEV to continue filing a consolidated bill analysis in its IRP and RPS Plan proceedings with information through 2035.[47] DEV has filed a notice of intent to file its 2022 RPS Plan on or after September 15, 2022.

On December 30, 2021, APCo submitted its 2021 RPS Plan to develop new solar and onshore wind generation capacity required by the VCEA. Among other things,

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Cen. No. 210930080, RPS Plan at 4, 7 (filed September 15, 2021). For additional information on renewable deployment, on or before December 1 of each year, the Commission files an annual report to the General Assembly on the construction of new solar and wind projects pursuant to Enactment Clause 14 of the GTSA, as amended by 2020 Va. Acts ch. 1190.

[44] *Id*. at 14.

[45] *Petition of Virginia Electric and Power Company, For approval of its 2021 RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests,* Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order (March 15, 2022).

[46] *See, e.g., id.* at 8-10.

[47] *Id.* at 11.

APCo's 2021 RPS Plan calls for approximately 553 MW of solar and onshore wind development through 2025, including resources that became operational in 2021 and resources expected to become operational by the end of 2022.[48] APCo anticipates adding storage resources beginning in 2025.[49] APCo estimates that by 2040, it may have 2,736 MW (nameplate) of solar, 750 MW (nameplate) of onshore wind, and 2,937 MW (nameplate) of energy storage, through a mix of company-owned resources and PPAs, to meet the requirements of the VCEA.[50]

On July 15, 2022, the Commission issued a Final Order on APCo's 2021 RPS Plan, wherein the Commission: (i) found APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of RECs purchased in the PJM REC market; and (v) approved RACs for cost recovery.[51] The Commission also established additional directives regarding APCo's modeling in its subsequent RPS

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[48] *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia,* Case No. PUR-2021-00206, RPS Plan at 7 (filed December 30, 2021).

[49] *Id.* at 8, 37.

[50] *Id.* at 40.

[51] *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022).

Plans.[52] The Commission further directed APCo to continue filing a consolidated bill analysis in its RPS Filings.[53]

The Commission also found that a separate proceeding should be established to further consider the appropriate cost recovery framework for APCo's VCEA-related resources, the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and class and jurisdictional cost allocation.[54] The Commission directed APCo to make a filing addressing these issues on or before October 1, 2022.[55]

DEV Offshore Wind

On August 5, 2022, the Commission issued a Final Order on DEV's application for cost recovery associated with its proposed CVOW Project.[56] The project consists of 176 wind turbines, each designed to generate 14.7 MW, to be located approximately 27 miles off the coast of Virginia Beach. The project is expected to have a capital cost of $9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia.[57]

The Commission approved a revenue requirement of $78.702 million for the rate year of September 1, 2022, to August 31, 2023, to be recovered through a new rate

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[52] *See, e.g., id.* at 6-7.

[53] *Id.* at 8.

[54] *See id.* at 13-15.

[55] *Id.* at 17.

[56] *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Doc. Con. Cen. No. 220820117, Final Order (August 5, 2022).

[57] *Id.* at 5-6.

adjustment clause, designated Rider OSW.[58] Over the projected 35-year lifetime of the project, for a residential customer using 1,000 kWh of electricity per month, Rider OSW is projected to result in an average monthly bill increase of $4.72 and a peak monthly bill increase of $14.22 in 2027.[59]

The Commission recognized that significant concerns were raised throughout the proceeding regarding the affordability of the project and the financial risk to ratepayers. With a project of this magnitude, the Commission ordered the following consumer protections:[60]

- Dominion shall file a notice with the Commission within 30 calendar days if it determines that the total project costs are expected to exceed the current estimate, or if the final turbine installation is expected to be delayed beyond February 4, 2027.
- Each annual Rider OSW update application filed by Dominion prior to the project's commercial operation shall include any material changes to the project, the most recent biannual project update, and a written explanation as to the reason for any cost overruns above the most recent estimate provided by the company to include the reasonableness and prudence of the additional costs.
- Beginning with the commercial operation and extending for the life of the project, customers shall be held harmless for any shortfall in energy production below an annual net capacity factor of 42 percent, as measured on a three-year rolling average ("Performance Standard").

In a concurring opinion, Commissioner Jagdmann wrote that she agrees with the Final Order in all respects. She emphasized that these aforementioned protections do not completely address potential Project abandonment risks, stating:

> [i]mportantly, the General Assembly has effectively maintained its ability to implement additional protections – for example through funding mechanisms such as general

[58] *Id.* at 11-12.

[59] *Id.* at 5.

[60] *Id.* at 14-16.

> fund appropriation or other means, such as implementing new legislation designating the consumer-funded proceeds from Dominion's participation in the Regional Greenhouse Gas Initiative ("RGGI") be used to lessen the cost of the CVOW Project.... Such action may be appropriate given the public policy support for and economic development aspects of this Project.[61]

On August 22, 2022, DEV filed a Petition for Limited Reconsideration of the Commission's decision requesting the Commission reconsider the Performance Standard. Among other things, Dominion states that "[a]s ordered, [the performance standard] will prevent the Project from moving forward, and the Company will be forced to terminate all development and construction activities."[62] On August 24, 2022, the Commission issued an order granting reconsideration for purposes of continuing jurisdiction over the case and directed the filing of responses to DEV's request for reconsideration. On August 25, 2022, Consumer Counsel filed a Petition for Clarification or Reconsideration related to the Performance Standard.[63]

Nuclear License Extensions

The Commission approved DEV's petition for approval of a RAC, designed Rider SNA, for cost recovery associated with preparing Petitions for Subsequent License Renewal to the Nuclear Regulatory Commission to extend the operating license of, and

[61] *Id.* at 41-42.

[62] *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Petition of Virginia Electric and Power Company for Limited Reconsideration at 3 (filed August 22, 2022).

[63] *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Petition for Clarification or Reconsideration of Office of the Attorney General, Division of Consumer Counsel (filed August 25, 2022).

the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to extend the life of, Dominion's Surry Units 1 and 2 and North Anna Units 1 and 2 nuclear generation facilities from 60 to 80 years.[64] The approved revenue requirement for the initial rate year of Rider SNA commencing September 1, 2022, is $106.664 million.[65]

Grid Transformation Plan

The Commission issued a Final Order concerning its review of DEV's petition for approval of Phase II of its GT Plan.[66] The approved GT Plan investments focus on grid reliability and are designed to accommodate or facilitate the expected increase in distributed energy resources resulting from recent policy developments, including the VCEA and FERC Order 2222. Approved Phase II investments include (i) advanced metering infrastructure; (ii) the customer information platform; (iii) grid infrastructure, which comprises targeted corridor improvement and voltage island mitigation; (iv) grid technologies; (v) telecommunications; (vi) cyber security; (vii) physical security; and (viii) customer education. The projected capital and operations expenses for Phase II are projected to be approximately $776 million. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements.

APCo did not file a grid transformation plan in 2021.

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[64] *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00229, Doc. Con. Cen. No. 220710001, Final Order (July 1, 2022).

[65] *Id.* at 6.

[66] *Petition of Virginia Electric and Power Company, For approval of a plan for electric grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00127, Doc. Con. Cen. No. 22010126, Final Order (January 7, 2022).

Integrated Resource Plans

DEV did not file an IRP in 2021.[67] In accordance with Code § 56-599, DEV's next IRP will be due by May 1, 2023. In DEV's most recent prior IRP, the Commission directed DEV's future IRPs to include actual bill impact information as each year passes.[68] Further, the Commission found that DEV should address environmental justice in future IRPs and updates, as appropriate.[69]

APCo did not file a 2021 IRP. It filed its 2022 IRP on April 29, 2022. Based on APCo's billing analysis, showing projected annual impacts to a residential bill over the next five years incorporating the requirements of the VCEA, the monthly bill of a Virginia residential customer using 1,000 kWh per month is projected to be between $141.73 and $143.07 by 2026, an increase of between $19.50 and $20.84 per month over the April 29, 2022 typical residential bill (or an estimated annual increase of $234.00 to $250.08).[70] APCo's 2022 IRP is pending before the Commission and an evidentiary hearing is scheduled to begin on October 25, 2022.[71]

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[67] DEV filed an update to its 2020 IRP, which was accepted for filing by the Commission. *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's 2021 Update to its Integrated Resource Plan pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2021-00201, 2021 S.C.C. Ann. Rept. 544, Final Order (October 28, 2021).

[68] *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rept. 190, 195-196, Final Order (February 1, 2021). The Commission further directed that in addition to residential bills, the Company should include a billing analysis of small general service and large general service customer bills. *Id.* at 196.

[69] *Id*. at 195.

[70] The projected monthly bill increases of $19.50 and $20.84 are based on the 2022 IRP Least Cost Plan and Hybrid Plan, respectively.

[71] *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUR-2022-00051, Doc. Con. Cen. No. 220540021, Order for Notice and Hearing (May 24, 2022).

2022 Investor Presentations

DEI presented its fourth quarter earnings to investors on February 11, 2022.[72] [73] This February 2022 presentation to investors identified approximately $27.9 billion in anticipated growth capital expenditures for DEV over the period 2022 – 2026.[74] DEI identified the primary drivers as zero-carbon generation and storage, transmission, and customer growth, as outlined in the chart below.

February 11, 2022 Investor Presentation
DEV Identified Capital Investment
Five Year Outlook 2022 through 2026

	Growth Capex 2022 - 2026
Offshore Wind	$10 Billion
Solar	$6.8 Billion
Transmission	$4 Billion
Customer Growth	$2 Billion
Nuclear Relicensing	$2 Billion
Grid Transformation	$1.5 Billion
Strategic Undergrounding	$1 Billion
Energy Storage	$0.6 Billion
Total Growth Capex	$27.9 Billion

[72] Slides for the February 11, 2022 presentation ("Fourth Quarter Presentation Slides") are available at: https://s2.q4cdn.com/510812146/files/doc_financials/2021/q4/2022-02-11-DE-IR-4Q-2021-earnings-call-slides-vTCIII.pdf. DEI is the parent company of DEV.

[73] DEI also gave an investor presentation on May 5, 2022, for the first quarter of 2022, and August 5, 2022, for the second quarter of 2022. These presentations did not include the same level of DEV-specific capital investment information as the 2021 fourth quarter presentation. Slides for the May 5, 2022, presentation are available at: https://s2.q4cdn.com/510812146/files/doc_financials/2022/q1/2022-05-05-DE-IR-1Q-2022-earnings-call-slides-vTCI_Final.pdf. Slides for the August 5, 2022 presentation are available at https://s2.q4cdn.com/510812146/files/doc_presentations/2022/08/2022-08-08-DE-IR-2Q-2022-earnings-call-slides-vTC.pdf.

[74] *See* Fourth Quarter Presentation Slides 47-49.

In its February 2022 presentation to investors, DEI estimated that by 2026, 92% of the $27.9 billion of growth capex would be eligible to be recovered through RACs.[75] As a result, by 2026, DEI projected that a total of 55% of DEV's $50.7 billion net rate base would be eligible to be recovered through RACs.[76] DEV's projected $50.7 billion net rate base in 2026 would reflect an increase of 74% when compared to 2021. As with the Commission's 2021 report, the totality of these projected capital investments reflect DEI's presentation to investors and have not been independently reviewed by Commission Staff or as part of a Commission proceeding.

[75] *See* Fourth Quarter Presentation Slide 47.

[76] *See* Fourth Quarter Presentation Slide 51.

III.
BASE RATE FINANCIAL RESULTS

DEV 2017-2020 Triennial Review

On March 31, 2021, DEV filed its application for the 2021 triennial review provided for by Code § 56-585.1 A, docketed as Case No. PUR-2021-00058.[77] As filed, DEV presented a combined generation and distribution base rate earned ROE of 9.61%[78] for the combined test periods of 2017 through 2020, which is within the 70 basis point band above and below the 9.20% ROE approved by the Commission in Case No. PUR-2019-00050 to be used to measure earnings in DEV's first triennial review.[79] DEV's earned return was driven in large part by the impairment of the unrecovered balances of several generating units it had retired in 2019 and 2020, which it treated as a period expense subject to the provisions of Code § 56-585.1 A 8.

The evidentiary hearing for the case was held on October 25, 2021. On November 18, 2021, the Commission issued its Final Order in DEV's triennial review.[80]

[77] *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, Doc. Con. Cen. No. 210340128, Application (filed March 31, 2021), *amended by* Doc. Con. Cen. No. 210530106, Amended Application (May 18, 2021) (including an amended application, supplemental testimony and filing schedules reflecting a revision to its earned return in the combined earnings test analysis).

[78] This ROE includes the earnings reduction resulting from $206 million of customer accounts receivable written off pursuant to House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56, and House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552. The earned ROE was 10.42% excluding this write-off.

[79] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (November 21, 2019).

[80] *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

The Commission approved a stipulation proposed by the majority of case participants, and which was unopposed by any party to the case. In so doing, the Commission approved customer refunds totaling $330 million, the statutory maximum annual rate reduction of $50 million,[81] and customer credit reinvestment offsets of $309 million. For a typical residential customer, this results in a decrease of approximately $0.90 per month effective January 1, 2022, and refunds totaling approximately $67.00 over the 2022-2023 period.

The Commission also approved a 9.35% ROE as fair and reasonable for the 2021 – 2023 period that will be the subject of DEV's next triennial review.[82]

<u>APCo 2017-2019 Triennial Review</u>

As the Commission previously reported, on November 24, 2020, the Commission issued its Final Order in APCo's 2017-2019 triennial review, finding APCo earned an ROE of 9.48% for the 2017 – 2019 triennial period.[83] APCo and Consumer Counsel both filed notices of appeal of the Commission's decision to the Supreme Court of Virginia. On August 18, 2022, the Court issued its opinion affirming in part, reversing in part, and remanding the case to the Commission for further proceedings consistent with the Court's opinion.[84] On remand, the Commission will recalculate APCo's earned ROE for the

[81] Code § 56-585.1 A 8 c.

[82] *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

[83] *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, 2020 S.C.C. Ann. Rept. 421, Final Order (November 24, 2020).

[84] *Appalachian Power Co. v. State Corp. Comm'n*, Record No. 210391 (Va. Aug. 18, 2022).

2017-2019 triennial period and determine whether APCo is entitled to a rate increase effective January 1, 2021, and by what amount, based on the Court's findings in its opinion. On August 22, 2022, the Commission issued an Order Initiating Remand Proceedings directing APCo to file interim rates for (a) base rates going forward, and (b) a rider designed to collect revenues not collected from January 1, 2021, through September 30, 2022, to be implemented October 1, 2022.[85]

APCo will file its next triennial review application on or before March 31, 2023, which will cover the period 2020-2022.

DEV 2021 Base Rate Financial Results

During 2022, in response to requests from Staff pursuant to Code § 56-36, DEV provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2021 on a regulatory accounting basis. Calendar year 2021 is the first year of DEV's second triennial review, which will be filed with the Commission in 2024 and will cover the period 2021 – 2023.

DEV analysis reflects a combined base rate generation and distribution ROE of 11.49% for 2021.[86] [87]

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[85] *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, Doc. Con. Cen. No. 220840166, Order Initiating Remand Proceedings (August 22, 2022).

[86] A 0.01 percentage point of ROE was worth approximately $709,000 in combined generation and distribution annual revenues for DEV in 2021 provided by its customers through payment of their electric bills.

[87] This 2021 earned ROE is based on information provided by DEV. The Commission did not conduct an audit or investigation of the financial information provided by DEV. The Commission will conduct an audit of DEV's 2021 earnings as part of its 2024 triennial review. Interested parties will have an opportunity to participate in that proceeding. The 2021 earned ROE determined by the Commission in the 2024 triennial review may differ from the information provided by DEV and included in this report.

DEV 2021 Earned Return on Equity

Generation	Distribution	Combined
19.39%	4.49%	11.49%

DEV's reported 2021 combined generation and distribution unaudited earned ROE is above the 9.35% base ROE approved by the Commission in Case No. PUR-2021-00058 to be used for the 2021 – 2023 period. The following table provides a breakdown of DEV's 2021 earnings in both percentage points and revenues:

DEV 2021 Earnings in Excess of or Below a 9.35% ROE
(Revenues in Millions of Dollars)

	Generation	Distribution	Combined
Percentage Points	10.04%	-4.86%	2.14%
Revenues	$334.8	-$182.7	$152.1

As discussed above, Code § 56-585.1 A 8, as amended by the GTSA, states that certain costs are deemed fully recovered in the test period in which they were recorded per books by the company for financial reporting purposes. DEV stated it recorded costs in base rates related to severe weather events of $45.5 million during 2021 that are subject to Code § 56-585.1 A 8. DEV also recorded costs in base rates related to coal combustion residual management of $3.0 million during 2021 subject to Code § 56-585.1 A 8. These costs reduced DEV's reported 2021 earned ROE by 0.64 and 0.04 percentage points, respectively.

DEV did not defer any COVID-19-related expenses in 2021.

APCo 2021 Base Rate Financial Results

During 2022, in response to requests from Staff pursuant to Code § 56-36, APCo provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2021 on a regulatory accounting basis. Calendar year 2021 is the second year of APCo's second triennial review, which will be filed with the Commission in 2023 and will cover the period 2020 – 2022.

APCo's analysis reflects a combined base rate generation and distribution ROE of 5.38% for 2021.[88] [89]

APCo 2021 Earned Return on Equity

Generation	Distribution	Combined
11.16%	1.32%	5.38%

APCo's reported 2021 combined generation and distribution unaudited earned ROE is below the 9.20% base ROE approved by the Commission in Case No. PUR-2020-00015 to be used for the 2020 – 2022 period. The following table provides a breakdown of APCo's 2021 earnings above or below the 9.20% approved ROE in both percentage points and revenues:

[88] A 0.01 percentage point of ROE was worth approximately $177,000 in combined generation and distribution annual revenues for APCo in 2021 provided by its customers through payment of their electric bills.

[89] This 2021 earned ROE is based on information provided by APCo. The Commission did not conduct an audit or investigation of the financial information provided by APCo. The Commission will conduct an audit of APCo's 2021 earnings as part of its 2023 triennial review. Interested parties will have an opportunity to participate in that proceeding. The 2021 earned ROE determined by the Commission in the 2023 triennial review may differ from the information provided by APCo and included in this report.

APCo 2021 Earned Return on Equity
(Revenue in Millions of Dollars)

	Generation	Distribution	Combined
Percentage Points Above/(Below) 9.20% ROE	1.96%	-7.88%	-3.82%
Revenue Sufficiency/(Deficiency)	16.2	(73.9)	(67.4)

Section 56-585.1 A 8 of the Code, as amended by the GTSA, directs the Commission to order increases to base rates necessary to provide the opportunity to fully recover the costs of providing the utility's services and to earn a fair combined rate of return if APCo's combined 2020-2022 earnings are more than 0.70 percentage points below the approved ROE of 9.20%.[90]

APCo Combined Earnings
(Earnings in Millions)

	2020	2021	Combined
Net Deficiency (From Bottom of the Range)	57.4	51.4	108.8

As discussed above, Code § 56-585.1 A 8, as amended by the GTSA, states that certain costs are deemed fully recovered in the test period in which they were recorded per books by the company for financial reporting purposes. To the extent those costs cause APCo's combined return to fall below the bottom of the 0.7 percentage point range, they may be deferred and amortized over a future period. APCo stated it recorded costs in base rates related to severe weather events of $11.7 million during 2021 that are subject to Code § 56-585.1 A 8. These costs reduced APCo's reported 2021 earned return by 0.05 percentage points.

[90] If the Commission finds, based on the evidence in the 2023 triennial review, APCo has a combined ROE more than 0.7 percentage points above the approved ROE, the Commission shall order refunds or consumer credit reinvestment offsets equal to the amount above the approved ROE plus 0.7 percentage points.

APCo also reported that it incurred and deferred $2.1 million in COVID-19-related expenses in 2021, which consisted primarily of bad debt expense and protective materials and supplies.

IV.

CURRENT STATUS OF PROCEEDINGS UNDER THE REGULATION ACT

The Regulation Act has undergone a number of amendments over the last few years resulting in numerous new programs, requirements, and rulemakings that apply to the Commonwealth's incumbent electric utilities and electric cooperatives. Since the Commission's 2021 Report, the Commission has conducted additional proceedings brought pursuant to the Regulation Act. This section provides a high-level summary of certain proceedings decided by the Commission since September 1, 2021, the date of the 2021 Report, or pending at the time of this report.[91]

Renewable Energy Cases

Below is a table summarizing the renewable energy cases decided by or pending with the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Regulations for a multi-family shared	Pending	§ 56-585.1:12	PUR-2020-00124

[91] Copies of the Commission's full orders, as well as access to publicly-filed case documents, are available at the Commission's website: https://scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," and clicking "Search By Case Information," and entering the case number in the appropriate box.

	solar program			
DEV	Regulations for a shared solar program	Pending	§ 56-594.3	PUR-2020-00125
APCo	RPS-RAC	Resolved	§ 56-585.2 E	PUR-2021-00048
SCC	GATS Business Rules	Resolved	§ 56-585.5	PUR-2021-00064
APCo	Amherst Solar Facility	Resolved	§ 56-585.1:4 H	PUR-2021-00066
Axton Solar, LLC	Solar Project	Pending	§ 56-580 D	PUR-2021-00085
DEV, APCo	Accelerated Renewable Energy Buyers	Resolved	§ 56-585.5 G	PUR-2021-00089
DEV	US-3 Solar Projects (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00118
DEV	US-4 Solar Project (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00119
DEV	Rider TRG (Update)	Resolved	§ 56-577 A 5	PUR-2021-00138
DEV	Offshore wind generation facilities	Pending	§ 56-585.1:11, et al	PUR-2021-00142
DEV	2021 RPS Filing	Resolved	§ 56-585.5	PUR-2021-00146
DEV	Allocation of RPS-related costs	Pending	§ 56-585.5	PUR-2021-00156
APCo	2021 RPS Filing	Resolved	§ 56-585.5	PUR-2021-00206
DEV	Rider PPA	Resolved	§ 56-585.1 A 5	PUR-2021-00248

DEV	Rider RPS	Resolved	§ 56-585.1 A 5	PUR-2021-00282
SCC	GATS business rules; revisions	Pending	§ 56-585.5	PUR-2022-00045
DEV	GATS Business Rules; calculating RECs for a hybrid facility	Resolved	§ 56-585.5	PUR-2022-00075
DEV	Rider TRG (Update)	Pending	§ 56-577	PUR-2022-00101

Decisions

- APCO RPS RAC (PUR-2021-00048). The Commission approved APCo's application to revise its RPS-RAC to recover residual, incremental costs related to APCo's participation in its voluntary RPS program that was in place prior to the passage of the VCEA. (Final Order, December 6, 2021). §§ 56-585.1 A 5 d and 56-585.2 E of the Code.

- GATS Business Rules: Registration and retirement of Virginia-eligible renewable energy certificates (PUR-2021-00064). The Commission revised its business rules concerning the registration and retirement of Virginia-eligible RECs in the PJM-EIS Generation Attribute Tracking System ("GATS"). This revision followed the Commission's then-recent update to these rules to reflect the categories of eligible generation sources for Virginia-qualified RECs in 2021-2024 under Virginia's mandatory RPS statute (§ 56-585.5). This docket was established to invite comment on that update and resulted in further revisions to these business rules. (Final Order, September 30, 2021). § 56-585.5 C of the Code.

- APCo Amherst Solar Facility (PUR-2021-00066). The Commission approved a prudency determination for APCo's proposed 4.875 MW Amherst Solar Facility. APCo did not seek cost recovery for the facility in this case. (Final Order, February 18, 2022). § 56-585.1: 4 H of the Code.

- Rules related to Accelerated Renewable Energy Buyers (PUR-2021-00089). The Commission adopted regulations implementing the provisions of Code § 56-585.5 G, enacted as part of the VCEA. Section 56-585.5 G permits certain customers of APCo and DEV to be certified as accelerated renewable energy buyers, and to be exempted from some or all of the RPS costs of these utilities. (Final Order, December 10, 2021). § 56-585.5 G of the Code.

- DEV US-3 Solar Projects RAC (PUR-2021-00118). The Commission approved DEV's annual update to its RAC for cost recovery associated with its US-3 Solar Projects (the Colonial Trail West Solar Facility, an approximately 142 MW solar generating facility located in Surry County, Virginia, and the Spring Grove 1 Solar Facility, an approximately 98 MW solar facility located in Surry County, Virginia). (Final Order, March 24, 2022). § 56-585.1 A 6 of the Code.

- DEV US-4 Solar Project RAC (PUR-2021-00119). The Commission approved DEV's annual update to its US-4 RAC for cost recovery associated with its Sadler Solar Facility (an approximately 100 MW utility-scale solar photovoltaic generating facility located in Greensville County, Virginia). (Final Order, March 18, 2022). § 56-585.1 A 6 of the Code.

- DEV Rider TRG Update (PUR-2021-00138). The Commission reviewed DEV's annual update of its previously approved 100% renewable tariff, Rider TRG. The update was filed on July 1, 2021. The update requested no change to the approved rate or to the portfolio of renewable resources providing service under Rider TRG. Rider TRG limits the ability of customers in DEV's service territory to purchase renewable energy from competitive suppliers under Code § 56-577 A 5. The Commission exercised its discretion not to address participant levels, and not to modify the filed rate, until Rider TRG has been in effect for a longer period of time in order to gain additional experience with its implementation. (Final Order, December 8, 2021). *See also below,* Case No. PUR-2022-00101, DEV's 2022 Rider TRG update filing. § 56-577 A 5 of the Code.

- DEV 2021 RPS Filing (PUR-2021-00146). The Commission reviewed DEV's 2021 RPS Filing which included (i) DEV's RPS Development Plan (encompassing proposed development of new solar, onshore wind, and energy storage resources); (ii) requests for approval to construct 13 new utility-scale projects and to enter into 24 new PPAs; and (iii) DEV's request for approval of revised Rider CE. The Commission (i) found that, for the limited purpose of filing its second annual RPS plan under Code § 56-585.5 D 4, DEV's plan was reasonable and prudent; (ii) approved the utility-scale projects and PPAs proposed by the Company; and (iii) approved revised Rider CE. In total, the Commission approved 857 MW of new solar generation capacity and 103 MW of energy storage capacity. The Commission directed DEV to continue filing a consolidated bill analysis in its RPS Filings. The Commission also established additional directives regarding DEV's modeling in its subsequent RPS Plans (Final Order, March 15, 2022). §§ 56-580 D, 56-46.1, 56-585.1 A 6, and 56-585.1:4 of the Code.

- APCO 2021 RPS Filing (PUR-2021-00206). The Commission reviewed APCo's 2021 RPS Filing where APCo estimates that by 2040, it may have 2,736 MW (nameplate) of solar, 750 MW (nameplate) of onshore wind, and 2,937 MW (nameplate) of energy storage, through a mix of company-owned resources and

PPAs, to meet the requirements of the VCEA. The Commission found that: (i) APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of RECs purchased in the PJM REC market; and (v) approved RACs for cost recovery. The Commission directed APCo to continue filing a consolidated bill analysis in its RPS Filings. The Commission also established additional directives regarding APCo's modeling in its subsequent RPS Plans. (Final Order, July 15, 2022) § 56-585.5 of the Code.

- DEV Rider PPA (PUR-2021-00248). The Commission approved DEV's application for approval of a rate adjustment clause, designated Rider PPA, to recover projected and actual costs associated with certain PPAs for the energy, capacity, ancillary services, and RECs owned by third parties. (Final Order, August 3, 2022). § 56-585.1 A 5 d of the Code.

- DEV Rider RPS (PUR-2021-00282). The Commission approved revisions to DEV's Rider RPS. Rider RPS recovers the Company's projected and actual costs related to compliance with the mandatory RPS program established in the VCEA. (Final Order, June 30, 2022). § 56-585.1 A 5 d of the Code.

- DEV - GATS Business Rules; calculating RECs for a hybrid facility (PUR-2022-00075). DEV sought an exception to the GATS Business Rules for a combination solar generator/energy storage facility (Scott Solar/BESS-3). DEV requested that the Commission direct GATS to calculate the RECs for this hybrid facility based on the amount of energy that enters the BESS-3 system as charging energy, rather than the amount of energy discharged by BESS-3 to the grid. The Commission granted DEV's petition for exception in this matter, noting that (i) no comments or requests for hearing concerning it had been filed by interested parties or the Staff, and (ii) the exception granted may be subject to modification in the future as experience is gained with these types of facilities. (Order Granting Exception to GATS Business Rules, August 12, 2022). § 56-585.5 C of the Code, and the Commission's GATS Business Rules.

Pending Cases

- Regulations for a multi-family shared solar program (PUR-2020-00124) (DEV): DEV requests approval of an administrative charge associated with the Company's participation in a program affording eligible multi-family customers of investor-owned utilities the opportunity to participate in shared solar projects.[92] (Case filed September 1, 2021). § 56-585.1:12 of the Code.

[92] KU/ODP also has a multi-family shared solar program but did not request an administrative charge be set for its program.

- Regulations for a shared solar program (PUR-2020-00125) (DEV): The Commission issued a Final Order establishing the minimum bill, which may be modified over time, and set the bill credit rate for participants in DEV's shared solar program under Code § 56-594.3. The Commission is currently considering a petition for reconsideration filed by two respondents. (Order Granting Reconsideration, July 27, 2022) § 56-594.3 of the Code.

- Axton Solar Project (PUR-2021-00085). Axton seeks Commission approval to construct a 201.1 MW solar generating facility to be constructed in Henry and Pittsylvania Counties. The Application was initially filed on April 28, 2021. Axton subsequently filed with the Commission an amended application and supporting documents. (Amended application filed March 31, 2022). §§ 56-46.1 and 56-580 D of the Code.

- DEV offshore wind generation facilities (PUR-2021-00142). The Commission issued a Final Order approving requested cost recovery associated with DEV's proposed 2,587 MW CVOW Project to be located in a federal lease area off the coast of Virginia Beach, Virginia. The project consists of 176 wind turbines, each designed to generate 14.7 MW. The project is expected to have a capital cost of $9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia. The Commission also approved the electric interconnection and transmission facilities to connect the CVOW Project reliably with the existing transmission system. The Commission issued an Order Granting Reconsideration for purposes of retaining jurisction over the case in response to a Petition for Limited Reconsideration filed by DEV. (Final Order, August 5, 2022; Order Granting Reconsideration, August 24, 2022). §§ 56-585.1, 56-585.1:11, 56-46.1, 56-265.1 of the Code.

- DEV allocation of RPS-related costs (PUR-2021-00156). This Commission docket was established to consider issues related to DEV's recovery of its RPS related costs, and the jurisdictional and class allocation of those costs among its customers. (Case filed December 22, 2021). § 56-585.5 of the Code.

- GATS business rules (PUR-2022-00045). This Commission proceeding will consider potential revisions to the Commission's GATS business rules ("GATS Business Rules"). In particular, the Commission will consider (i) incorporating language to establish a self-certification process for resources seeking to qualify as low-income projects pursuant to Code § 56-585.5 C; and (ii) additional issues related to the GATS Business Rules. (Case docketed April 14, 2022). § 56-585.5 C of the Code.

- DEV Rider TRG (PUR-2022-00101). DEV seeks approval of an annual update of its 100 percent renewable energy tariff, designated Rider TRG whereby participating customers can voluntarily elect to purchase 100 percent of their energy grid capacity needs sourced from renewable energy resources. (Case filed July 1, 2022). §§ 56-577 A 5 and 56-234 of the Code.

Environmental Cases

Below is a table summarizing the environmental cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Rider E (Update)	Resolved	§ 56-585.1 A 5	PUR-2021-00013
DEV	Rider CCR	Resolved	§ 10.1-1402.03	PUR-2021-00045
DEV	Rider RGGI Update	Resolved	§ 56-585.1 A 5	PUR-2021-00281
APCo	Environmental RAC	Pending	§ 56-585.1 A 5	PUR-2022-00001
DEV	Rider E (Update)	Pending	§ 56-585.1 A 5	PUR-2022-00006
DEV	Rider CCR	Pending	§ 10.1-1402.03	PUR-2022-00033
DEV	Rider RGGI (Suspension)	Resolved	§ 56-585.1 A 5	PUR-2022-00070

Decisions

- DEV Rider E (PUR-2021-00013). The Commission approved DEV's annual update to its Rider E to recover costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, Bremo, Clover, and Mt. Storm Power Station. (Final Order September 23, 2021). § 56-585.1 A 5 e of the Code.

- DEV Rider CCR (PUR-2021-00045). The Commission approved DEV's application seeking approval of Rider CCR to recover costs related to the removal of coal combustion residual from DEV's Bremo, Chesterfield, and Possum Point Power Stations and Chesapeake Energy Center. Such approval was made subject to certain cost allocations, reporting, and filing requirements applicable to future Rider CCR updates. (Final Order, October 6, 2021). §§ 56-585.1 A 5 e and 10.1-1402.03 of the Code.

- DEV Rider RGGI Update (PUR-2021-00281). On December 26, 2021, DEV filed an annual update of the Company's rate adjustment clause, Rider RGGI. This

Rider recovers projected and actual costs related to the purchase of allowances through the RGGI market-based trading program for carbon dioxide emissions. DEV subsequently sought, and the Commission granted, the Company's motion to withdraw the update filing, subject to future update and filing requirements. (Order Granting Motion, April 1, 2022). See, also, related docket, Case No. PUR-2022-00070. § 56-585.1 A 5 e of the Code.

- DEV Rider RGGI Suspension (PUR-2022-00070). The Commission approved DEV's May 5, 2022, petition to suspend Rider RGGI and to reset the Rider RGGI Projected Cost Recovery Factor to $0.00/kWh, effective July 1, 2022. The Commission further authorized DEV to recover RGGI compliance costs that are incurred up through July 31, 2022 (and ultimately approved by the Commission), and which have not been recovered prior to the suspension of the Rider through DEV's base rates for generation services in effect during the period incurred. This docket will remain open for future proceedings, including but not limited to an actual cost true-up proceeding to review incurred allowance costs that have been recovered through Rider RGGI. (Order Granting Petition, June 15, 2022). § 56-585.1 A 5 e of the Code.

Pending Cases

- APCo Environmental RAC (PUR-2022-00001). APCo seeks Commission approval to recover costs through its existing rate adjustment clause, the E-RAC, related to capital investments and operations and maintenance compliance expenses that are necessary to comply with state and federal environmental regulations. (Case filed March 18, 2022). § 56-585.1 A 5 e of the Code.

- DEV Rider E Update (PUR-2022-00006). DEV seeks an update to its Rider E to recover costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, Bremo, Clover, and Mt. Storm Power Stations. (Case filed January 25, 2022). § 56-585.1 A 5 e of the Code.

- DEV Rider CCR (PUR-2022-00033). DEV seeks to update its Rider CCR RAC. (Case filed February 28, 2022) §§ 56-585.1 A 5 e and 10.1-1402.03 of the Code.

Retail Access Cases

Below is a table summarizing the retail access cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	**Topic**	**Pending or Resolved?**	**Code Section**	**Case No.**
DEV	Aggregation Pilot	Continued	Chapter 796 of the 2020 Virginia Acts of Assembly	PUR-2020-00114
DEV	RPS Cost Allocation Proceeding	Resolved	§ 56-585.5 F	PUR-2020-00164

Decisions

- DEV RPS Cost Allocation to shopping customers (PUR-2020-00164). In this proceeding, DEV sought approval of its proposal to recover the non-bypassable RPS costs associated with Code § 56-585.5 F, net of benefits, from customers electing to take electric supply service from a competitive service provider. However, as part of the Commission's 2020 RPS Final Order, the Commission adopted the general RAC framework for the recovery of RPS-related costs as proposed by Staff, and as refined by Dominion, under which the Company will recover costs of resources approved under the VCEA, including the non-bypassable charge, in a single rate mechanism. As such, the Commission determined in this proceeding that Rider NBC (proposed by DEV) is no longer needed. Issues related to distinguishing between RPS Program compliance costs and other costs, as well as class cost allocation methodology and ARBs, will be addressed in appropriate subsequent proceedings, including Case No. PUR-2021-000156, discussed *supra*. (Final Order, September 23, 2021). §§ 56-585.5 and 56-585.1:11 of the Code.

Continued Cases

- DEV Aggregation Pilot (PUR-2020-00114). Pursuant to legislation passed by the 2020 General Assembly, the Commission established a pilot program through which non-residential customers that had previously sought to aggregate their load pursuant to Code § 56-577 A 4 in DEV's service territory would be permitted to purchase electric energy from a competitive service provider, subject to an overall cap of 200 MW of load participating in the Pilot. On June 17, 2022, the Commission issued an Order (i) finding that the Pilot should continue and remain open to any non-residential customer who is eligible for, and wishes to participate in, the Pilot; and (ii) continuing the case. Chapter 796 of the 2020 Virginia Acts of Assembly.

Energy Efficiency Cases

Below is a table summarizing the energy efficiency cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table. Both APCo (a Phase I Utility) and DEV (a Phase II Utility) estimate that they are on target to implement energy efficiency programs and measures to achieve the total annual energy savings targets for 2023 as specified by Code § 56-596.2.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Evaluation, Measurement and Verification (EM&V) Methodologies	Resolved	§ 56-585.1 A 5	PUR-2020-00156
DEV	DSM RAC and Phase IX Programs	Resolved	§ 56-585.1 A 5	PUR-2020-00274
APCo	Energy Efficiency RAC and New Program	Resolved	§ 56-585.1 A 5	PUR-2021-00236
DEV	DSM RAC and Phase X Programs	Resolved	§ 56-585.1 A 5	PUR-2021-00247

Decisions

- DEV EM&V "Dashboard" proceeding (PUR-2020-00156). This Commission proceeding established guidelines for DEV's evaluation, measurement, and verification ("EM&V") reports related to the Company's DSM programs. DSM programs include energy efficiency and peak-shaving programs. EM&V reports address energy savings produced by such programs. (Final Order, October 27, 2021). § 56-585.1 A 5 of the Code.

- APCo Energy Efficiency RAC and New Program (PUR-2021-00236). The Commission approved APCo's application for approval of the continued implementation of its rate adjustment clause, the EE-RAC, to recover the costs of its existing portfolio of DSM programs, as well as for approval of one new pilot program, the Commercial and Industrial Custom Pilot Program. (Final Order, July 15, 2022). §§ 56-585.1 A 5 and 56-596.2 of the Code.

- DEV DSM RAC and Phase IX Programs (PUR-2020-00274). The Commission approved DEV's application seeking approval of its Phase IX DSM programs, including 11 new energy efficiency and demand response programs, the expansion and modification of certain existing programs, and approval of cost recovery through associated RACs. The Commission's approval was made subject to certain cost caps together with requirements for future DSM filings. (Final Order, September 7, 2021). § 56-585.1 A 5 of the Code.

- DEV DSM RAC and Phase X Programs (PUR-2021-00247). The Commission approved, among other things, (i) DEV's proposed Phase X DSM Programs including proposed enhancement and expansion of certain previously approved programs; (ii) reorganization and consolidation of the DEV's DSM Portfolio; and (iii) cost recovery through associated RACs. § 56-585.1 A 5 of the Code. (Final Order, August 10, 2022). § 56-585.1 A 5 of the Code.

Distribution Cases

Below is a table summarizing the distribution cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
APCo	Broadband Project	Resolved	§ 56-585.1:9	PUR-2020-00259
DEV	Rider GT	Resolved	§ 56-585.1 A 6	PUR-2021-00083
DEV	Rider U (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00110
DEV	Grid Transformation Plan	Resolved	§ 56-585.1 A 6	PUR-2021-00127
APCo	Broadband Project	Pending	§ 56-585.1:9	PUR-2022-00020
DEV	Broadband Project	Pending	§§ 56-585.1 A 6 and 56-585.1:9	PUR-2022-00062
SCC	Interconnection of Distributed Energy Resources	Pending	Pursuant to Final Order in Case No. PUR-2021-00127	PUR-2022-00073
DEV	Rider U (Update)	Pending	§ 56-585.1 A 6	PUR-2022-00089

Decisions

- APCo Broadband Project (PUR-2020-00259). The Commission approved APCo's petition seeking approval of a rate adjustment clause, the BC-RAC, for cost recovery of providing broadband capacity through its previously approved Grayson County broadband pilot. (Final Order, October 1, 2021). §§ 56-585.1 A 6 and 56-585.1:9 of the Code.

- DEV Rider GT (PUR-2021-00083). The Commission approved DEV's application for a new rate adjustment clause, designated Rider GT, to recover certain costs of the Company's grid modernization plan that the Commission previously approved in Case Nos. PUR-2018-00100 and PUR-2019-00154. (Final Order, May 13, 2022). § 56-585.1 A 6 of the Code.

- DEV Rider U Strategic Undergrounding Program (PUR-2021-00110). The Commission approved DEV's annual update to Rider U. (Final Order, March 9, 2022). § 56-585.1 A 6 of the Code.

- DEV Grid Transformation Plan (PUR-2021-00127). The Commission approved DEV's third grid modernization proposal, which included requested approval of $669.4 million of capital investments and $109.5 million of operations and maintenance expense. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements. (Final Order, January 7, 2022). § 56-585.1 A 6 of the Code.

Pending Cases

- APCo Broadband Project (PUR-2022-00020). APCo seeks approval of a new project to make available broadband capacity to an Internet Service Provider in parts of Bland County and Montgomery County and to revise its BC-RAC to reflect actual costs of providing broadband capacity under the Company's existing broadband project as well as the new project. (Case filed June 8, 2022) §§ 56-585.1 A 6 and 56-585.1:9 of the Code.

- DEV Broadband Project (PUR-2022-00062). DEV seeks approval to install middle-mile broadband capacity in certain unserved areas of Virginia, including the Northern Neck region and the Thomas Jefferson Planning District. The Company also seeks approval to revise rate adjustment clause Rider RBB, for the rate year commencing December 1, 2022, through November 20, 2023. (Case filed May 5, 2022). §§ 56-585.1 A 6 and 56-585.1:9 of the Code.

- Interconnection of Distributed Energy Resources (PUR-2022-00073). This Commission docket was established (pursuant to the Commission's Final Order in Case No. PUR-2021-00127) to address obstacles to the interconnection of distributed energy resources on electric utilities' distribution systems. (Docket established May 24, 2022).

- DEV Rider U Strategic Undergrounding Program (PUR-2022-00089). DEV seeks an annual update to Rider U. (Case filed June 13, 2022). § 56-585.1 A 6.

Integrated Resource Plan Cases

Below is a table summarizing the IRP cases decided by or pending before the Commission at the time of this report. A description of each proceeding follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Integrated Resource Plan Update	Resolved	§ 56-597 *et seq.*	PUR-2021-00201
APCo	Integrated Resource Plan	Pending	§ 56-597 *et seq.*	PUR-2022-00051

Decisions

- DEV IRP Update (PUR-2021-00201). On September 1, 2021, DEV filed with the Commission the Company's 2021 update to its 2020 Integrated Resource Plan. The Commission found this update legally sufficient and accepted it for filing. The Commission stated, however, that such acceptance does not express approval of the magnitude or specifics of Dominion's future spending plans. (Final Order, October 28, 2021). § 56-599 of the Code.

Pending Cases

- APCo IRP (PUR-2022-00051). APCo has filed its 2022 IRP. Per the filing, the IRP, among other things, incorporates requirements of the VCEA related to resource acquisition, includes the most recent load forecast consistent with the VCEA, and incorporates updated renewable costs. The Commission will hear this case starting October 24, 2022. (Case filed April 29, 2022). § 56-599 of the Code.

Financial Review Cases

Below is a table summarizing the financial review cases decided by or pending before the Commission at the time of this report.

Company	Topic	Pending or Resolved?	Code Section	Case No.
APCo	Triennial Review	Pending	§ 56-585.1 A	PUR-2020-00015

DEV	Triennial Review	Resolved	§ 56-585.1 A	PUR-2021-00058

Decisions

- DEV Triennial Review (PUR-2021-00058). On March 31, 2021, DEV filed its application for the Commission's triennial review of the Company's rates, terms, and conditions for the provision of generation, distribution, and transmission services. The Commission Order in this case approved a stipulation that principally provided (i) customer refunds totaling $330 million; and (ii) the statutory maximum annual rate reduction of $50 million. (Final Order, November 18, 2021). § 56-585.1 A 3 of the Code.

Pending

- APCo Triennial Review (PUR-2020-00015). The Commission, among other things, determined that in the 2017-2019 triennial period under review, Appalachian earned 6 basis points above the fair ROE, which equates to approximately $1,992,987 in excess earnings for such period. Upon appeal to the Supreme Court of Virginia, on August 18, 2022, the Court affirmed in part, reversed in part, and remanded the case to the Commission for further proceedings consistent with the Court's opinion. (Final Order, November 24, 2020; Order on Reconsideration, March 26, 2021; Notice of Appeal, April 5, 2021; Petition of Appeal, July 6, 2021; Opinion of the Supreme Court of Virginia, Aug. 18, 2022; Order Initiating Remand Proceedings, August 22, 2022). § 56-585.1 A 3 of the Code.

See also, Section III, Base Rate Financial Results, of this report for details on these cases.

Miscellaneous Cases

Below is a table summarizing miscellaneous cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

Company	Topic	Pending or Resolved?	Code Section	Case No.
DEV	Universal Service Fee/Rider PIPP	Pending	§ 56-585.6	PUR-2020-00109
APCo	Universal Service Fee/Rider PIPP	Pending	§ 56-585.6	PUR-2020-00117
DEV	Rider SNA	Resolved	§ 56-585.1 A 6	PUR-2021-00229

Decisions

- DEV Rider SNA (PUR-2021-00229). The Commission approved DEV's application for a RAC, Rider SNA, to recover the Company's costs associated with (i) preparing petitions to the Nuclear Regulatory Commission to extend the operating licenses of Dominion's Surry Units 1 and 2 and North Anna Units 1 and 2; and (ii) the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to operate these units safely and reliably. (Final Order, July 1, 2022). § 56-585.1 A 6 of the Code.

Pending

- Percentage of Income Payment Program (DEV: PUR-2020-00109; APCo: PUR-2020-00117). The VCEA requires the Commission to determine the universal service fees to be collected from customers of APCo and DEV to fund the Percentage of Income Payment Program ("PIPP") established by statute. PIPP eligible utility customers are persons or households whose income does not exceed 150 percent of the federal poverty level.[93] § 56-585.6 of the Code.

  The Commission authorized DEV and APCo to begin collecting a universal service fee from the statutorily designated customers as soon as practicable, effective for service rendered on and after September 1, 2021, at a level designed to fund the estimated start-up costs of Department of Social Services ("DSS") needed to establish the PIPP. The Commission also continued the proceedings to determine the rates, terms, and conditions of a "non-bypassable universal service fee" to be charged to DEV and APCo's customers to fund the PIPP, instructing both utilities to file within 60 days after DSS rules or guidelines are published. (Orders, July 29, 2021). To date, DSS has not published these rules or guidelines. Consequently, neither APCO nor DEV has been required to make additional filings of their respective PIPP dockets, as otherwise required by the Commission's July 20, 2021 Orders.

V.
STAKEHOLDER MEETINGS

The Staff has been involved in multiple stakeholder meetings over the last year as required by recent legislation. Staff has attended these meetings as a resource to provide technical information or background on Commission procedures and proceedings. The following is a list of meetings the Staff has attended:

[93] Code § 56-576.

- Energy Efficiency Meetings: (required by SB 966,[94] SB 1605,[95] and HB 2293[96]) held on November 8, 2021, and April 25, 2022, for APCo; and, August 31, 2021, November 17, 2021, February 22, 2022, and, June 21, 2022, for DEV.

- Transportation Electrification Stakeholder Group Meetings: (required by HB 2282[97]) held on October 21, 2021, November 4, 2021, November 18, 2021, December 2, 2021, and December 16, 2021.

- Program to Encourage and Expedite Electric Utility Infrastructure Investments Stakeholder Meetings: (required by HB 894[98]) held on June 23, 2022, July 5, 2022, July 13, 2022, and July 25, 2022.

- Renewable Energy Facilities Lifecycle Task Force Meeting: (required by SB 499 and HB 774[99]) The Commission is in the process of selecting a third-party facilitator for this task force. Task force meetings are expected to occur in the fall of 2022.

- Shared Solar Stakeholder Workgroup for APCo and Kentucky Utilities: (required by SB 660[100]) The Commission is in the process of selecting a third-party facilitator for this work group. Stakeholder workgroup meetings are expected to occur in the fall of 2022.

VI.
PJM / FERC STATUS

DEV and APCo are members of PJM, a regional transmission organization that coordinates the movement of wholesale electricity across all or parts of the District of

[94] 2018 Va. Acts ch. 296.

[95] 2019 Va. Acts ch. 398.

[96] 2019 Va. Acts ch. 397.

[97] 2021 Va. Acts, Special Session I, ch. 268.

[98] 2022 Va. Acts ch. 488.

[99] 2022 Va. Acts chs. 69 and 70.

[100] 2022 Va. Acts ch. 591.

Columbia and 13 states.[101] Below is a list of recent matters involving PJM and FERC that may impact Virginia:

- In June 2018, FERC invalidated PJM's capacity market design. FERC ruled that state-subsidized resources were artificially and improperly suppressing market prices.[102] Following a FERC technical conference on wholesale market reform in March 2021, during which the FERC Chairman indicated FERC would take action to address deficiencies in the Minimum Offer Price Rule ("MOPR") (including concerns that the MOPR could cause undue burden to resources supported by state policies) by year-end if PJM did not do so, PJM initiated an accelerated stakeholder process, or Critical Issue Fast Path. On July 30, 2021, PJM filed its replacement MOPR proposal in Docket No. ER21-2582. On September 29, 2021, FERC allowed PJM's proposal to become effective by operation of law, stating that "[t]he Commission did not act on PJM's filing because the Commissioners are divided two against two as to the lawfulness of the change."[103] Several parties, including other state commissions, have appealed FERC's order.

- In April 2021, DEV announced that it would elect to procure its capacity through the Fixed Resource Requirement alternative to the PJM capacity market auction.[104] A competitive power supplier challenged PJM's approval of this election. FERC rejected this challenge on July 15, 2021.

- In September 2020, FERC issued Order 2222, which adopted reforms to allow distributed energy resource aggregations to participate in the regional transmission organization markets.[105] PJM made its compliance filing on February 1, 2022, outlining how it will comply with Order 2222.[106]

- On June 30, 2021, the transmission owners ("Transmission Owners") in the PJM region submitted a consolidated filing at FERC that proposed revisions to the PJM Tariff to provide Transmission Owners with the option to elect to fund the capital

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[101] Specifically, the 13 states consist of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

[102] *Calpine Corp. v. PJM Interconnection, LLC*, 163 FERC ¶ 61,236 (2018).

[103] *PJM Interconnection L.L.C.*, Notice of Filing Taking Effect by Operation of Law, Docket No. ER21-2582 (Sep. 29, 2021).

[104] APCo has always chosen the PJM Fixed Resource Requirement alternative since joining PJM in 2004.

[105] *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (September 19, 2020).

[106] *PJM Interconnection, L.L.C.*, Docket No. ER22-962.

cost of network upgrades necessary to accommodate generator interconnections.[107] The proposed revisions would allow the PJM Transmission Owners the opportunity to earn a return of and on the costs of network upgrades that are necessary to interconnect generation resources to the PJM transmission system. Under the current tariff, those costs must be paid by the interconnecting generator. FERC set this matter for paper hearing on November 19, 2021, and parties filed briefs in January 2022.

- On July 19, 2021, PJM filed a brief in a Pennsylvania federal court case challenging the Pennsylvania Public Utility Commission's ("PAPUC") rejection of a transmission line. Following the PAPUC's order, the developer (TransSource) sued the PAPUC in federal court, alleging that the PAPUC's decision violated the dormant Commerce Clause and was preempted by PJM's earlier determination of need. PJM claims that the PAPUC does not have authority to reject a line on the grounds that the line is not needed where PJM has concluded the line is necessary under mechanisms approved by FERC. On August 26, 2021, the District Court denied in part PAPUC's motion to dismiss, finding that TransSource had standing to file the action. The court abstained on the remainder of the motion, electing to wait until an appeal in state court was completed. On May 6, 2022, the Pennsylvania Commonwealth Court upheld the PAPUC's order rejecting the line. The District Court lifted its stay of the proceedings on May 17, 2022, and discovery in the case is ongoing. The current schedule calls for discovery to continue until January 2023, with dispositive motions and supporting briefs due on or before February 15, 2023.

- On April 21, 2022, FERC issued a Notice of Proposed Rulemaking ("NOPR") seeking comment on the potential need for change to existing regulations on electric regional transmission planning, cost allocation, and generator interconnection processes.[108] Comments were due by August 17, 2022.

- On June 14, 2022, PJM proposed changes to its generator interconnection process, seeking to change from a first-come, first-served process to a first-ready, first-served process, to give priority to projects that are more likely to be completed.[109] PJM claims this will help alleviate significant queue backlogs.

- On June 16, 2022, FERC issued a NOPR, proposing changes to its interconnection procedures to address interconnection queue backlogs, improve

[107] *PJM Tariff Revisions to Implement Transmission Owners' Funding of Network Upgrades*, Docket No. ER21-2282 (June 30, 2021).

[108] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 179 FERC ¶ 61,028 (Apr. 21, 2022).

[109] *PJM Interconnection, L.L.C.*, Docket No. ER22-2110.

certainty, and prevent undue discrimination for new technologies.[110] Comments on the NOPR are due October 13, 2022.

VII.
CONSUMER EDUCATION

The Regulation Act, specifically § 56-592 of the Code, directs the Commission to establish, implement, and maintain a consumer education program to provide retail customers with information regarding energy conservation and efficiency, DSM, demand response, and renewable energy. The Virginia Energy Sense ("VES") consumer education program is in its twelfth year of building awareness of the value of energy efficiency.

Highlighted VES accomplishments from the last year (July 1, 2021 – June 30, 2022) are as follows:

- VES' new contract team comprehensively analyzed communications about consumer energy in Virginia and developed a messaging framework to guide the program's strategies and activities.

- To measure public attitudes on energy conservation, VES conducted an online quantitative survey, which garnered responses from 1,208 Virginia residents. Survey results suggested that awareness of the VES program remains high; approximately 1 in 4 respondents recalled recently seeing or hearing messages from or about VES.

- VES secured 10 news stories about the program and its energy saving tips in 10 media outlets, including TV stations in Richmond, Charlottesville, and Norfolk.

- Following a pandemic-driven pause in community outreach events, VES exhibited at three in-person events in spring 2022. The events' total attendance was approximately 75,400.

- VES ran two statewide radio advertising campaigns that collectively generated over 9.7 million impressions. The campaigns ran in October 2021 and April –

[110] *Improvements to Generator Interconnection Procedures and Agreements*, Docket No. RM22-14, 179 FERC ¶ 61,194 (June 16, 2022).

May 2022 and drove a 31.5% and a 16.3% increase in web visits, respectively. VES also created 36 public service announcements for radio, tailored to the six regions of Virginia, that collectively garnered around 120,000 impressions as of May 31, 2022.

- A VES advertising campaign on Facebook and Instagram that ran from May 4 to June 1, 2022, garnered over 2.8 million impressions and drove 12,627 visits to VES' new "10 ways to save" landing page, shown below:

- The VES website garnered 19,891 site visits and 22,833 page views.

- VES published 218 posts on its Facebook and Twitter accounts, reaching 31,625 users and generating 722 engagements. VES also relaunched its Instagram account in March 2022.

VIII.
CLOSING

Code § 56-596 directs the Commission to provide "recommendations for any actions by the General Assembly, the Commission, electric utilities, or any other entity that the Commission considers to be in the public interest."[111] While the Commission has no statutory recommendations at this time, we bring to the General Assembly's attention a matter for its consideration, specifically the Commission's lack of proactive authority, under current law, to protect reliability and security of electric service resulting from VCEA-directed retirements unless there is a request by the utility. Code § 56-585.5 B prescribes certain retirements of fossil fuel generation owned by Phase I (APCo) and Phase II (DEV) utilities.

Code § 56-585.5 B 4 further states:

> A Phase I or Phase II Utility [APCo or DEV] *may* petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers. The Commission shall consider in-state and regional transmission entity resources and shall evaluate the reliability of each proposed retirement on a case-by-case basis in ruling upon any such petition.[112]

The Commission appreciates the General Assembly's awareness of the importance of reliability and security of electric service to end-use customers. That said, the above

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[111] Specifically, Code § 56-596 B.

[112] Emphasis added. Similarly, Enactment Clause 9 of the VCEA reads:

> That nothing in this act shall require the utilities or the State Corporation Commission to take any action that, in the State Corporation Commission's discretion and after consideration of all in-state and regional transmission entity resources, threatens the reliability or security of electric service to the utility's customers.

While this Enactment Clause appears to protect the Commission *from having to* act, it does not appear to give the Commission authority *to* act.

provisions leave it to *the utility's* discretion whether to seek relief from VCEA requirements. The utility still has the ability to decide to retire and/or impair generating units even though customers may still be required to pay for such units. An after-the-fact review or finding of harm to reliability and/or security of electric service would leave the Commission with few options to protect customers.

If the General Assembly intends to leave this discretion solely in the hands of utilities, that is what the current law accomplishes. The General Assembly may wish to consider a required update or analysis from the Commission in close proximity and prior to unit closure.

The Commission continues to execute its responsibilities under the Regulation Act and stands ready to implement the laws passed by the General Assembly.

APPENDIX 1

GLOSSARY OF TERMS

ARPA	American Rescue Plan Act of 2021
APCo	Appalachian Power Company
Code	Code of Virginia
CTs	Combustion Turbines
Commission	Virginia State Corporation Commission
CRF	Coronavirus Relief Funds
Consumer Counsel	Office of the Attorney General, Division of Consumer Counsel
CVOW Project	Coastal Virginia Offshore Wind Commercial Project
DEI	Dominion Energy, Inc.
DEV	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
Dominion	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
DSM	Demand-side Management
DSS	Department of Social Services
EE	Energy Efficiency
EM&V	Evaluation, Measurement, and Verification
FERC	Federal Energy Regulatory Commission
GATS	PJM-EIS Generation Attribute Tracking System
GTSA	Grid Transformation and Security Act, Chapter 296 of the 2018 Acts of Assembly
IRP	Integrated Resource Plan
KU/ODP	Kentucky Utilities Company d/b/a Old Dominion Power Company
kWh	Kilowatt-hour
MOPR	Minimum Offer Price Rule
MW	Megawatt
NOPR	Notice of Proposed Rulemaking
PAPUC	Pennsylvania Public Utility Commission
PIPP	Percentage of Income Payment Program
PJM	PJM Interconnection, L.L.C.
PPA	Power Purchase Agreement
RAC	Rate Adjustment Clause
RGGI	Regional Greenhouse Gas Initiative
REC	Renewable Energy Certificate
Regulation Act	Virginia Electric Utility Regulation Act, codified at Code §§ 56-576 through 56-596.3
ROE	Return on Equity
RPS	Renewable Energy Portfolio Standard
Staff	State Corporation Commission Staff
VCEA	Virginia Clean Economy Act, Chapters 1193 and 1194 of the 2020 Acts of Assembly
VES	Virginia Energy Sense, a State Corporation Commission consumer education program