RESOLUTION NO. 2826

WHEREAS, on June 11, 2014, Dominion Virginia Power (hereafter "Dominion") met with City Council and presented its proposal to improve the reliability and resiliency of its electrical system by connecting it with the PEPCO system at the Potomac River Generating Station (hereafter "PRGS") site; and

WHEREAS, based on multiple reliability studies undertaken by Dominion, it has determined that by the Summer 2020, the existing transmission facilities in the City of Alexandria and Arlington County will no longer adequately meet mandatory North Electric Reliability Corporation ("NERC") reliability criteria; and

WHEREAS, Dominion already has approval from Pennsylvania New Jersey Maryland (hereafter "PJM"), the multi-state electrical grid manager, and wants to file its application during the Summer 2018 to the Virginia State Corporation Commission (hereafter "SCC") for its subsequent approval; and

WHEREAS, the SCC application would involve the construction of an underground 230 KV line from the Dominion substation on South Glebe Road in Arlington to an expanded PEPCO substation to be constructed on the west side parking lot of the current PRGS site, where a PEPCO substation is currently located; and

WHEREAS, Dominion claims that in order to improve overall electrical grid reliability and resiliency, it would need to connect these two substations with an underground 230 kV transmission line (similar to the existing one along the Route 1 corridor); and

WHEREAS, in June 2014, City Council established the Underground Transmission Line Working Group (hereafter the "Underground Working Group") to make a recommendation to City Council with regard to the least objectionable route of Dominion proposed alignments that would result in the least negative impacts on Alexandria's business, residents and environment for Dominion to install the kV line in the City of Alexandria (hereafter "City"); and

WHEREAS, the Underground Working Group considered alignments presented by Dominion including but not limited to an alignment along the CSX railroad corridor; installation in and along Potomac Avenue and reconductoring and rebuilding the existing 230 kV line installed in Route 1 hereafter "(Route 1 Rebuild/Reconductor Alternative)"; and

WHEREAS, in May, 2016, City Council adopted Resolution No. 2728 that moved the Potomac Avenue alignment to the "most objectionable" list for this project; and

WHEREAS, in December 2017, Dominion advised the Working Group and City staff that the total estimated costs for the railway corridor alignment had increased from approximately \$320 million to over \$420 million, due to right-of-way acquisition, engineering and operation considerations and Dominion requested that the Working Group and City staff

reconsider the Potomac Avenue alignment and the Route 1 Rebuild/Reconductoring alignment; and

WHEREAS, the Underground Working Group reconsidered the alignments it had determined to be least objectionable and on March 22, 2018, by majority vote determined that the Potomac Avenue alignment would be a least objectionable alignment due to its lesser impact on City residents and businesses as compared with the Route 1 Rebuild/Reconductoring alignment; and

WHEREAS, the Potomac Avenue alignment generally involves the City granting a variable width not to exceed 30 feet, perpetual easement of approximately 1.87 linear miles to Dominion to install underground the 230 kV line; and

WHEREAS, in compensation for the easement, Dominion has offered to pay to the City the fair market value of \$43,289,700; and further agreed that the Potomac Yard Metrorail Station would receive priority if the construction of the 230 kV line and the metro station overlap; that Dominion coordinate with the City and North Potomac Yard developers to insure that the alignment does not delay or impact proposed infrastructure; provide dual and separate conduits along the alignment for City use; replacement in kind of any damage park/trail property including one to one replacement of trees; and

WHEREAS, the SCC is vested with the power to approve the alignment; and

WHEREAS, the City has reconsidered the Potomac Avenue alignment and has determined that the railroad corridor and Potomac Avenue alignments are the least objectionable routes in their impact to the citizens and businesses of the City; and

WHEREAS, Dominion in its application to the SCC will present the railroad corridor alignment

and the Potomac Avenue alignment as the least objectionable to the City of Alexandria but will also include in its application the Route 1 Rebuild/Reconductoring alternative; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Alexandria, Virginia, that:

The City Council finds that the railroad corridor and the Potomac Avenue alignments are the least objectionable routes proposed by Dominion.

In the event that the State Corporation Commission approves the Potomac Avenue alignment, Dominion will compensate the City a total of\$43,289,700 and the City will grant Dominion a perpetual easement which will require a determination by the City's Planning Commission that the alignment complies with section 9.06 of the City Charter and approval by the City Council;

In the event that the State Corporation Commission approves the CSX Railroad Corridor alignment, Dominion will compensate the City a total of\$14,600,000 and the City will grant Dominion a perpetual easement on City owned property which will require a determination by the City's Planning Commission that the alignment complies with section 9.06 of the City Charter and approval by the City Council;

This Resolution shall become effective as of the date and time of its adoption; and

That the City Manager and the City Attorney are hereby authorized to take all actions necessary to implement the foregoing.

Adopted: May 12, 2018

ALLISON SILBERBERG MAYOR

ATTEST:

Gloria A. Sitton, CMC City Clerk

City of Alexandria, Virginia

MEMORANDUM

DATE:

MARCH 22, 2018

TO:

THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

MARK B. JINKS, CITY MANAGER

FROM:

JAY NESTLERODE, CHAIR, TRANSMISSION LINE WORKING GROUP

SUBJECT:

DOMINION 230kV TRANSMISSION LINE PROJECT – UPDATE AND RECOMMENDATION FROM RECONVENED WORKING GROUP IN

SUPPORT OF RECONSIDERING POTOMAC AVENUE

<u>ISSUE</u>: The purpose of this memorandum is to provide an update and recommendation from the reconvened 230 kV Underground Transmission Line Working Group meetings from January-March 2018. It reflects the Working Group finding on proposed next steps for the City after considering new information provided by Dominion Energy (Dominion) in December 2017.

RECOMMENDATION: The Working Group recommends that City Council reconsider Potomac Avenue as a least objectionable alternative alignment for the proposed underground 230kV transmission line from the Glebe Substation in Arlington County to the Potomac River Substation in Alexandria.

BACKGROUND: As City Council is aware, Dominion requested the City reconsider Potomac Avenue as a "least objectionable" alternative for its proposed 230kV underground transmission line. A December 7, 2017 memorandum (Attachment 1) reflects the background and summarizes the reasoning for Dominion's request. Based on this information, the City Manager reconvened the Working Group to assess the Dominion request and recommend next steps.

At January and February 2018 meetings of the Working Group, Dominion outlined the status of its preferred project alignment as well as the recent changes that led to its request. In the meetings and a series of question/response documents, Dominion provided information about the potential impacts, costs and benefits to residents and businesses. The Working Group understood it had an option to reconsider the route alternative or reject it entirely. Dominion has indicated that it still intends to file the project with the State Corporation Commission (SCC) in the third quarter of calendar year 2018. On March 22, 2018, the Working Group met a final time to review the revised route and finalize a recommendation to City Council and City Staff.

<u>DISCUSSION</u>: An alignment on Potomac Avenue route was initially deemed by the Working Group to be one of the "least objectionable" routes for the New Line Solution by the Working Group. However, a Potomac Avenue alignment was later determined to be "most objectionable" in a City Council resolution in May 2016.

As it reassessed the request by Dominion, the primary concerns of the Working Group were loss of trees, short and long-term impacts to recreational facilities, traffic, construction schedule and methods, and health concerns related to electromagnetic fields (EMF). Dominion provided responses to the Working Group in response to each concern. The information is catalogued on the city project website and has contributed to the Working Group's understanding of how the project, if proposed, would move forward.

Additionally, while the issue of compensation is outside the purview of this memo, the Working Group understands that a new route along or near Potomac Avenue would increase compensation to the City significantly above the approximately \$15 million for real estate right-of-way and other considerations previously negotiated. The Working Group also understands that additional compensation, yet to be determined and commensurate with the fair market value of the additional City right-of-way, would be included as part of any City reconsideration of a Potomac Avenue route. Finally, the Working Group understands that City Council will have the final decision on the disposition of real property, total compensation and how such compensation would be spent by the City.

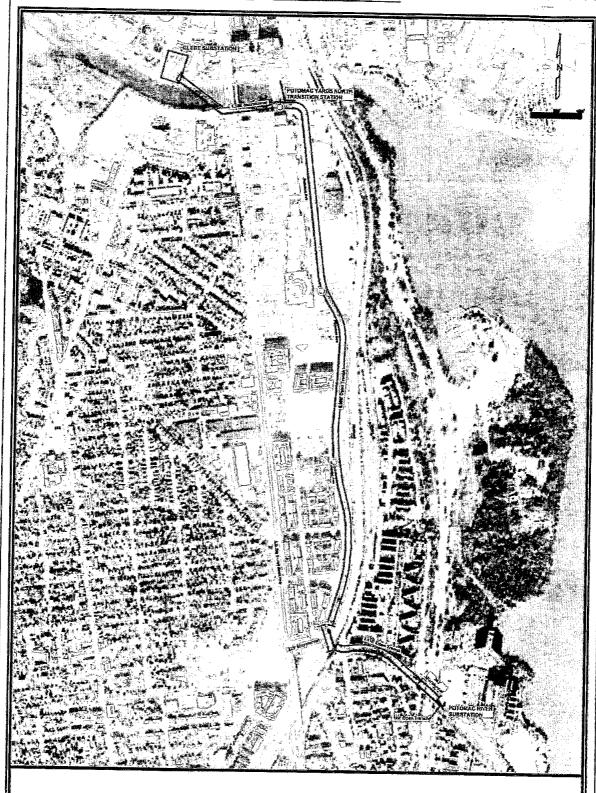
Considering these points, the Working Group recommends that City Council reconsider Potomac Avenue as a least objectionable alternative alignment for the proposed underground 230kV transmission line from the Glebe Substation in Arlington County to the Potomac River Substation in Alexandria. The Working Group understands that its charge is to make recommendations to staff, City Manager & City Council about quality of life, economic, electric reliability, environmental and transportation impacts from proposed project and that City Council will ultimately consider this information and determine whether Potomac Avenue should be reconsidered.

Attachment: December 7, 2017 memorandum and update

Jay Nestlerode

Chair -

Transmission Line Working Group

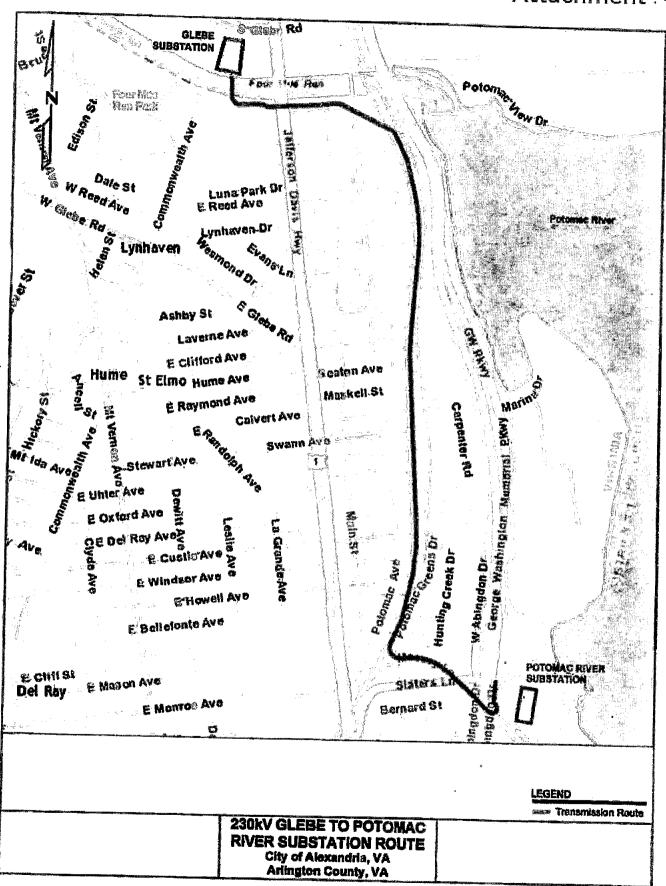




Glebe to Potomac River Study Potomac Ave Alternative

February 16, 2018

Attachment 4



Attachment 5

