



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 6, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of Submitting Public Comments to the State Corporation Commission in Case PUR-2019-00094 (Rider TRG).

ISSUE: Opposing Dominion Energy's insufficient renewable energy generation program.

RECOMMENDATION: That City Council support submission of public comments as detailed in this memorandum to the State Corporation Commission (SCC) in Case PUR-2019-00094 (Rider TRG) recommending the SCC deny Dominion Energy's application for Rider TRG.

DISCUSSION: On May 31, 2019 Dominion Energy filed an application with the State Corporation Commission (SCC) seeking approval to implement a "renewable energy" program called Rider TRG ("Total Renewable Generation") for its customers. Purportedly, the Rider TRG program will provide interested customers with a 100% renewable energy electricity supply sourced from Virginia renewable energy electricity generation facilities. Unfortunately, while this might have been a welcomed opportunity from Dominion Energy customers who have interest in supporting development and expansion of a "greener" grid to meet their climate change action goals, the program falls short of its claims for largely three reasons that are not consistent with the City's vision, values, and adopted Environmental Action Plan 2040.

First, the "renewable energy" being considered in the Rider TRG program falls far short of a conventional definition of renewable energy resources. While the program will include solar and hydroelectric electricity generation facilities, it will also include biomass power plants and a coal-fired power plant that co-fires using a minimal amount of biomass resources. Unfortunately, such co-fired coal/biomass power plants qualify as "renewable energy" according to an expansive and generous statutory definition of renewable energy in the Code of Virginia. A more conventional definition of renewable energy includes electricity sources which have

zero net greenhouse gas emissions associated with operation. It should be noted that waste-to-energy facilities - ex Alexandria/Arlington's Covanta Waste-to-Energy facility - are considered and are proposed to remain as a type of renewable energy source in Virginia's statutory renewable energy definition.

Second, the electricity generation facilities included in the program are all existing facilities (some of which are nearly 15 years old) and are being paid for through separate existing riders or through base rates. This is problematic for two reasons. First, this program does not support the addition of new renewable energy electricity generation facilities on the Dominion Energy electricity grid. As such, this is in direct conflict with the continuing work to expand renewable energy opportunities and reduce greenhouse gas emissions in Virginia. Second, the program proposes charging participating customers a premium cost which doesn't reflect any material connection to the service being provided. For example, all costs for the program's electricity generation facilities are already being born by all customers; therefore, the program does not appear to support any material benefit to participants especially in light of well-known cost benefits to renewable energy electricity generation facilities.

Finally, as Dominion Energy is a regulated monopoly provider of electricity services in the Commonwealth of Virginia, such monopoly status permits their operation without competition in the provision of electricity generation, transmission, and distribution in their geographic service territories. Section §56-577 of the Code of Virginia does provide a limited number of exceptions to Dominion Energy's monopoly rights whereby customers may elect to competitively shop for electricity generation services for purposes of cost savings or other priorities such as mitigation of greenhouse gas emissions. One such exception allows customers to elect "to purchase electric energy provided 100 percent from renewable energy from any supplier of electric energy licensed to sell retail electric energy with the Commonwealth...if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy..." Ultimately, should the SCC approve Dominion Energy's Rider TRG program, further limits will be placed on customers, beyond those that already exist, to restrict customers - including local governments - potential pathways to meet renewable energy and greenhouse gas emission reduction goals. In addition, any of the emerging cost benefits from renewable energy electricity supply would be inaccessible. Dominion Energy's Rider TRG would impose these restrictions while offering an inferior program offering that does not support the outcomes the City aims to achieve.

The City's Environmental Action Plan 2040 (EAP2040) includes legislative priorities to support policy and regulatory activities relevant to identifying and creating opportunities to reduce greenhouse gas emissions (GHG) associated with community energy use, as well as "lobby for bills [or address regulatory efforts] that expand renewable energy purchasing by the community or utility community...[that] grant Alexandria authority to undertake energy and transportation initiatives to reduce GHG emissions that are currently prohibited by state law." In addition to legislative priorities, the EAP2040 actions 2.1.3 and 2.1.5 recommend the City purchase renewable energy electricity for a substantial portion of our overall electricity supply. Moreover, EAP2040 Action 2.3.5 recommends to "implement policies and programs to support a full suite of community energy efficiency, building electrification, transition from fossil fuels, and community renewable energy supply." Should the SCC approve Dominion Energy's Rider TRG program, many of the options to pursue such actions would be rendered inaccessible.

By submitting comments to the SCC case, the City is able to support its own interests as outlined by its priorities in the EAP2040, but also support the interests of residential, commercial, and institutional members of the Alexandria community in ways that they may meet their own renewable energy and greenhouse gas emissions goals.

Several corporate customers, including Walmart, a corporate renewable energy buyers consortium, a coalition of industry advocacy and business groups, environmental advocates, and others are participating in the case. Other cities and counties from around the Commonwealth that are in Dominion Energy's territory are also considering submitting comments.

Pre-filed testimony from case participants, SCC Staff, and Dominion Energy are still in process of being submitted to the case file. As such, to provide the most informed comments possible that reflect the interests of the various directly-intervening parties, City Staff will complete final comments once all information is available for review after November 12, 2019.

The SCC is accepting pre-filed public comments until November 14, 2019. A public hearing will be held on November 21, 2019 before a hearing examiner. Subsequent case actions will be determined by the Hearing Examiner and the SCC Commissioners.

FISCAL IMPACT: There is no financial cost to submit public comments to a State Corporation Commission case. Only resources being used include existing City staff time and effort to evaluate and publish comments.

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