

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 24, 2022

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

2022 JUN 24 A 9:39
CASE NO. PUR-2021-00291

For approval and certification of electric transmission facilities: Line #2011 Extension from Cannon Branch to Winters Branch

FINAL ORDER

On December 16, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in the City of Manassas and Prince William County, Virginia (collectively, the "Manassas Airport Area"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, Dominion proposes to complete the following, which is collectively referred to as the "Project":

- remove approximately 0.06 mile of the existing 230 kilovolt ("kV") Line #2011 termination between Cannon Branch Substation and Structure #2011/68;
- construct a new approximately 1.05-mile segment of 230 kV Line #2011 starting south of Cannon Branch Substation and terminating at Winters Branch Substation in a newly acquired, variable width right-of-way expansion, ranging in width from 50 to 120 feet, parallel and to the south and east of the existing, variable width right-of-way (ranging in width from 60 to 120 feet) containing 230 kV Lines #2195 and #2148 ("Line #2011 Extension"). Specifically, for the Line #2011 Extension, the Company proposes to extend a third 230 kV source to Winters Branch by extending existing Line #2011 (Clifton-Cannon Branch) to terminate at Winters Branch Substation, which would create new Line #2011 (Clifton-Winters Branch); and

- perform related work at (1) the Company's existing Cannon Branch Substation to support the line extension to Winters Branch Substation and (2) the Company's existing Winters Branch Substation to support the new line rating.¹

The Company represents that the Project is necessary to maintain reliable service for the overall growth in the area and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.² The Company further represents that the Company anticipates extensive growth in the Manassas Airport Area over the next 5 to 10 years as many large parcels in the area are currently owned or under contract by data center developers.³ The Company states that it anticipates an excess of 300 megawatts ("MW") of total load in the Manassas Airport Area by 2023.⁴ Dominion further states that the five substations in the Manassas Airport Area have been or will be energized to serve data center campuses in addition to City of Manassas Electric's Airport Delivery Point ("DP").⁵ According to the Company, the proposed Project is necessary to meet load requirements and can serve future load growth in the Manassas Airport Area, which will in turn facilitate economic growth in the Commonwealth.⁶

In addition to the proposed Project, the Company states that it plans to convert the existing 115 kV Line #172 (Liberty-Lomar) and Line #197 (Cannon Branch-Dominion DP-Lomar DP) by extending a third 230 kV source between Liberty and Cannon Branch.⁷ The

¹ Ex. 2 (Application) at 2.

² *Id.* at 2-3.

³ *Id.* at 3.

⁴ *Id.*; Ex. 2 (Appendix) at 17-18.

⁵ Ex. 2 (Application) at 3; Ex. 2 (Appendix) at 3.

⁶ Ex. 2 (Application) at 3.

⁷ *Id.* at 2, n.1.

Company refers to this undertaking as the "Conversion Project."⁸ The Company asserts that, because there is no line work between the stations and DPs, and generally the stations and DPs are not located near each other (with one noted exception), the Company views the station/DP and line work at each discrete location as a separate project that is an "ordinary extension" or "improvement in the usual course of business" (or "ordinary course") under Code § 56-265.2 A 1.⁹

The Company states that the desired in-service date for the Project is December 29, 2023.¹⁰ The Company represents that the estimated conceptual cost of the Project (in 2021 dollars) is approximately \$11.7 million, which includes approximately \$10.4 million for transmission-related work and approximately \$1.3 million for substation-related work.¹¹

On January 20, 2022, the Commission issued an Order for Notice and Hearing which, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Commission's Staff ("Staff") to investigate the Application and file its testimony and exhibits; and appointed a Hearing Examiner to conduct all further proceedings in this matter. No comments or notices of participation were filed.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at 3.

¹¹ *Id.* at 4.

On March 18, 2022, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the Project.¹² Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.¹³

Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On March 21, 2022, the Commission received the report filed by DEQ ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ's Office of Wetland and Stream Protection.¹⁴ The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. According to the DEQ Report, the Company should:

1. Conduct an on-site delineation of all wetlands and stream crossings within the Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams.
2. Follow DEQ's recommendations regarding air quality protection, as applicable.
3. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable.
4. Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage on its recommendations to protect listed species and coordinate on project updates.
5. Contact the Virginia Outdoors Foundation for additional review if the Project area changes or if this Project does not begin within 24 months.

¹² Ex. 11 (Joshapura Direct) at Staff Report, p. 15.

¹³ *Id.* at Staff Report, pp. 15-16.

¹⁴ Ex. 12 (DEQ Report).

6. Coordinate with the Virginia Department of Health, as necessary, regarding its recommendation to protect water supplies.
7. Follow the principles and practices of pollution prevention to the maximum extent practicable.
8. Limit the use of pesticides and herbicides to the extent practicable.¹⁵

On March 31, 2022, the Company filed rebuttal testimony. In its rebuttal testimony, Dominion supported the conclusion in the Staff Report and addressed a specific recommendation in the DEQ Report pertaining to environmental concerns.¹⁶ Dominion requested that the Commission reject the recommendation in the DEQ Report that the Company consider development of an effective Environmental Management System ("EMS").¹⁷ Dominion states that it already has a comprehensive EMS Manual in place "that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance, consistent with the Company's core values."¹⁸

Due to the ongoing public health concerns related to the spread of COVID-19, a hearing for the receipt of testimony from public witnesses was scheduled to be held telephonically on April 12, 2022, but was subsequently canceled when no one signed up to testify as a public witness.¹⁹ The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 13, 2022. The Company and Staff participated at the hearing.

¹⁵ Ex. 12 (DEQ Report) at 6.

¹⁶ Ex. 13 (Studebaker Rebuttal) at 2-3.

¹⁷ *Id.* at 3; Ex. 12 (DEQ Report) at 19.

¹⁸ Ex. 13 (Studebaker Rebuttal) at 4.

¹⁹ Tr. 5.

On April 14, 2022, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found, based on applicable law and the record in this proceeding: (i) the proposed Project is needed to address projected load growth that results in a 300 MW load drop violation of Dominion's transmission planning criteria used to comply with mandatory federal reliability standards; (ii) existing rights-of-way cannot adequately serve the identified need; (iii) the Project would avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic districts, and environment of the area concerned; (iv) the unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval; (v) it is not necessary to direct Dominion to develop an EMS; (vi) the Project does not appear to adversely impact any goals established by the Virginia Environmental Justice Act ("VEJA"); and (vii) the Project would support economic development.²⁰ The Hearing Examiner recommended that the Commission enter an order that: adopts the findings in the Report; authorizes the Company to construct and operate the Project, subject to the findings and conditions recommended in the Report; issues appropriate CPCNs for the Project; and dismisses this case.²¹

On April 28, 2022, the Company filed its comments to the Report in which the Company stated that it supports the Report's findings and recommendations and requested that the Commission adopt the Report and approve the Application.²²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The

²⁰ Report at 16-17.

²¹ *Id.* at 17.

²² Dominion Comments at 2.

Commission finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct, enlarge, or acquire . . . facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably

practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

Dominion represents that the Project is necessary in order to maintain reliable service for the overall growth in the area and to comply with mandatory NERC Reliability Standards.²³ The Company further represents that the Project is needed to meet load requirements and can serve future load growth in the Manassas Airport Area, which will, in turn, facilitate economic growth in the Commonwealth.²⁴ Staff believes that the Conversion Project and the Project are both needed for NERC compliance and to serve the Manassas Airport Area in a manner consistent with the Company's Electric Transmission Planning Criteria.²⁵ Staff concluded that the Company has reasonably demonstrated the need for the Project.²⁶ Staff further concluded that the proposed Project avoids or minimizes impact on existing residences, scenic assets, historic

²³ See Ex. 2 (Application) at 2.

²⁴ *Id.* at 3.

²⁵ Ex. 11 (Joshipura Direct) at Staff Report, p. 8. Staff agreed, based on the information provided by the Company, that the Conversion Project can be considered an ordinary extension or improvement in the usual course of business; therefore, the Conversion Project does not require a CPCN. *Id.*

²⁶ See *id.* at Staff Report, p. 15.

resources, and the environment, and also that the Application does not appear to adversely impact any goal established by VEJA.²⁷ The Commission finds that the Company has reasonably demonstrated reliability needs justifying the Project to address projected load growth in the Manassas Airport Area.

Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will maintain transmission system reliability by accommodating projected data center load growth; therefore, the Project promotes economic development.²⁸

Rights-of-Way and Routing

The Project will require a new ROW expansion, which will be parallel to an existing ROW.²⁹ Staff explains that, according to the Company, the existing ROW varies in width to avoid a portion of a building, and also because the alignment relative to the property line did not justify a consistent width.³⁰ The Company has represented that the new ROW has a variable width to match up with the existing ROW and create a standard, balanced width for the Project.³¹

²⁷ *Id.*

²⁸ *See* Ex. 2 (Application) at 3.

²⁹ *Id.* at 4.

³⁰ Ex. 11 (Joshipura Direct) at Staff Report, p. 10 (citing the Company's response to Staff Interrogatory No. 1-9).

³¹ *Id.*

The Commission finds that Dominion has established that existing rights-of-way cannot adequately serve the needs of the Company.³²

Impact on Scenic Assets and Historic Districts

The Commission finds that the route of the Project would avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources, and environment of the area concerned, as required by § 56-46.1 B of the Code.³³

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration. The Company opposed one such recommendation in its rebuttal testimony.

Dominion requested that the Commission reject the recommendation in the DEQ Report that the Company consider development of an effective EMS as unnecessarily duplicative.³⁴

³² See Report at 15. As described by the Hearing Examiner, the existing right-of-way between Cannon Branch and Winters Branch is only 60-feet wide at its narrowest and the existing structures have no room for an additional circuit. The Hearing Examiner further described that the existing right-of-way is bounded by a railroad to the north-northwest and Route 234 to the west-southwest. *Id.*

³³ See *id.*

³⁴ Ex. 13 (Studebaker Rebuttal) at 4.

Dominion states that it already has a comprehensive EMS Manual in place.³⁵ The Commission agrees with the Hearing Examiner that this recommendation is unnecessary and should not be adopted, consistent with recent Commission precedent.³⁶

The Commission finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."³⁷ As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."³⁸

We agree with the Hearing Examiner that the Project does not appear to adversely impact the goals established by the VEJA, and that the record demonstrates that the environmental

³⁵ *Id.*

³⁶ Report at 15.

³⁷ Code § 2.2-235.

³⁸ Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *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, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *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, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

impact of the Project is minimal.³⁹ We direct Dominion to continue to engage environmental justice communities and others affected by the Project in a manner that allows them to meaningfully participate in the Project development and approval process.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-PRW-2022-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the City of Manassas and Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00291, cancels Certificate No. ET-105af, issued to Virginia Electric and Power Company in Case No. PUR-2019-00128 on June 2, 2020.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, mike.cizenski@scc.virginia.gov.

³⁹ Report at 16.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 29, 2023. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.