Surry-Skiffes Creek-Whealton NAO-2012-0080113-V0408

Need for the proposed Surry-Skiffes-Whealton Project must be, and has been, properly determined in accordance with mandatory federal transmission planning and modeling reliability standards established by the North American Electric Reliability Corporation (NERC) and approved by the Federal Energy Regulatory Commission.

Regarding "Dominion's Proposed 'Surry-Skiffes Creek Project' – Issues and Alternatives," prepared by National Parks Conservation Association and Princeton Energy Resources International dated November 13, 2015 ("PERI Comments"):

PERI Comments assert that PJM's Regional Transmission Expansion Plan (RTEP) methodology for projecting future load growth should be rejected and replaced by a purported "Revised Peak Load Forecast" developed by the authors -- using protocols and inputs other than those required by the NERC Reliability Standards.

- PJM studies continue to validate the need for the Project.
    - The project continues to be needed even considering the updated load forecasts in the recently released 2016 PJM Load Forecast Report.
    - Based on recently updated analysis, the reliability criteria violations are expected to occur immediately following the retirement of Yorktown Units 1 and 2.
    - The need is further validated when analyzing the actual customer load that currently exists on the Peninsula.
    - "The current Skiffes Creek 500kV project is the most effective and efficient solution to address the reliability criteria violations." (January 26, 2016 Steven R. Herling, Vice President – Planning, PJM)
- Dominion's recently prepared power flow studies continue to indicate NERC criteria violations following the retirement of Yorktown Units 1 & 2. (Studies conducted January 2016 using 2016 PJM Load Forecast Report)
- The only appropriate and adequate way to assess the reliability of the transmission grid is through a comprehensive computer model to insure that the grid can meet the voltage and current levels required by existing and projected customer demand. The PERI Comments fail to recognize, as required by Virginia law, the Virginia SCC and its independent expert consultants verified the power flow studies and modeling algorithms used to develop them.
- Any difference between forecasted and actual loads in the North Hampton Roads Load Area (NHRLA) is essentially an academic exercise because, as stated in Section 3.1.3 of the Stantec Alternatives Analysis (filed January 8, 2015), existing system load in the NHRLA already exceeds the capability of the transmission system without Yorktown Units 1 and 2.
- The PERI comments do not realize the construct of the revised PJM forecast. The results of demand-side management and solar PV resources are already accounted for in the transmission planning process that produced the Proposed Project. In addition, due to the retirement of the Yorktown units, demand-side management and solar resource assumptions do not diminish the need for the Surry-Skiffes Creek project at 500kV capacity.
- The PERI Comments overlook the fact Dominion is legally required to meet federal NERC standards and regulations and does not have discretion to follow alternatives such as the "Revised Peak Load Forecast" methodology suggested by the PERI authors.

PERI Comments request another "re-evaluation" of alternatives, including the use of submarine cable.

- As previously noted, the need for the Skiffes Creek project has been re-evaluated and is still needed at 500kV. Other alternatives reviewed do not satisfy the NERC mandatory standards nor serve the long-term reliability needs of the 580,000 people residing in the NHRLA.
- Demonstrates the authors' unawareness of the extensive evidence on the subject of Alternatives previously considered by regional and state authorities and the US Corps of Engineers.
- None of the submarine HVAC lines referenced in the Comments can provide even half of the transmission capacity required to meet the NERC Reliability Standards upon retirement of Yorktown Units 1 and 2.

PERI Comments assert Yorktown Unit 3 could provide an adequate, "temporary" generation source.

- Yorktown Unit 3 (oil-burning) is scheduled for retirement by 2020 and is not a viable long-term alternative due to environmental operating limitations. Unit 3 ran at 100% capacity only five to eight days each year between 2012 and 2014. With a capacity factor limitation of 8% on a two-year rolling average, imposed by the Mercury and Air Toxics Standards (MATS) rule, Unit 3 operations are limited to an average of 29 days annually.
- The evaluation of the past performance of the Yorktown units in the PERI Comments was incomplete and conveyed the wrong conclusions. The fact that units at Yorktown were required while customer demand levels were far below actual system peaks indicates significant reliability issues in the NHRLA once the units at Yorktown are no longer in operation.

PERI Comments question the significant reliability consequences of failing to energize the Project prior to Yorktown Units 1 and 2 retiring, occurring no later than April 2017.

- Under certain conditions, system load can exceed limits which create the possibility of rolling blackouts. Blackouts could occur with or without advanced warning depending on the circumstances. As noted in the Stantec Report Section 3.1.3 (page 3.10) "pre-contingency" load shedding was estimated to be in the range of 220-240 MW with an additional 30% of customer demand needing to be dropped post contingency. This preliminary analysis done in the Fall of 2014 and since that time, Dominion's and PJM's system operations groups have planned for operating scenarios where pre-contingency load shedding is necessitated by the proposed Project not being in-service prior to the retirement of Yorktown Units 1 and 2. For several of these expected operating conditions the system operations groups have determined that up to 375 MW of load on a pre-contingency basis may need to be dropped to maintain the operation of the NHRLA transmission grid within a stable operating point.

PERI Comments suggest the need for an Environmental Impact Statement (EIS).

- An EIS is not a requirement for this project. Given the extensive work performed by the Corps to date, there is no practical distinction between an EA and EIS for this project, and the preparation of an EIS at this point will add no additional information or analysis and is unnecessary. Moreover an EIS will result in delay and the additional risk of rolling blackouts which pose a very real and significant impact to the human environment.

- Since it issued its initial public notice on August 28, 2013, the Corps has been thoroughly evaluating the project, its alternatives, the resources it will impact, the number and severity of the impacts and possible mitigation. During this time the Corps has evaluated nearly two dozen alternatives to the project against the purpose and need of the Project as well as the effects the Project will have on aquatic resources, endangered species, and cultural resources. As reflected on the Corps website for this project, its evaluation has been in consultation with local state and federal governmental agencies and consulting parties who have been afforded frequent and ample opportunities to raise concerns and provide their considerable expertise on the relevant environmental, historical and cultural issues.