

Chesterfield Energy Reliability Center

Frequently Asked Questions

What is Chesterfield Energy Reliability Center?

Chesterfield Energy Reliability Center (CERC) will consist of four, 250 MW combustion turbines that will be able to generate up to 1,000 MW- enough to power up to 250,000 homes. CERC will have dual-fuel capability allowing it to run off natural gas or fuel oil. It is also being designed to potentially use a hydrogen-natural gas blend in the future.

Why is Chesterfield Energy Reliability Center Needed?

As we remain committed to both providing reliable power to our customers and using increasingly clean energy to do so, customer demand for power continues to increase not decrease. CERC will partner with cleaner generation sources by providing “always-ready” dispatchable power when other facilities need help doing so as it will have the ability to start quickly when needed and stopped just as quickly when no longer needed.

How Will the Local Community Benefit from CERC?

First and foremost, the community will benefit from continued reliable power they expect and deserve. Keeping the lights on is critically important as it is the most vulnerable community members who suffer the most when the power goes out.

The community will also benefit from increased job opportunities, economic activity, and tax revenues. According to a third-party report produced by Mangum Economics in April 2023, over 540 new jobs will be created, over \$53 million will be spent in local economic activity, and \$2.2 million in state and local taxes will be paid during construction. Once CERC becomes operational it will create 35 direct and indirect jobs, \$25 million in annual local economic activity, and \$142.6 million in new tax revenue.

Can Renewables and Battery Storage be Used Instead of CERC?

For us, it is not a one-or-the-other, but “everything.” All types of generation have their own unique strengths and weaknesses, which is why we are focusing on using diverse types of generation to ensure reliable power is available around-the-clock for our customers. Our current generation portfolio includes seven carbon-free nuclear units, four of the most modern combined-cycle natural gas facilities, the largest hydroelectric pumped storage facility in the Western Hemisphere, and a rapidly growing portfolio of renewable generation including the largest offshore wind project (in construction) and the third largest solar portfolio (operating and planned) in the U.S.

Simply, offshore wind only provides power approximately 50% of the time and solar up to 25% of the time meaning both would need to be paired with battery storage to provide power at any given time. Utility-scale battery storage is still an emerging

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technology and current technologies are typically sized to provide power for up to only four hours. That is not enough to power our customers throughout the night. These types of generation also take up much greater land space.

Facilities such as CERC, which use natural gas and fuel oil, are beneficial in that they have a quick response time and can provide reliable service at any time of day or night. They can go from offline to online providing electricity within approximately 10 minutes, offering power for as long or as short as needed.

How Does CERC Comply with Virginia's Clean Energy Goals, Including the VCEA?

We recognize that the path to meeting Virginia's clean energy goals will be challenging, but our commitment remains unwavering. The VCEA includes three major provisions to advance Virginia's clean energy goals- specific amounts of solar, offshore wind, and battery storage must be developed by 2035, specific amounts of Renewable Energy Credits (RECs) must be obtained annually to comply with the Renewable Portfolio Standard (RPS) Plan, and the retirement of all carbon-emitting power plants by 2045 unless they are needed to maintain grid reliability. Our rapidly growing portfolio of renewable generation including Coastal Virginia Offshore Wind, the largest offshore wind project (in construction), and the third largest solar portfolio (operating and planned) in the U.S.

As we continue to grow our clean energy portfolio, our primary focus must be reliably and affordably serving our customers everyday- including today, tomorrow, and the hottest and coldest days of the year. To ensure we can do this, the Virginia Clean Economy Act (VCEA) allows us to petition the Virginia State Corporation Commission to keep certain power stations operating beyond 2045 to support grid reliability, aka keeping the lights on. If, in the future, it is determined that CERC will continue to be needed to maintain grid reliability beyond 2045 we would petition the SCC at that time.