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Application of Virginia Electric and Power Company
For approval of a 100 percent renewable energy tariff, designated Rider TRG,
pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia
Case No. PUR-2019-00094

Dear Mr. Peck:

Enclosed for electronic filing in the above-captioned proceeding, please find the *Application of Virginia Electric and Power Company, For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia.*

Please do not hesitate to contact me if you have any questions.

Best regards,

Elaine S. Ryan

enc.

cc: William H. Chambliss, Esq.
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Lisa S. Booth, Esq.
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Sarah R. Bennett, Esq.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF	)	
	)	
VIRGINIA ELECTRIC AND POWER COMPANY	)	
	)	Case No. PUR-2019-00094
For approval of a 100 percent renewable energy tariff, designated Rider TRG, pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia	)	

APPLICATION OF VIRGINIA ELECTRIC AND POWER COMPANY

Pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia ("Va. Code" or "Code"), as applicable, and Rule 80 A of the Rules of Practice and Procedure of the State Corporation Commission of Virginia (the "Commission"), 5 VAC 5-20-80 A, Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company"), by counsel, hereby files its application ("Application") for approval of a 100 percent renewable energy tariff, designated Rider TRG, whereby participating customers can voluntarily elect to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources. The Company further respectfully requests approval of the Application no more than six months from the date of filing for the reasons discussed below. In support of this Application, the Company states as follows:

I. GENERAL INFORMATION

1. Dominion Energy Virginia is a public service corporation organized under the laws of the Commonwealth of Virginia furnishing electric service to the public within its certificated service territory. The Company also supplies electric service to non-jurisdictional customers in Virginia and to the public in portions of North Carolina. The Company is engaged in the business of generating, transmitting, distributing, and selling electric power and energy to the public for compensation. The Company also is a public utility under the Federal Power Act,

and certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission. The Company is an operating subsidiary of Dominion Energy, Inc.

2. The Company's name and post office address are:

Virginia Electric and Power Company
120 Tredegar Street
Richmond, Virginia 23219

3. The names, post office addresses, and telephone numbers of the attorneys for the Company are:

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II. BACKGROUND AND AUTHORITY

4. As a matter of public policy, Va. Code § 56-577 A 5 ("Subdivision A 5") promotes the availability of 100 percent renewable energy for individual retail consumers of electric energy in the Commonwealth, and recognizes that such an offering may be provided by the incumbent electric utility serving the exclusive franchise territory in which such customers are located. Specifically, Subdivision A 5 recognizes that an incumbent electric utility may offer

its retail electric customers "electric energy provided 100 percent from renewable energy" pursuant to an approved tariff.

5. Va. Code § 56-576 defines the term "renewable energy" as it is used in Subdivision A 5:

> energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

6. The Commission has clarified three basic principles to inform its analysis of a 100 percent renewable tariff under Subdivision A 5:

> First, to be just and reasonable, the proposed tariff should include safeguards that hold non-participating customers substantially harmless.
>
> Second, the tariff must supply the customer's full load requirements with electric energy provided 100 percent from "renewable energy" as defined by statute.
>
> Third, the rates under such tariff should be reasonable for purposes of the renewable energy product that is being supplied.[1]

As to the second principle, the Commission has found that "it is reasonable, for purposes of supplying 100 percent renewable energy under this statute, to match renewable generation with a participating customer's load on a *monthly* basis."[2]

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[1] *Application of Appalachian Power Company, For approval of a 100% renewable energy rider pursuant to § 56-577 A 5 of the Code of Virginia*, Case No. PUR-2017-00179, Order Approving Tariff at 4-5 (Jan. 7, 2019) (footnotes omitted) [hereinafter *APCo Order*].
[2] *APCo Order* at 5-6 (emphasis in original).

7. Va. Code § 56-234 A provides that "[i]t shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring the same."

8. In addition, Va. Code § 56-234 B provides that:

> It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest.[3]

9. In order to better meet the needs and interests of its customers desiring renewable energy, and consistent with the public policy underlying Va. Code § 56-577 A 5 as well as the 100 percent renewable tariff framework approved by the Commission in Case No. PUR-2017-00179, the Company is proposing Rider TRG for approval by the Commission.

III. RIDER TRG

10. The Company is proposing a new voluntary tariff whereby participating customers can elect to purchase 100 percent of their energy and capacity needs sourced from qualifying renewable energy resources.

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[3] The Company is not proposing an experimental rate. However, to the extent that Va. Code § 56-234 B is found to be applicable to the Company's Application, Rider TRG is in the public interest for the reasons stated herein. Further, should the Commission approve Rider TRG as an experimental rate under Va. Code § 56-234 B, it is the Company's position that it also would qualify as "approved tariff for electric energy provided 100 percent from renewable energy" under Va. Code § 56-577 A 5. *See also Application of Virginia Electric and Power Company, For approval of 100 percent renewable energy tariffs for residential and non-residential customers pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia*, Case No. PUR-2017-00157, Report of Alexander F. Skirpan, Jr., Senior Hearing Examiner at 48 (Dec. 14, 2018) ("[U]nless the Commission makes a finding that the Rate Schedules CRG–S do not constitute the provision of 100 percent renewable energy, then, the experimental rates would meet the 'approved tariff' language of Subsection A 5 . . . .").

11. On January 7, 2019, the Commission approved a voluntary 100 percent renewable energy tariff filed by Appalachian Power Company ("APCo") under Subdivision A 5 in Case No. PUR-2017-00179 (the "*APCo Order*"). The *APCo Order* contained significant guidance regarding the Commission's evaluation of utility-offered 100 percent renewable energy tariffs under Va. Code §§ 56-234 A and 56-577 A 5. With this Application, the Company is proposing a 100 percent renewable energy tariff that is structured, and that would operate and function, in the same manner as the 100 percent renewable energy tariff approved in the *APCo Order.*

A. Rider TRG Portfolio

12. Rider TRG customers will receive 100 percent of their energy and capacity from a portfolio of resources owned or contracted for by the Company that meet the definition of renewable energy in Va. Code § 56-576 (the "TRG Portfolio"). As proposed, the TRG Portfolio would currently include the following resources: Scott, Whitehouse, and Woodland (*i.e.*, US-2) solar facilities; Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements ("PPAs"); Gaston and Roanoke Rapids hydro facilities; and, Altavista, Hopewell, Southampton, and Virginia City Hybrid Energy Center ("VCHEC")[4] biomass units.

13. The Company is committed to owning and contracting for a significant amount of renewable energy in the coming years as system resources that will be available to include in the TRG Portfolio. Once these facilities begin commercial operations, they could be added to the TRG Portfolio.

14. As proposed, the Company expects that the TRG Portfolio will be able to meet the capacity and energy requirements of approximately 50,000 residential customers or their

[4] VCHEC (610 megawatts) is designed to co-fire with biomass fuel. The percentage of renewable biomass fuel consumed is expected to increase to 10% by 2023. Under Va. Code § 56-576, the term "renewable energy" includes the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

commercial equivalent. As the Company continues to develop and contract for new renewable generation, the number of customers able to be served under this program will continue to increase.

15. The Company will manage Rider TRG subscriptions to provide enough energy and capacity within the existing TRG Portfolio to handle deviations from expected portfolio generation or expected customer load. On a monthly basis, the Company will compare the subscribed customer load to the monthly generation by the TRG Portfolio and ensure that the generation exceeds the load, with a reasonable margin for deviations.

16. The Company will retire the renewable energy certificates ("RECs") associated with each megawatt-hour ("MWh") generated by the TRG Portfolio that the Company sells to participating customers. To the extent the portfolio produces more RECs in any given month than participating customer load, those RECs will be handled as they are today, either retired for other purposes (*e.g.*, to meet the voluntary Virginia renewable portfolio standard) or sold into the market.

B. Rider TRG Rate

17. Customers electing to participate in Rider TRG will pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of RECs as a proxy for this premium. The weighted average value of the RECs produced by the current TRG Portfolio in 2018 was $4.21/MWh. This represents a premium over standard service of 3.6% for participating customers. The Company will update the Rider TRG premium on an annual basis to ensure that the premium reflects current market value. The premium will be calculated by reviewing the generation and market value of RECs for the renewable resources in the Rider TRG Portfolio in the prior year and calculating a weighted average.

18. Participating customers also will pay a balancing charge that credits the generation component of base rates, fuel, and generation riders in amounts to hold non-participants substantially harmless. The balancing charge will incorporate new generation riders as they are approved.

19. Customers electing to participate in Rider TRG will continue to pay their standard tariff for all wires-related charges for transmission and distribution service. Participating Rider TRG customers also will be subject to any existing and future distribution and transmission riders, unless otherwise exempt.

20. For a typical residential customer using 1,000 kilowatt-hours ("kWh"), selecting 100 percent renewable energy provided by the Company at the fixed rate of 0.421¢/kWh under Rider TRG would result in an increase to the monthly bill of $4.21.

C. Eligibility, Enrollment, Terms, and Education

21. To be eligible to receive service under Rider TRG, customers must have a peak demand of less than five megawatts in the most recent twelve-month billing period prior to electing service under Rider TRG.

22. Customers will be able to make enrollment selections through the Company's typical program enrollment channels. The Company will maintain a dedicated Rider TRG program website to provide information to prospective customers and other stakeholders. Additionally, the Company will ensure that customer service representatives are equipped with Rider TRG program information, and that other Company representatives will be available to provide additional detail should customers have more in-depth questions.

23. The Company will not require customers to enter into contracts to participate in the voluntary Rider TRG. The Company will only require that customers give 30 days' notice to initiate and terminate service under Rider TRG.

D. Rider TRG Is Just, Reasonable, and in the Public Interest

24. The rate for Rider TRG is just and reasonable because it is a premium over standard tariff based on the prevailing market value of wholesale retail renewable energy, using the market cost of RECs as a proxy for this premium. Additionally, non-participating customers will not be required to pay for, or subsidize, the costs to serve the Rider TRG customers; like the tariff approved in the *APCo Order*, Rider TRG is designed to hold non-participating customers substantially harmless. The rates for distribution service and transmission service will be unaffected by Rider TRG—customers participating in Rider TRG will continue to pay the distribution service and transmission service as set forth in their principal tariff.

25. Rider TRG proposes a similar premium, linked with the payment of standard wires charges and a balancing charge, as the Commission recently approved in the *APCo Order.* This structure does not result in aggregate revenues that exceed aggregate costs plus a fair return, and is reasonable when compared to the premium approved in the *APCo Order*, as well as the other proxies the Commission found to be appropriate points of comparison. For example, the National Renewable Energy Laboratory publishes an annual report entitled "Status and Trends in the U.S. Voluntary Green Power Market." The most recent report published in October 2018, which includes data through 2017, showed the average premium over standard service for green pricing programs to be $19/MWh for residential customers and $13/MWh (large programs) or $22/MWh (small programs) for non-residential customers. These average premiums represent a three to five times increase over the Company's proposed Rider TRG premium.

26. The implementation of Rider TRG is in the public interest because it is consistent with, and promotes, the policies set forth in Subdivision A 5. Subdivision 56-577 A 5 promotes the availability of 100 percent renewable energy for individual retail consumers of electric energy in the Commonwealth, and recognizes that such an offering may be provided by the incumbent electric utility serving the exclusive franchise territory in which such customers are located. The Company's proposed Rider TRG will advance this public policy objective by providing customers access to 100 percent renewable energy supplied directly from the Company. The Company will assemble a portfolio of qualifying renewable resources to meet 100 percent of the generation component of participating customers' electricity supply service energy and capacity needs on a monthly basis at just and reasonable rates.

27. The proposed Rider TRG is also in the public interest because it furthers the Commonwealth Energy Policy stated in Va. Code §§ 67-101 and 67-102. The Company will endeavor to use new renewable energy resources located within the Commonwealth for future expansion of the TRG Portfolio to the extent such resources are available and cost-effective. The Company's offering of Rider TRG and the development of the TRG Portfolio will support the objectives under § 67-101 to increase Virginia's reliance on sources of energy that, compared to traditional energy resources, are less polluting of the Commonwealth's air and water. In addition, the Company's provision of Rider TRG is consistent with the goals under § 67-102 to "[s]upport research and development of, and promote the use of, renewable energy sources;" and to "[p]romote the generation of electricity through technologies that do not contribute to greenhouse gases and global warming."

28. Implementation of Rider TRG also is in the public interest because it is consistent with the goals of the Virginia Energy Plan to accelerate the development of renewable energy sources in Virginia to ensure a diverse fuel mix and promote long-term economic health.

IV. REQUEST FOR APPROVAL

29. Rider TRG is consistent with the policies set forth in Subdivision A 5, which promote the availability of 100 percent renewable energy for individual retail consumers of electric energy in the Commonwealth.

30. With this Application, the Company seeks to offer a 100 percent renewable energy tariff that would be structured, and that would operate and function, in the same manner as the 100 percent renewable energy tariff approved in the *APCo Order*.

31. To facilitate the availability of 100 percent renewable energy for retail customers in the Commonwealth in an expeditious manner, the Company respectfully requests approval of this Application no more than six months from the date of filing.

V. CONCLUSION

32. Pursuant to Va. Code §§ 56-577 A 5 and 56-234, as applicable, the Company is proposing a voluntary tariff, designated Rider TRG, whereby participating customers can elect to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources.

33. In support of this Application, the Company is submitting the direct testimonies of Company Witnesses Robert J. Trexler and James M. Billingsley.

WHEREFORE, the Company respectfully requests that the Commission issue an order no more than six months from the date of this filing: (i) approving Rider TRG as a 100 percent

renewable energy tariffs under Va. Code § 56-577 A 5; and, (ii) granting such other relief as deemed appropriate and necessary.

Respectfully submitted,

By: _____
Counsel

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Counsel for Virginia Electric and Power Company

May 31, 2019

WITNESS DIRECT TESTIMONY SUMMARY
CASE NO. PUR-2019-00094

Witness: Robert J. Trexler

Title: Director of Regulation

Summary:

Company Witness Robert J. Trexler presents testimony in support of the Company's application ("Application") for approval of a 100 percent renewable energy tariff for residential and non-residential customers, designated 100 Percent Total Renewable Generation Rider ("Rider TRG"), whereby participating customers voluntarily can elect to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources.

As explained by Mr. Trexler, the Company is filing its Application pursuant to Va. Code § 56-577 A 5 ("Subdivision A 5"), which promotes the availability of 100 percent renewable energy for individual retail consumers of electric energy in the Commonwealth, and recognizes that such offerings may be provided by the incumbent electric utility serving the exclusive franchise territory in which such a customer is located. Specifically, Subdivision A 5 recognizes that an incumbent electric utility may offer its retail electric customers "electric energy provided 100 percent from renewable energy" pursuant to an approved tariff. Mr. Trexler describes Appalachian Power Company's 100 percent renewable tariff recently approved by the Commission under Subdivision A 5 (the "*APCo Order*"), and explains that with Rider TRG the Company is proposing a 100 percent renewable energy tariff that is structured, and that would operate and function, in the same manner as the 100 percent renewable energy tariff approved in the *APCo Order*.

To be eligible to receive service under Rider TRG, customers must have a peak demand of less than five megawatts ("MW") in the most recent twelve-month billing period prior to electing service under Rider TRG. Customers electing to participate in proposed Rider TRG will pay a fixed rate premium of 0.421¢/kWh, or $4.21/MWh. Additionally, participating customers will pay a balancing charge that credits the generation component of base rates, fuel, and generation riders in amounts to hold non-participants substantially harmless. The balancing charge will incorporate new generation riders as they are approved. Finally, customers electing to participate in Rider TRG will continue to pay their standard tariff for all wires-related charges for transmission and distribution service. As a result of the balancing charge and the Rider TRG premium to be paid by participating customers, non-participating customers will be held substantially harmless. The weighted average value of RECs produced by the TRG Portfolio is currently $4.21/MWh. Therefore, for a typical residential customer using 1,000 kWh, selecting 100 percent renewable energy provided by the Company at the fixed rate of 0.421¢/kWh under Rider TRG would result in an increase to the monthly bill of $4.21.

Mr. Trexler submits that the rate for 100 percent renewable generation offered by the Company under Rider TRG is just and reasonable because the premium over the standard tariff is based on the prevailing market value of wholesale retail renewable energy, using the market cost of RECs as a proxy for this premium. Additionally, non-participating customers will not be required to pay for, or subsidize, the costs to serve the Rider TRG customers; like the tariff recently approved in the *APCo Order*, Rider TRG is designed to hold non-participating customers substantially harmless.

DIRECT TESTIMONY
OF
ROBERT J. TREXLER
ON BEHALF OF
VIRGINIA ELECTRIC AND POWER COMPANY
BEFORE THE
STATE CORPORATION COMMISSION OF VIRGINIA
CASE NO. PUR-2019-00094

Q. Please state your name, business address, and position with Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company").

A. My name is Robert J. Trexler, and my business address is One James River Plaza, 701 East Cary Street, Richmond, Virginia 23219. I am Director of Regulation for the Company. A statement of my background and qualifications is attached as Appendix A.

Q. What are your responsibilities as Director of Regulation?

A. I lead the team that is responsible for the Company's electric rate-related activities involving development and implementation of customer rates. I also have the responsibility for the development and administration of contracts with special contract customers and non-jurisdictional customers, and for responding to customer requests concerning their electric rates. Accordingly, I often work directly with customers who are actively considering alternative rate design and alternatives for renewable energy.

Q. What is the purpose of your testimony in this proceeding?

A. I am presenting testimony in support of the Company's application ("Application") for approval of a 100 percent renewable energy tariff for residential and non-residential customers, designated 100 Percent Total Renewable Generation Rider ("Rider TRG"), whereby participating customers can elect voluntarily to purchase 100 percent of their energy and capacity needs sourced from renewable energy resources.

Specifically, my direct testimony will explain the reasons the Company is presenting this new voluntary tariff offering for Commission approval. I will introduce Rider TRG and address the eligibility requirements for participation. In addition, I will describe the safeguards that will hold non-participating customers substantially harmless.

Company Witness James M. Billingsley will describe the portfolio of renewable energy resources that will be utilized to serve the Rider TRG customers (the "TRG Portfolio"), and will address the calculation of the proposed fixed rate Rider TRG premium.

Q. During the course of your testimony, will you introduce an exhibit?

A. Yes. Company Exhibit No. __, RJT, consisting of Schedules 1 through 3, was prepared under my supervision and direction and is accurate and complete to the best of my knowledge and belief. Schedule 1 is the proposed Rider TRG tariff rate schedule. Schedule 2 includes a sample bill of a residential customer participating in Rider TRG, as well as the revenue allocation for Rider TRG. Finally, for comparison, Schedule 3 is a sample bill for a typical residential bill as of May 1, 2019.

Q. Why is the Company proposing Rider TRG?

A. Dominion Energy Virginia's customers have become increasingly interested in renewable energy offerings, including interest in purchasing 100 percent renewable energy. Business customers looking at potential sites for expansion also often ask about the availability of low cost renewable options offered by the incumbent utility. In response to this growing interest, the Company continually has been engaged with its customers to learn about their needs and desires, and to provide solutions where appropriate. The

Company's goals in working through these solutions include both serving customer needs and supporting renewable generation and economic development in the Commonwealth.

Q. Under what authority is the Company filing its Application?

A. The Company is filing its Application pursuant to §§ 56-577 A 5 and 56-234 A of the Code of Virginia ("Va. Code"). Va. Code § 56-577 A 5 ("Subdivision A 5") promotes the availability of 100 percent renewable energy for individual retail consumers of electric energy in the Commonwealth, and recognizes that such offerings may be provided by the incumbent electric utility serving the exclusive franchise territory in which such a customer is located. Specifically, Subdivision A 5 recognizes that an incumbent electric utility may offer its retail electric customers "electric energy provided 100 percent from renewable energy" pursuant to an approved tariff.

Q. Before getting into the specifics of Rider TRG, can you summarize why the Company is offering Rider TRG in the structure and manner proposed?

A. Yes. As the Commission is aware, in attempting to meet its goal of serving customers' needs and interests in renewable energy offerings, and supporting renewable generation and economic development in the Commonwealth, the Company previously sought Commission approval of tariffs offering electricity provided 100 percent from renewable energy, in Case Nos. PUR-2017-00060 and PUR-2017-00157. Appalachian Power Company ("APCo") has also sought approval of various tariffs under Subdivision A 5 in Case Nos. PUE-2016-00051 and PUR-2017-00179. On January 7, 2019, the Commission approved a voluntary 100 percent renewable energy tariff filed by APCo under Subdivision A 5 in Case No. PUR-2017-00179 (the "*APCo Order*"). The *APCo Order* contained significant guidance regarding the Commission's evaluation of utility-

offered 100 percent renewable energy tariffs under Va. Code §§ 56-234 and 56-577 A 5.

In an attempt to develop and offer a tariff that the Commission will find meets the requirements of both Va. Code §§ 56-577 A 5 and 56-234, the Company has considered closely the Commission's guidance. With this Application, the Company seeks to offer a 100 percent renewable energy tariff that would be structured, and that would operate and function, in the same manner as the 100 percent renewable energy tariff approved in the *APCo Order*.

Q. Please identify the specific guidance and tariff characteristics set forth in the *APCo Order* that the Company considered in developing Rider TRG.

A. In the *APCo Order*, the Commission approved APCo's proposed Rider WWS, a voluntary renewable energy rider pursuant to which participating customers would purchase electric energy provided 100 percent from renewable energy provided from a portfolio of APCo-owned or -contracted energy and capacity resources that meet the definition of renewable energy in Va. Code § 56-576. APCo priced Rider WWS at a premium over standard service based on the prevailing market value of retail renewable energy, using the market cost of renewable energy certificates ("RECs") as a proxy for this premium. APCo proposed a premium of $0.00425 (or 0.425¢) per kilowatt hour ("kWh") for all standard rate schedules, which, for a residential customer using 1,000 kWh per month who chooses to participate in Rider WWS, would result in a monthly bill increase of $4.25. In addition to the premium, Rider WWS participants would pay for standard service plus all riders except the fuel factor rider, non-renewable generation rate adjustment clauses, and generation costs in base rates. Instead, participating customers

would pay a "balancing charge" that credits APCo's base rates and excluded riders in amounts that keep non-participants unaffected by participation.

In the *APCo Order*, after setting out the statutory language of Subdivision A 5, the Commission set forth three principles for evaluating proposed Subdivision A 5 tariffs:

> For purposes of instruction but not limitation, the Commission further clarifies that certain basic principles inform our analysis of a 100 percent renewable energy tariff proposed under this statute:
>
> - First, to be just and reasonable, the proposed tariff should include safeguards that hold non-participating customers substantially harmless.
>
> - Second, the tariff must supply the customer's full load requirements with electric energy provided 100 percent from "renewable energy" as defined by statute.
>
> - Third, the rates under such tariff should be reasonable for purposes of the renewable energy product that is being supplied.[1]

After laying out these basic principles, the Commission evaluated Rider WWS against them and found each one satisfied. Specifically, it found that Rider WWS held non-participants substantially harmless by the use of the balancing charge, and because the premium and balancing charge were subject to periodic revision. The Commission found that all of the resources in APCo's proposed portfolio to serve Rider WWS participants met the definition of "renewable energy" under Va. Code § 56-576, and that Rider WWS's proposal to supply participants with 100 percent renewable energy by matching renewable generation with a participating customer's load on a monthly basis was reasonable under Subdivision A 5. Finally, the Commission found that the proposed rates for Rider WWS were reasonable for the provision of supplying electric energy provided 100 percent from renewable energy because (1) they did not result in aggregate

[1] *APCo Final Order* at 4-5.

revenues that exceed aggregate costs plus a fair return and; (2) they were reasonable when compared to available proxies such as: the market price of RECs; the premiums paid by customers nationally in green pricing programs; and the rates charged to customers by a competitive service provider providing 100 percent renewable energy in APCo's service territory.

As discussed in detail below, the Company's Rider TRG is modeled after APCo's Rider WWS, in structure and operation, and satisfies the three basic principles for approval under Subdivision A 5 as outlined in the *APCo Order* for the same reasons Rider WWS did.

Q. Please provide an overview of Rider TRG.

A. Proposed Rider TRG is designed to serve eligible customers who desire to utilize renewable generation sources to serve 100 percent of the generation component of their traditional tariff electricity supply service from the Company. The sources to be utilized are the Company's existing and planned renewable energy sources that meet the definition of renewable energy under Va. Code § 56-576, as discussed further by Company Witness Billingsley.

Q. Please describe the eligibility requirements for customers who wish to receive service under Rider TRG.

A. To be eligible to receive service under Rider TRG, customers must have a peak demand of less than five megawatts in the most recent twelve-month billing period prior to electing service under Rider TRG.

Q. Please describe what a customer who chooses to participate in Rider TRG will pay Dominion Energy Virginia.

A. Customers electing to participate in proposed Rider TRG will pay a fixed rate premium of 0.421¢ per kWh, or $4.21 per megawatt-hour ("MWh"). The Rider TRG rate premium will be fixed annually in accordance with the methodology set forth in Company Witness Billingsley's testimony.

Additionally, like Rider WWS, participating customers will pay a balancing charge that credits the generation component of base rates, fuel, and generation riders in amounts that hold non-participants substantially harmless. The balancing charge also will incorporate new generation riders as they are approved.

Finally, customers electing to participate in Rider TRG will continue to pay their standard tariff for all wires-related charges for transmission and distribution service.

Q. Will Rider TRG customers be subject to the Company's non-generation related rate adjustment clauses?

A. Yes. Participating Rider TRG customers also will be subject to any existing and future distribution and transmission riders, unless otherwise exempt, which currently include the following: (i) Riders C1A and C2A for the recovery of peak-shaving and energy efficiency program costs, as well as the recently-approved Rider C3A; (ii) Rider U for the recovery of strategic undergrounding program costs; and, (iii) Rider T1 for the recovery of transmission costs.

Q. If the Commission approves Rider TRG as filed, what is the impact of the proposed rate for a residential customer who chooses to participate?

A. The weighted average value of RECs produced by the TRG Portfolio is currently \$4.21/MWh. Therefore, for a typical residential customer using 1,000 kWh, selecting 100 percent renewable energy provided by the Company at the fixed rate of 0.421¢/kWh under Rider TRG would result in an increase to the monthly bill of \$4.21.

Q. Please provide an example of how Rider TRG would appear on customer bills.

A. See page 1 of my Schedule 2 for a sample bill for a residential customer participating in Rider TRG. For comparison, my Schedule 3 presents a sample bill for a typical residential customer taking service under Residential Schedule 1 as of May 1, 2019.

Q. Under the Company's proposal, will non-participating customers be held substantially harmless by others' participation in Rider TRG?

A. Yes. As a result of the balancing charge and the Rider TRG premium to be paid by participating customers, non-participating customers will be held substantially harmless in the same manner as non-participating APCo customers are with the approval and use of Rider WWS in APCo's territory.

Q. How will the Company allocate the balancing charge to ensure non-participating customers are held substantially harmless?

A. The balancing charge portion of Rider TRG will be credited to the fuel factor (Rider A), the generation riders, and the generation component of base rates. The riders that would receive the credit currently include Fuel Charge Rider A; Rider B: Biomass Conversions; Rider BW: Brunswick County Power Station; Rider GV: Greensville County Power

Station; Rider R: Bear Garden Generating Station; Rider S: Virginia City Hybrid Energy Center; Rider US-2: Solar Projects; Rider US-3: Solar Projects; and, Rider W: Warren County Power Station. Page 2 of my Schedule 2 provides an example of how the balancing charge would be allocated for a typical residential customer.

Q. How will customers enroll in Rider TRG?

A. Customers will be able to make enrollment selections through the Company's typical program enrollment channels. The Company will maintain a dedicated Rider TRG program website to provide information to prospective customers and other stakeholders. Additionally, the Company will ensure that customer service representatives are equipped with Rider TRG program information, and that other Company representatives will be available to provide additional detail should customers have more in-depth questions.

Q. Will the Company require customers to enter into contracts to participate in the voluntary Rider TRG?

A. No. The Company will only require that customers give 30 days' notice to initiate and terminate service under Rider TRG.

Q. Do you believe that the rate offered under Rider TRG is just and reasonable?

A. Yes. The rate for 100 percent renewable generation offered by the Company under the Rider TRG is just and reasonable because the premium over standard tariff is based on the prevailing market value of wholesale retail renewable energy, using the market cost of renewable energy certificates as a proxy for this premium. Additionally, non-participating customers will not be required to pay for, or subsidize, the costs to serve the Rider TRG customers. The rates for distribution service and transmission service will be

unaffected by Rider TRG—customers participating in Rider TRG will continue to pay the distribution service and transmission service as set forth in their principal tariff.

Rider TRG proposes a similar premium, linked with the payment of standard charges and a balancing charge, as the Commission recently approved in the *APCo Order*. As such, this structure does not result in aggregate revenues that exceed aggregate costs plus a fair return, and is reasonable when compared to Rider WWS and the other proxies the Commission found to be appropriate in the *APCo Order*. For example, the National Renewable Energy Laboratory publishes an annual report entitled "Status and Trends in the U.S. Voluntary Green Power Market." The most recent report published in October 2018, which includes data through 2017, showed the average premium over standard service for green pricing programs to be $19/MWh for residential customers and $13/MWh (large programs) or $22/MWh (small programs) for non-residential customers.[2] These average premiums represent a three to five times increase over the Company's proposed Rider TRG premium.[3]

Q. Is approval of Rider TRG in the public interest?

A. Yes, Rider TRG will further the Commonwealth Energy Policy stated in Va. Code §§ 67-101 and 67-102, as the Company will endeavor to use new renewable energy resources located within the Commonwealth for future expansion of the TRG Portfolio to the extent such resources are available and cost-effective. The Company's offering of Rider TRG and the development of the TRG Portfolio will support the objectives under § 67-101 to

[2] *Available at* https://www.nrel.gov/docs/fy19osti/72204.pdf.

[3] *See APCo Final Order* at 6-7 (finding Rider WWS just and reasonable when compared to proxies, such as the market price of RECs and premiums paid by customers in other green power pricing programs).

increase Virginia's reliance on sources of energy that, compared to traditional energy resources, are less polluting of the Commonwealth's air and water. In addition, the Company's provision of the Rider TRG is consistent with the goals under § 67-102 to "[s]upport research and development of, and promote the use of, renewable energy sources;" and to "[p]romote the generation of electricity through technologies that do not contribute to greenhouse gases and global warming." Implementation of Rider TRG also is in the public interest because it is consistent with the goals of the Virginia Energy Plan to accelerate the development of renewable energy sources in Virginia to ensure a diverse fuel mix and promote long-term economic health.

Finally, the implementation of Rider TRG is in the public interest because it is consistent with, and promotes, the policies set forth in Subdivision A 5. As discussed above, Subdivision 56-577 A 5 promotes the availability of 100 percent renewable energy for individual retail customers, and directly contemplates that the incumbent electric utility may offer a tariff for electric energy provided 100 percent from renewable energy. Accordingly, the Company's proposed Rider TRG supports this objective by offering a 100 percent renewable energy tariff for eligible customers at just and reasonable rates.

Q. Does this conclude your pre-filed direct testimony?

A. Yes, it does.

BACKGROUND AND QUALIFICATIONS OF ROBERT J. TREXLER

Robert J. Trexler is a December 1985 graduate of The Pennsylvania State University with a Bachelor's degree in Electric Engineering.

Mr. Trexler joined Dominion Energy Virginia in January 1986 and has held various positions with the Company since that time. Those positions have included engineering and planning positions within various departments in the electric transmission and distribution side of the Company. Additionally, in 2010, after holding numerous positions in the Company's Power Contracts department, Mr. Trexler assumed the role of Director of Power Contracts where he oversaw the solicitation, negotiation, and administration of non-utility generation power purchase agreements, as well as the negotiation and administration of the Company's wholesale sales contracts.

In 2013, Mr. Trexler assumed his current position as Director – Regulation within the Customer Rates Department. His responsibilities include electric rates implementation, special contract, non-jurisdictional and wholesale contract negotiation and administration, wholesale account processing, and the Electric Distribution Company activities related to the Company's participation in PJM Interconnection, LLC.

Mr. Trexler has previously presented testimony before the State Corporation Commission of Virginia and the North Carolina Utilities Commission.

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

I. APPLICABILITY & AVAILABILITY

A. This Rider is available on a voluntary basis to any Customer who meets all of the following criteria:

1. The Customer is receiving Electricity Supply Service and Electricity Delivery Service from the Company in accordance with any applicable tariff for electric service ("Principal Tariff");
2. The Customer desires to displace 100% of the generation component of the Principal Tariff's Electricity Supply Service from the Company with the supply of 100% renewable energy (Renewable Energy) for all of the Customer's monthly consumption through a portfolio of dedicated Renewable Energy resources assembled by the Company for the customers served in accordance with this Rider; and,
3. The Customer's peak measured demand has not exceeded 5,000 kW in the current or previous calendar year.

II. Electricity Supply (ES) Generation Related Service Charges

A. The Company will meet the Customer's capacity and energy requirements from resources that meet the definition of Renewable Energy.

B. Customers will remain on their current Principal Tariff, but will pay (i) a "Renewable Energy Premium" and (ii) a "Balancing Charge" in lieu of the Fuel Factor, Generation Riders, and the generation component of their Principal Tariff. Both the Balancing Charge and Renewable Energy Premium are subject to periodic revision.

1. Renewable Energy Premium

   All kWh @ $0.00421 per kilowatt-hour (kWh).

2. Balancing Charge

   The Balancing Charge shall be the sum of the applicable units (kW and/or kWh) multiplied by the applicable rate in the following tables (identified by the Principal Tariff under which the Customer is billed):

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Rate Schedule	Block	Energy per kWh On-Peak June - September (Summer)	Energy per kWh Off-Peak June - September (Summer)	Energy per kWh On-Peak October - May (Base)	Energy per kWh Off-Peak October - May (Base)	Demand per kW On Peak June - September (Summer)	Demand per kW Off Peak June - September (Summer)	Demand per kW on peak October - May (Base)	Demand per kW off peak October - May (Base)	Generation Adjustment Demand	Contract Demand Charge
Schedule 1	First 800 kWh	$ 0.075349	$ 0.075349	$ 0.075349	$ 0.075349	n/a	n/a	n/a	n/a	n/a	n/a
	Over 800 kWh	$ 0.094023	$ 0.094023	$ 0.067155	$ 0.067155	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 1P		$ 0.065041	$ 0.044375	$ 0.065041	$ 0.044375	$ 3.754	n/a	$ 2.390	n/a	n/a	n/a
Schedule 1S		$ 0.066362	$ 0.048161	$ 0.066362	$ 0.048161	$ 3.842	n/a	$ 2.203	n/a	n/a	n/a
Schedule 1T		$ 0.127093	$ 0.048208	$ 0.127093	$ 0.048208	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 1W		$ 0.047519	$ 0.047519	$ 0.047519	$ 0.047519	n/a	n/a	n/a	n/a	n/a	n/a

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Schedule 1
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RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Rate Schedule	Block	Energy per kWh On-Peak June - September (Summer)	Energy per kWh Off-Peak June - September (Summer)	Energy per kWh On-Peak October - May (Base)	Energy per kWh Off-Peak October - May (Base)	Demand per kW On Peak June - September (Summer)	Demand per kW Off Peak June - September (Summer)	Demand per kW on peak October - May (Base)	Demand per kW off peak October - May (Base)	Generation Adjustment Demand	Contract Demand Charge
Schedule GS-1	First 1400 ES kWh	$ 0.072057	$ 0.072057	$ 0.072057	$ 0.072057	n/a	n/a	n/a	n/a	n/a	n/a
	Next 1400 ES kWh	$ 0.084074	$ 0.084074	$ 0.059576	$ 0.059576	n/a	n/a	n/a	n/a	n/a	n/a
Schedule DP-1	See TOU DP-1 Tab										
Schedule GS-2 Non-Demand		$ 0.077874	$ 0.077874	$ 0.071077	$ 0.071077	n/a	n/a	n/a	n/a	n/a	
Schedule GS-2 Demand	Each kW Demand					$ 5.828	$ 5.828	$ 4.471	$ 4.471		
	First 150 kWh per kW	$ 0.070587	$ 0.070587	$ 0.070587	$ 0.070587	n/a	n/a	n/a	n/a	n/a	n/a
	Next 150 kWh per kW	$ 0.051432	$ 0.051432	$ 0.051432	$ 0.051432	n/a	n/a	n/a	n/a	n/a	n/a
	Next 150 kWh per kW	$ 0.037564	$ 0.037564	$ 0.037564	$ 0.037564	n/a	n/a	n/a	n/a	n/a	n/a
	Additional kWh	$ 0.029568	$ 0.029568	$ 0.029568	$ 0.029568	n/a	n/a	n/a	n/a	n/a	n/a
Schedule GS-2T		$ 0.067480	$ 0.042642	$ 0.067480	$ 0.042642	$ 9.043	n/a	$ 7.713	n/a	$ (0.699)	n/a
Schedule DP-2	See TOU DP-2 Tab										
Schedule GS-3		$ 0.030814	$ 0.029568	$ 0.030814	$ 0.029568	$ 14.344	$ 4.274	$ 14.344	$ 4.274	$ (0.604)	n/a
											n/a
Schedule GS-4 (Primary)	First 5000 kW Demand	$ 0.030814	$ 0.029568	$ 0.030814	$ 0.029568	$ 14.114	$ 4.174	$ 14.114	$ 4.174	$ (0.397)	
	Additional kW Demand	$ 0.030814	$ 0.029568	$ 0.030814	$ 0.029568	$ 14.114	$ 4.174	$ 14.114	$ 4.174	$ (0.300)	n/a
Schedule GS-4 (Transmission)	First 5000 kW Demand	$ 0.030814	$ 0.029568	$ 0.030814	$ 0.029568	$ 13.749	$ 4.081	$ 13.749	$ 4.081	$ (0.397)	n/a
	Additional kW Demand	$ 0.030814	$ 0.029568	$ 0.030814	$ 0.029568	$ 13.749	$ 4.081	$ 13.749	$ 4.081	$ (0.300)	n/a

(Continued)

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RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Rate Schedule	Block	Energy per kWh On-Peak June - September (Summer)	Energy per kWh Off-Peak June - September (Summer)	Energy per kWh On-Peak October - May (Base)	Energy per kWh Off-Peak October - May (Base)	Demand per kW On Peak June - September (Summer)	Demand per kW Off Peak June - September (Summer)	Demand per kW on peak October - May (Base)	Demand per kW off peak October - May (Base)	Generation Adjustment Demand	Contract Demand Charge
Schedule 5	100 kW or Less of ES Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	All kW over 100 of ES Demand	n/a	n/a	n/a	n/a	$ 2.670	$ 2.670	$ 2.670	$ 2.670	n/a	n/a
	First 3000 ES kWh[1]	$ 0.089776	$ 0.089776	$ 0.089776	$ 0.089776	n/a	n/a	n/a	n/a	n/a	n/a
	Excess over 3000 ES kWh	$ 0.069753	$ 0.069753	$ 0.069753	$ 0.069753	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 5C	First 3000 ES kWh	$ 0.083856	$ 0.083856	$ 0.083856	$ 0.083856	n/a	n/a	n/a	n/a	n/a	n/a
	Excess over 3000 ES kWh	$ 0.086216	$ 0.086216	$ 0.080627	$ 0.080627	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 5P		$ 0.059783	$ 0.045480	$ 0.059783	$ 0.045480	$ 7.028	n/a	$ 4.256	n/a	n/a	n/a
Schedule 6	All kW of ES Demand	n/a	n/a	n/a	n/a	$ 10.285	$ 10.285	$ 10.285	$ 10.285	n/a	n/a
	First 700 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (1.016)	n/a
	Next 4300 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.811)	n/a
	Additional kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.699)	n/a
	First 24,000 ES kWh	$ 0.048976	$ 0.048976	$ 0.048976	$ 0.048976	n/a	n/a	n/a	n/a	n/a	n/a
	Next 186,000 ES kWh[2]	$ 0.042094	$ 0.042094	$ 0.042094	$ 0.042094	n/a	n/a	n/a	n/a	n/a	n/a
	Additional ES kWh	$ 0.037694	$ 0.037694	$ 0.037694	$ 0.037694	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 6TS	All kW of ES Demand	n/a	n/a	n/a	n/a	$ 9.144	$ 9.144	$ 9.144	$ 9.144	n/a	n/a
	First 700 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (1.148)	n/a
	Next 4300 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.918)	n/a
	Additional kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.789)	n/a
	First 210 kWh per kW Dem	$ 0.040980	$ 0.040980	$ 0.040980	$ 0.040980	n/a	n/a	n/a	n/a	n/a	n/a
	Additional ES kWh	$ 0.037364	$ 0.037364	$ 0.037364	$ 0.037364	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 7	All kW over 100 kW	$ 0.091702	$ 0.091702	$ 0.074643	$ 0.074643	$ 2.480	$ 2.480	$ 2.480	$ 2.480	n/a	n/a

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Virginia Electric and Power Company

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Rate Schedule	Block	Energy per kWh On-Peak June - September (Summer)	Energy per kWh Off-Peak June - September (Summer)	Energy per kWh On-Peak October - May (Base)	Energy per kWh Off-Peak October - May (Base)	Demand per kW On Peak June - September (Summer)	Demand per kW Off Peak June - September (Summer)	Demand per kW on peak October - May (Base)	Demand per kW off peak October - May (Base)	Generation Adjustment Demand	Contract Demand Charge
Schedule 8	Supplementary Service Billing Demand Charge - Primary	n/a	n/a	n/a	n/a	$ 10.537	$ 10.537	$ 10.537	$ 10.537	n/a	n/a
	Supplementary Service Billing Demand Charge - Transmission	n/a	n/a	n/a	n/a	$ 10.265	$ 10.265	$ 10.265	$ 10.265	n/a	n/a
	Supplementary Service Energy charge - On Peak	$ 0.036765	$ 0.036765	$ 0.036765	$ 0.036765	n/a	n/a	n/a	n/a	n/a	n/a
	Supplementary Service Energy charge - Off Peak	$ 0.035519	$ 0.035519	$ 0.035519	$ 0.035519	n/a	n/a	n/a	n/a	n/a	n/a
	Standby Svc Demand Charge										
	Contract Available Hours: 175	n/a	n/a	n/a	n/a	$ 0.510	$ 0.510	$ 0.510	$ 0.510	n/a	n/a
	Contract Available Hours: 350	n/a	n/a	n/a	n/a	$ 0.963	$ 0.963	$ 0.963	$ 0.963	n/a	n/a
	Contract Available Hours: 525	n/a	n/a	n/a	n/a	$ 1.548	$ 1.548	$ 1.548	$ 1.548	n/a	n/a
	Contract Available Hours: 700	n/a	n/a	n/a	n/a	$ 2.067	$ 2.067	$ 2.067	$ 2.067	n/a	n/a
	Maintenance Service Charge On Peak	$ 0.052502	$ 0.052502	$ 0.052502	$ 0.052502	n/a	n/a	n/a	n/a	n/a	n/a
	Maintenance Service Charge Off Peak	$ 0.051247	$ 0.051247	$ 0.051247	$ 0.051247	n/a	n/a	n/a	n/a	n/a	n/a
	Standby Service Charge On Peak	$ 0.044846	$ 0.044846	$ 0.044846	$ 0.044846	n/a	n/a	n/a	n/a	n/a	n/a
	Standby Serivce Charge Off Peak	$ 0.039097	$ 0.039097	$ 0.039097	$ 0.039097	n/a	n/a	n/a	n/a	n/a	n/a
	First 5000 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.397)	n/a
	Additional kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.300)	n/a

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RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Rate Schedule	Block	Energy per kWh On-Peak June - September (Summer)	Energy per kWh Off-Peak June - September (Summer)	Energy per kWh On-Peak October - May (Base)	Energy per kWh Off-Peak October - May (Base)	Demand per kW On Peak June - September (Summer)	Demand per kW Off Peak June - September (Summer)	Demand per kW on peak October - May (Base)	Demand per kW off peak October - May (Base)	Generation Adjustment Demand	Contract Demand Charge
Schedule 10 (Secondary)	All kW Contract Demand									n/a	$ (0.074)
										$ (0.604)	
	A Day	$ 0.276993	$ 0.061569	$ 0.276993	$ 0.065808	n/a	n/a	n/a	n/a	n/a	n/a
	B Day	$ 0.055254	$ 0.048032	$ 0.055254	$ 0.049004	n/a	n/a	n/a	n/a	n/a	n/a
	C Day	$ 0.048032	$ 0.043774	$ 0.049004	$ 0.045823	n/a	n/a	n/a	n/a	n/a	n/a
Schedule 10 (Pri and Trans)	All kW Contract Demand										$ (0.074)
	First 5000 kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.397)	n/a
	Additional kW Demand	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	$ (0.300)	n/a
	A Day	$ 0.275365	$ 0.059941	$ 0.275365	$ 0.064180	n/a	n/a	n/a	n/a	n/a	n/a
	B Day	$ 0.053626	$ 0.046404	$ 0.053626	$ 0.047376	n/a	n/a	n/a	n/a	n/a	n/a
	C Day	$ 0.046404	$ 0.042146	$ 0.047376	$ 0.044195	n/a	n/a	n/a	n/a	n/a	n/a

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RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 1EV	Energy per kWh	Energy per kWh
	April 16 - October 15	October 16 - April 15
All On-peak ES kWh	$ 0.129217	$ 0.082997
All Intermediate ES kWh	$ 0.075567	n/a
All Off-peak ES kWh	$ 0.055119	$ 0.059405
All Super Off-peak ES kWh	$ 0.043715	$ 0.052626

Schedule EV	Energy per kWh
All On-peak ES kWh	$ 0.141188
All Off-peak ES kWh	$ 0.053014
All Super Off-peak ES kWh	$ 0.045980

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule DP-R		Energy per kWh		Energy per kWh
	April 16 - October 15		October 16 - April 15	
A Day	1 pm - 7pm	$ 0.458031		
	10 am – 1 pm & 7 pm – 10 pm	$ 0.115906	5 am - 11 am & 5 pm -10 pm	$ 0.298562
	All Other Hours	$ 0.061850	All Other Hours	$ 0.084602
B Day	10 am - 10 pm	$ 0.088463	5 am - 11 am & 5 pm -10 pm	$ 0.089256
	All Other Hours	$ 0.051701	All Other Hours	$ 0.066636
C Day	10 am - 10 pm	$ 0.062473	5 am - 11 am & 5 pm -10 pm	$ 0.061359
	All Other Hours	$ 0.042402	All Other Hours	$ 0.047736

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule DP-1		Energy per kWh		Energy per kWh
	April 16 - October 15		October 16 - April 15	
A Day	1 pm - 6 pm	$ 0.129795		
	10 am - 1pm & 6 pm – 10 pm	$ 0.099340	5 am - 11 am & 5 pm -10 pm	$ 0.108072
	All Other Hours	$ 0.057971	All Other Hours	$ 0.080723
B Day	1 pm - 6 pm	$ 0.094686		
	10 am - 1pm & 6 pm – 10 pm	$ 0.077372	5 am - 11 am & 5 pm -10 pm	$ 0.085377
	All Other Hours	$ 0.047823	All Other Hours	$ 0.062758
C Day	1 pm - 6 pm	$ 0.061502		
	10 am - 1pm & 6 pm – 10 pm	$ 0.056508	5 am - 11 am & 5 pm -10 pm	$ 0.057480
	All Other Hours	$ 0.038524	All Other Hours	$ 0.043858
Critical Peak ES kWh	All CPP Hours	$ 0.527827	All CPP Hours	$ 0.527827

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RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule DP-2		Energy per kWh		Energy per kWh
	April 16 - October 15		October 16 - April 15	
A Day	1 pm - 6 pm	$ 0.127633		
	10 am - 1pm & 6 pm – 10 pm	$ 0.097178	5 am - 11 am & 5 pm -10 pm	$ 0.105910
	All Other Hours	$ 0.055809	All Other Hours	$ 0.078561
B Day	1 pm - 6 pm	$ 0.092523		
	10 am - 1pm & 6 pm – 10 pm	$ 0.075209	5 am - 11 am & 5 pm -10 pm	$ 0.083215
	All Other Hours	$ 0.045661	All Other Hours	$ 0.060595
C Day	1 pm - 6 pm	$ 0.059340		
	10 am - 1pm & 6 pm – 10 pm	$ 0.054346	5 am - 11 am & 5 pm -10 pm	$ 0.055318
	All Other Hours	$ 0.036362	All Other Hours	$ 0.041696
Critical Peak ES kWh	All CPP Hours	$ 0.526977	All CPP Hours	$ 0.526977

(Continued)

This Filing Effective For Bills Rendered On or After the First Day of the Month Following The Date of Commission Approval but not to Exceed Sixty (60) Days Following the Date of the Commission's Final Order in this Proceeding.

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 27 - Outdoor Lighting

Area Lighting Service -- Basic Fixtures			Per Unit Per Month
Approximate Lumens	Input Wattage	Monthly kWh	Plus Generation Charge
5,000	82	30	$2.18
8,000	120	40	$2.91
14,000	202	70	$5.07
23,000	315	105	$7.61
42,000	490	160	$11.58
127,000	1,130	380	$27.52

Area Lighting Service -- Premium Fixtures			Generation Charge Per Unit Per Month		
Approximate Lumens	Input Wattage	Monthly kWh	Non-decorative Pole		Decorative Fluted Pole
5,000	82	30	$2.18		$2.18
8,000	120	40	$2.91		$2.91
14,000	202	70	$5.07		$5.07
23,000	315	105	$7.61		Not
42,000	490	160	$11.58		Available

(Continued)

This Filing Effective For Bills Rendered On or After the First Day of the Month Following The Date of Commission Approval but not to Exceed Sixty (60) Days Following the Date of the Commission's Final Order in this Proceeding.

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 27 - Outdoor Lighting (Continued)

Directional Lighting			Generation Charges Per Unit Per Month		
Approximate Lumens	Input Wattage	Monthly kWh	First Unit Per Pole		Each Added Unit on the Same Pole
42,000	490	160	$11.58		$11.58
127,000	1,130	380	$27.52		$27.52

Wide-area Lighting Service (Expressway fixture)			Generation Charges Per Unit Per Month		
Approximate Lumens	Input Wattage	Monthly kWh	First Unit Per Pole		Each Added Unit on the Same Pole
23,000	315	105	$7.61		$7.61
42,000	490	160	$11.58		$11.58

Suburban Lighting Service -- Residential Underground Only			Per Unit Per Month
Approximate Lumens	Input Wattage	Monthly kWh	Plus Generation Charge
5,000	82	30	$2.18
8,000	120	40	$2.91

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 28 - Outdoor Lighting

Watchlite, Area, and Roadway Lighting				Rate Per Unit Per Month
Approximate Lumens	Type	Input Wattage	Monthly KWh	Plus Generation Charge
3,300	Mercury Vapor	125	40	$2.91
7,000	Mercury Vapor	208	70	$5.07
11,000	Mercury Vapor	294	100	$7.25
20,000	Mercury Vapor	452	150	$10.86
33,000	Mercury Vapor	765	250	$18.10
53,000	Mercury Vapor	1,080	360	$26.06
5,000	Sodium Vapor	82	30	$2.18
8,000	Sodium Vapor	120	40	$2.91
14,000	Sodium Vapor	202	70	$5.07
23,000	Sodium Vapor	315	105	$7.61
42,000	Sodium Vapor	490	160	$11.58
127,000	Sodium Vapor	1,130	380	$27.52

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 28 - Outdoor Lighting (Continued)

Urbanlites - Rectangular shaped luminaires which provide sharp cut-off light patterns along with decorative, environmental qualities, applicable to Area and Roadway Lighting.				Rate Per Unit Per Month
Approximate Lumens	Type	Input Wattage	Monthly KWh	Plus Generation Charge
20,000	Mercury Vapor	452	150	$10.86
14,000	Sodium Vapor	202	70	$5.07
23,000	Sodium Vapor	315	105	$7.61
42,000	Sodium Vapor	490	160	$11.58

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

Schedule 28 - Outdoor Lighting (Continued)

Directional Lighting				Rate Per Unit Per Month
Approximate Lumens	Type	Input Wattage	Monthly KWh	Plus Generation Charge
20,000	Mercury Vapor	452	150	$10.86
53,000	Mercury Vapor	1,080	360	$26.06
42,000	Sodium Vapor	490	160	$11.20
127,000	Sodium Vapor	1,130	380	$26.94

(Continued)

RIDER TRG

100 PERCENT TOTAL RENEWABLE GENERATION

(Continued)

III. DEFINITIONS

"Renewable Energy" is defined in Section 56-576 of the Virginia Code to mean "energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass."

IV. ADDITIONAL TERMS

A. The Balancing Charge shall be calculated in accordance with all provisions of the Principal Tariffs including (but not limited to):

1. The minimum charge as may be contracted for.
2. Determination of On-Peak and Off-Peak Hours
3. Determination of Distribution Demand
4. Determination of On-Peak Electricity Supply Demand
5. Determination of Off-Peak Electricity Supply Demand
6. Determination of Electricity Supply Adjustment Demand
7. Definition of Transmission, Primary, and Secondary Voltage

B. Meter Reading and Billing shall be in accordance with the Principal Tariff.

V. TERM OF CONTRACT

The Customer may terminate service under this Rider by giving the Company at least thirty (30) days' prior notice. After receiving notice, the Company will terminate service under this Rider effective with, or prior to, the Customer's next meter read date.

DOMINION ENERGY VIRGINIA
1,000 KWH SEASONALLY WEIGHTED RESIDENTIAL BILL
RIDER TRG

BILL COMPONENTS		MARCH 2019
TRG RENEWABLE PREMIUM	$	4.21
TRG BALANCING CHARGE	$	75.49
DISTRIBUTION - BASE	$	25.84
TRANSMISSION	$	13.01
OTHER A6	$	1.64
DSM/EE A6	$	0.61
TOTAL BILL	$	121.00

	RATES	RATES	KWH 1,000	KWH 1,000	
BILL COMPONENTS	SUMMER	NON-SUMMER	SUMMER	NON-SUMMER	WEIGHTED
TRG RENEWABLE PREMIUM	$ 0.00421	$ 0.00421	$ 4.21	$ 4.21	$ 4.21
TRG BALANCING CHARGE - BASE (UNDER 800 KWH)	$ 0.03583	$ 0.03583	$ 28.66	$ 28.66	$ 28.66
TRG BALANCING CHARGE - BASE (OVER 800 KWH)	$ 0.05450	$ 0.02763	$ 10.90	$ 6.53	$ 7.32
TRG BALANCING CHARGE -OTHER (ALL KWH)	$ 0.03952	$ 0.03952	$ 39.51	$ 39.51	$ 39.51
TRG BALANCING CHARGE -TOTAL					$ 75.49
BASIC CUSTOMER CHARGE	$ 6.58	$ 6.58	$ 6.58	$ 6.58	$ 6.58
DISTRIBUTION 800 KWH	$ 0.02109	$ 0.02109	$ 16.87	$ 16.87	$ 16.87
DISTRIBUTION OVER 800 KWH	$ 0.01194	$ 0.01194	$ 2.39	$ 2.39	$ 2.39
TRANSMISSION	$ 0.00970	$ 0.00970	$ 9.70	$ 9.70	$ 9.70
RIDER T1 - TRANSMISSION	$ 0.003311	$ 0.003311	$ 3.31	$ 3.31	$ 3.31
RIDER C1A (A5)	$ 0.000008	$ 0.000008	$ 0.01	$ 0.01	$ 0.01
RIDER C2A (A5)	$ 0.000595	$ 0.000595	$ 0.60	$ 0.60	$ 0.60
RIDER U - STRATEGIC UNDERGROUND PROGRAM (A6)	$ 0.001643	$ 0.001643	$ 1.64	$ 1.64	$ 1.64
BILL AMOUNT			$ 124.58	$ 119.21	$ 121.00
BLEND (SUMMER x 4 - NON-SUMMER x 8)			$ 498.32	$ 953.68	
AVG				$ 121.00	

DOMINION ENERGY VIRGINIA
RIDER TRG REVENUE ALLOCATION AND RATE CREDITS
1,000 KWH SEASONALLY WEIGHTED RESIDENTIAL BILL

	RATES	RATES	KWH 1,000	KWH 1,000		
BILL COMPONENTS	SUMMER	NON-SUMMER	SUMMER	NON-SUMMER	WEIGHTED	ALLOCATION OF REVENUE
BASIC CUSTOMER CHARGE	$ 6.58	$ 6.58	$ 6.58	$ 6.58	$ 6.58	BASE RATE DISTRIBUTION REVENUE
DISTRIBUTION 800 KWH	$ 0.021086	$ 0.021086	$ 16.87	$ 16.87	$ 16.87	BASE RATE DISTRIBUTION REVENUE
DISTRIBUTION OVER 800 KWH	$ 0.011943	$ 0.011943	$ 2.39	$ 2.39	$ 2.39	BASE RATE DISTRIBUTION REVENUE
TRG CREDIT FOR ELECTRICITY SUPPLY SERVICE 800 KWH	$ 0.035826	$ 0.035826	$ 28.66	$ 28.66	$ 28.66	CREDITED TO BASE RATES
TRG CREDIT FOR ELECTRICITY SUPPLY SERVICE OVER 800 KWH	$ 0.054500	$ 0.027632	$ 10.90	$ 5.53	$ 7.32	CREDITED TO BASE RATES
TRANSMISSION	$ 0.009700	$ 0.009700	$ 9.70	$ 9.70	$ 9.70	BASE RATE TRANSMISION REVENUE
RIDER T1 - TRANSMISSION	$ 0.003311	$ 0.003311	$ 3.31	$ 3.31	$ 3.31	RIDER T1 REVENUE
TRG CREDIT FOR FUEL FACTOR RIDER A	$ 0.027000	$ 0.027000	$ 27.00	$ 27.00	$ 27.00	CREDITED TO FUEL FACTOR
RIDER C1A (A5)	$ 0.000008	$ 0.000008	$ 0.01	$ 0.01	$ 0.01	RIDER C1A REVENUE
RIDER C2A (A5)	$ 0.000595	$ 0.000595	$ 0.60	$ 0.60	$ 0.60	RIDER C2A REVENUE
TRG CREDIT FOR RIDER B - BIOMASS (A6)	$ 0.000728	$ 0.000728	$ 0.73	$ 0.73	$ 0.73	CREDITED TO RIDER B
TRG CREDIT FOR RIDER R - BEAR GARDEN (A6)	$ 0.001093	$ 0.001093	$ 1.09	$ 1.09	$ 1.09	CREDITED TO RIDER R
TRG CREDIT FOR RIDER S - VCHEC (A6)	$ 0.004084	$ 0.004084	$ 4.08	$ 4.08	$ 4.08	CREDITED TO RIDER S
TRG CREDIT FOR RIDER W - WARREN COUNTY (A6)	$ 0.001993	$ 0.001993	$ 1.99	$ 1.99	$ 1.99	CREDITED TO RIDER W
TRG CREDIT FOR RIDER BW - BRUNSWICK COUNTY (A6)	$ 0.002102	$ 0.002102	$ 2.10	$ 2.10	$ 2.10	CREDITED TO RIDER BW
TRG CREDIT FOR RIDER GV - GREENSVILLE (A6)	$ 0.002289	$ 0.002289	$ 2.29	$ 2.29	$ 2.29	CREDITED TO RIDER GV
RIDER U - STRATEGIC UNDERGROUND PROGRAM (A6)	$ 0.001843	$ 0.001843	$ 1.84	$ 1.84	$ 1.84	RIDER U REVENUE
TRG CREDIT FOR RIDER US2	$ 0.000234	$ 0.000234	$ 0.23	$ 0.23	$ 0.23	CREDITED TO RIDER US-2
TRG RENEWABLE PREMIUM	0.00421	0.00421	$ 4.21	$ 4.21	$ 4.21	CREDITED TO APPROPRIATE RIDER OR BASE RATE DEPENDING ON REC TYPE
BILL AMOUNT					$ 121.00	

Company Exhibit No.___, RJT
Schedule 2
Page 2 of 2

DOMINION ENERGY VIRGINIA
1,000 KWH SEASONALLY WEIGHTED RESIDENTIAL BILL
RIDER TRG

BILL COMPONENTS		MAY 2019
DISTRIBUTION - BASE	$	25.84
GENERATION - BASE	$	35.98
TRANSMISSION	$	13.01
FUEL	$	27.00
GENERATION A6	$	12.61
OTHER A6	$	1.84
DSM/EE A5	$	0.61
TOTAL BILL	$	116.79

	RATES	RATES	KWH 1,000	KWH 1,000	
BILL COMPONENTS	SUMMER	NON-SUMMER	SUMMER	NON-SUMMER	WEIGHTED
BASIC CUSTOMER CHARGE	$ 6.58	$ 6.58	$ 6.58	$ 6.58	$ 6.58
DISTRIBUTION 600 KWH	$ 0.021086	$ 0.021086	$ 16.87	$ 16.87	$ 16.87
DISTRIBUTION OVER 600 KWH	$ 0.011943	$ 0.011943	$ 2.39	$ 2.39	$ 2.39
ELECTRICITY SUPPLY SERVICE 600 KWH	$ 0.035626	$ 0.035626	$ 28.66	$ 28.66	$ 28.66
ELECTRICITY SUPPLY SERVICE OVER 600 KWH	$ 0.054500	$ 0.027632	$ 10.90	$ 5.53	$ 7.32
TRANSMISSION	$ 0.009700	$ 0.009700	$ 9.70	$ 9.70	$ 9.70
RIDER T1 - TRANSMISSION	$ 0.003311	$ 0.003311	$ 3.31	$ 3.31	$ 3.31
FUEL FACTOR RIDER A	$ 0.027000	$ 0.027000	$ 27.00	$ 27.00	$ 27.00
RIDER C1A (A5)	$ 0.000008	$ 0.000008	$ 0.01	$ 0.01	$ 0.01
RIDER C2A (A5)	$ 0.000595	$ 0.000595	$ 0.60	$ 0.60	$ 0.60
RIDER B - BIOMASS (A6)	$ 0.000728	$ 0.000728	$ 0.73	$ 0.73	$ 0.73
RIDER R - BEAR GARDEN (A6)	$ 0.001093	$ 0.001093	$ 1.09	$ 1.09	$ 1.09
RIDER S - VCHEC (A6)	$ 0.004084	$ 0.004084	$ 4.08	$ 4.08	$ 4.08
RIDER W - WARREN COUNTY (A6)	$ 0.001993	$ 0.001993	$ 1.99	$ 1.99	$ 1.99
RIDER BW - BRUNSWICK COUNTY (A6)	$ 0.002102	$ 0.002102	$ 2.10	$ 2.10	$ 2.10
RIDER GV - GREENSVILLE (A6)	$ 0.002289	$ 0.002289	$ 2.29	$ 2.29	$ 2.29
RIDER U - STRATEGIC UNDERGROUND PROGRAM (A6)	$ 0.001843	$ 0.001843	$ 1.84	$ 1.84	$ 1.84
RIDER US2	$ 0.000234	$ 0.000234	$ 0.23	$ 0.23	$ 0.23
BILL AMOUNT			$ 120.37	$ 115.00	$ 116.79
BLEND (SUMMER x 4 - NON-SUMMER x 8)			$ 481.48	$ 920.00	
AVG				$ 116.79	

WITNESS DIRECT TESTIMONY SUMMARY
CASE NO. PUR-2019-00094

Witness: James M. Billingsley

Title: Manager of Power Contracts and Origination

Summary:

Company Witness James M. Billingsley describes Rider TRG and the portfolio of renewable energy resources that will serve the Rider TRG customers (the "TRG Portfolio"). He also provides an overview of the Company's methodology for calculating the Rider TRG premium.

As explained by Mr. Billingsley, Rider TRG customers will receive 100 percent of their energy and capacity from a portfolio of resources owned or contracted by the Company that meet the definition of renewable energy in Va. Code § 56-576 (the "TRG Portfolio"). As proposed, the TRG Portfolio would currently include the following resources: Scott, Whitehouse, and Woodland (*i.e.*, US-2) solar facilities; Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements ("PPAs"); Gaston and Roanoke Rapids hydro facilities; and, Altavista, Hopewell, Southampton, and Virginia City Hybrid Energy Center biomass units. The Company is committed to owning and contracting for a significant amount of renewable energy in the coming years as system resources that will be available to include in the TRG Portfolio. Once these facilities begin commercial operations, they could be added to the TRG Portfolio. As proposed, the Company expects that the TRG Portfolio will be able to meet the capacity and energy requirements of approximately 50,000 residential customers or their commercial equivalent. As the Company continues to develop and contract with new renewable generation, the number of customers able to be served under this program will continue to increase.

Mr. Billingsley explains that the Company will manage Rider TRG subscriptions to provide enough energy and capacity within the existing TRG Portfolio to handle deviations from expected portfolio generation or expected customer load. On a monthly basis, the Company will compare the subscribed customer load to the monthly generation by the TRG Portfolio and ensure that the generation exceeds the load, with a reasonable margin for deviations. The Company also will retire the RECs associated with each megawatt-hour ("MWh") generated by the TRG Portfolio that the Company sells to participating customers.

Finally, Mr. Billingsley supports the methodology for calculating the Rider TRG premium. Specifically, customers electing to participate in Rider TRG will pay a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of RECs as a proxy for this premium. The weighted average value of the RECs produced by the current TRG Portfolio in 2018 was $4.21/MWh. This represents a premium over standard service of 3.6% for participating customers. The Company will update the Rider TRG premium on an annual basis to ensure that the premium reflects current market value. The premium will be calculated by reviewing the generation and market value of RECs for the renewable resources in the TRG Portfolio in the prior year and calculating a weighted average.

DIRECT TESTIMONY
OF
JAMES M. BILLINGSLEY
ON BEHALF OF
VIRGINIA ELECTRIC AND POWER COMPANY
BEFORE THE
STATE CORPORATION COMMISSION OF VIRGINIA
CASE NO. PUR-2019-00094

Q. Please state your name, business address, and position with Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company").

A. My name is James M. Billingsley, and I am a Manager of Power Contracts and Origination for the Company. My business address is 5000 Dominion Boulevard, Glen Allen, Virginia 23060. A statement of my background and qualifications is attached as Appendix A.

Q. Please describe your areas of responsibility with the Company.

A. In my current position, I am responsible for the negotiation, origination, and day-to-day administration of the Company's non-utility generation power contracts.

Q. What is the purpose of your testimony in this proceeding?

A. I am presenting testimony in support of the Company's application ("Application") for approval of a 100 percent renewable energy tariff for residential and non-residential customers, designated 100 Percent Total Renewable Generation Rate ("Rider TRG"), whereby participating customers can elect voluntarily to purchase 100 percent of their energy and capacity needs from renewable energy resources.

Specifically, my direct testimony will describe Rider TRG and the portfolio of renewable energy resources that will serve the Rider TRG customers (the "TRG Portfolio"). I will

also provide an overview of the Company's methodology for calculating the Rider TRG premium.

Q. Are you sponsoring an exhibit in this proceeding?

A. Yes. Company Exhibit No. __, JMB, consisting of Schedule 1, was prepared under my supervision and direction and is accurate and complete to the best of my knowledge and belief. Schedule 1 includes the calculation of the Company's proposed Rider TRG premium.

Q. Please provide an overview of the Company's proposed voluntary Rider TRG.

A. The proposed Rider TRG is designed to serve eligible customers who desire to have their energy and capacity needs met by 100 percent renewable energy resources. The Commission has determined that, for the purposes of supplying 100 percent renewable energy, it is reasonable under Va. Code § 56-577 A 5 for the energy be matched with a participating customer's load on a monthly basis.

Q. Please describe the renewable energy resources that will make up the TRG Portfolio.

A. Rider TRG customers will receive 100 percent of their energy and capacity from a portfolio of resources owned or contracted for by the Company that meet the definition of renewable energy in Va. Code § 56-576. As proposed, the TRG Portfolio currently would include the:

- Scott, Whitehouse, and Woodland (*i.e.*, US-2) solar facilities;
- Essex, Williamston Speight, HXOap, Cork Oak, and Sunflower solar power purchase agreements ("PPAs");

- Gaston and Roanoke Rapids hydro facilities; and,
- Altavista, Hopewell, Southampton, and Virginia City Hybrid Energy Center ("VCHEC")[1] biomass units.

Q. Will additional renewable resources be added to the TRG Portfolio in the future?

A. The Company is committed to owning and contracting for a significant amount of renewable energy in the coming years as system resources that will be available to include in the TRG Portfolio. Once these facilities begin commercial operations, they could be added to the TRG Portfolio. For example, the Company has contracted for the output from the Water Strider solar facility to be constructed in Halifax County, Virginia, and may add it to the TRG Portfolio once commercial operations begin (expected by late 2020).

Q. Given the TRG Portfolio as currently constructed today, what level of customer load can it serve?

A. To analyze the potential customer load the TRG Portfolio could serve, the Company examined actual historical load for residential customers who have elected to have 100 percent of their energy usage matched with renewable energy certificates ("RECs") through the Company's Green Power Program. Looking at actual generation during the calendar years 2012 through 2018 (to the extent available and adjusting for an outage anomaly in 2017 for the Company's biomass conversion units) and comparing to the maximum monthly residential customer load for the subset of Green Power customers

[1] VCHEC (610 megawatts) is designed to co-fire with biomass fuel. The percentage of renewable biomass fuel consumed is expected to increase to 10% by 2023. Under Va. Code § 56-576, the term "renewable energy" includes the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

described above over the same time period, the Company expects that the TRG Portfolio will be able to meet the capacity and energy requirements of approximately 50,000 residential customers or their commercial equivalent. As the Company continues to develop and contract for new renewable generation, the number of customers able to be served under this program will continue to increase.

Q. How will the Company ensure that the TRG Portfolio is meeting 100 percent of the energy and capacity needs of participating customers?

A. The Company will manage Rider TRG subscriptions to provide enough energy and capacity within the existing TRG Portfolio to handle deviations from expected portfolio generation or expected customer load. On a monthly basis, the Company will compare the subscribed customer load to the monthly generation by the TRG Portfolio and ensure that the generation exceeds the load, with a reasonable margin for deviations.

Q. What will the Company do with the RECs produced by the TRG Portfolio renewable energy resources?

A. The Company will retire the RECs associated with each megawatt-hour ("MWh") generated by the TRG Portfolio that the Company sells to participating customers. To the extent the TRG Portfolio produces more RECs in any given month than participating customer load, the excess RECs will be handled just as they are today, either retired for other purposes (*e.g.*, to meet the voluntary Virginia renewable portfolio standard) or sold into the market.

Q. Please explain the pricing for Rider TRG.

A. The price customers will pay to participate in Rider TRG will be a premium over standard service that is based on the prevailing market value of retail renewable energy, using the market value of RECs as a proxy for this premium. The weighted average value of the RECs produced by the current TRG Portfolio in 2018 was $4.21 per MWh, which is the initial pricing the Company is proposing in its filing as shown in my Schedule 1. This represents a premium over standard service of 3.6% for participating customers.

Q. How often will the Company update Rider TRG's pricing?

A. The Company will update the Rider TRG premium on an annual basis to ensure that the premium reflects current market value. The premium will be calculated by reviewing the generation and market value of RECs for the renewable resources in the TRG Portfolio in the prior year and calculating a weighted average.

Q. The Company currently is selling RECs produced by the US-2 Solar Facilities, VCHEC biomass, and biomass conversion facilities and crediting the proceeds back to those facilities' respective riders. How will the Company ensure that non-participating customers are held substantially harmless because these RECs will now potentially be retired through the TRG Portfolio?

A. As previously described in my testimony, the Rider TRG premium will use the market value of RECs as a proxy for the prevailing market value of renewable energy. Therefore, instead of transacting with third-party market participants for the RECs from the US-2, VCHEC biomass, and biomass conversion facilities, the Company is transacting with Rider TRG customers. Any Rider TRG premium proceeds will be

credited to the US-2, VCHEC, and biomass conversion facilities' respective riders, just as currently happens with third party sales today. In addition, the Company will ensure that the US-2, VCHEC, and biomass conversion facility riders are credited with the appropriate market value by transferring RECs associated with these facilities to Rider TRG customers at the same solar/biomass proportion and pricing as the premium was based upon, as shown in my Schedule 1.

Q. Does this conclude your pre-filed direct testimony?

A. Yes, it does.

APPENDIX A

BACKGROUND AND QUALIFICATIONS OF JAMES M. BILLINGSLEY

James M. Billingsley joined the Company in 2005 as an Associate Financial Analyst in the Financial and Business Services – Generation Consolidated Department. Since then he has held various financial roles within the power generation, natural gas transmission and distribution, and corporate financial analysis areas of the Company. In 2014, Mr. Billingsley was promoted to Manager of Energy Infrastructure Financial Management and Commercial Support. In October 2017, he assumed his current position of Manager of Power Contracts and Origination. In his current role, Mr. Billingsley is responsible for the negotiation, origination, and day-to-day administration of the Company's non-utility generation power contracts.

Mr. Billingsley graduated from the University of Virginia in 2005 with a Bachelor of Science degree in Commerce with concentrations in Finance and Management.

Mr. Billingsley has previously presented testimony before the State Corporation Commission of Virginia.

Renewable Generator	2018 Generation	
Solar	239,387	MWh
Biomass	1,069,679	MWh
Total	1,309,066	MWh
Percentage of Portfolio	60.10%	
Hydro	869,200	MWh
Percentage of Portfolio	39.90%	
2018 Solar/Biomass REC Value	$6.72	$/MWh
2018 Hydro REC Value	$0.42	$/MWh
Proposed Rider TRG Premium	**$4.21**	$/MWh