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State, county await pipeline showdown

BY JOHN BRUCE • STAFF WRITER

MONTEREY – Beyond drinking and livestock water worries, the proposed Atlantic Coast Pipeline would add to customer power bills, the largest environmental organization in the Southeast claims.

Expert analyses filed with the Virginia State Corporation Commission Aug. 11 suggest Dominion customers would pay between $1.6-$2.3 billion in unneeded costs if Dominion Energy builds the proposed pipeline, the Southern Environmental Law Center said in a news release.

SELC presented the analyses in its testimonies on Dominion Energy's Integrated Resource Plan filed at the SCC.

"Today's filings add to mounting evidence that Dominion Energy is not getting the numbers right in its planning process," said SELC staff attorney Will Cleveland. "That's a problem not just from an environmental standpoint but in terms of wasting billions of customer dollars."

Dominion is an investor-owned utility monopoly officially known in the financial community as Virginia Electric and Power Company with assets exceeding $40 billion.

"The detailed analysis of Dominion's IRP reveals that the company persists in using outdated data and modeling to come up with an energy plan for Virginia – one that skews in favor of the most lucrative plan for shareholders rather than the soundest one for energy consumption and customer cost," SELC said.

An IRP is a document developed by an electric utility that provides a forecast of its power load obligations and a plan to meet those obligations by supply-side and demand-side resources over a 15-year period. According to the Code of Virginia, an IRP should promote reasonable prices, reliable service, energy independence, and environmental responsibility. The SCC determines whether the IRP is reasonable and in the public interest.

SELC's experts reviewed Dominion's IRP and found:

• Dominion is dramatically over-projecting the demand for electricity in Virginia and as a result is planning on building costly, and completely unnecessary, power plants at customer expense. This follows a pattern of bad analysis in Dominion IRPs that has been going on for a decade resulting in years of poor and inefficient planning, SELC said.

• Dominion's claim, that the Atlantic Coast Pipeline is needed for cost-saving reasons, does not add up. Using Dominion's own data, the analysis shows that the Atlantic Coast Pipeline will not save its customers a single dollar, instead adding billions to customers' bills.

• Dominion is setting an arbitrary cap on the amount of solar it is willing to commit to in favor of building more natural gas infrastructure. By creating this artificially constrained model to determine solar use, Dominion overestimates its reliance on natural gas.

SELC will represent Appalachian Voices, the Chesapeake Climate Action Network and the National Resources Defense Council at Dominion's IRP hearing at the SCC in September.

The SCC will consider the IRP submitted by Dominion. Public comments are due on Sept. 18. A public hearing is scheduled for Sept. 25 at 1 p.m. in the SCC's courtroom on the second floor of the Tyler Building, 1300 East Main Street in downtown Richmond. Those wishing to comment at the hearings should arrive early and notify the SCC bailiff. Written comments on the plans may be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Va. 23218-2118.

In May, Dominion filed its IRP with the SCC, focusing on regulatory uncertainty brought about by the president's opposition to the Clean Power Plan. The IRP states: "Specifically, (Dominion) presents eight different alternative plans … designed to meet customers' needs in a future with or without the (Clean Power Plan.) The alternative plans are based on a variety of CPP compliance approaches and other factors in a changing and challenging regulatory environment."

Dominion asserts the proposed ACP would somehow increase demand for electricity.

"After the Atlantic Coast Pipeline is completed, new industrial, commercial, and residential load growth is expected to materialize as additional low-cost natural gas is made available to the region," the IRP says.

"In August 2014, (Dominion) executed a precedent agreement to secure firm transportation services on the ACP. This incremental capacity will support a portion of the natural gas needs for the existing power generation with enhanced fueling flexibility and reliability … The ACP is a greenfield interstate pipeline that will provide access to competitively-priced, domestic natural gas supply for utility and industrial customers in Virginia and North Carolina and deliver those supplies to strategic points in (Dominion's) service territory as early as November 2019," the IRP says. "This geographically-diverse pipeline would also allow for future, lower-cost pipeline capacity expansions with limited environmental impact."

Mountain residents of counties in the pipeline study corridor tend to disagree with Dominion's environmental assessment. A month before the IRP was filed, Highland County supervisors issued an even-tempered letter to the Federal Energy Regulatory Commission harshly criticizing the ACP draft environmental impact statement: "The DEIS fails to adequately address the board's ongoing concerns about adverse impacts to groundwater sources in Highland and fails to specify necessary protections for endangered species like the Indiana Bat," the county said. "The DEIS relies heavily on 'desktop analysis' regarding construction of the pipeline in our karst terrain, which inadequately identifies barriers to construction such as sinkholes and does not fully consider groundwater recharge areas in the pipeline path.

"Highland farmers rely on spring water to raise sheep and cattle," the county continued. "Dominion's offer to provide wells to farmers whose springs cease to flow as a consequence of the pipeline construction is not acceptable. A farm that must rely on well water is no longer a viable farm. Dominion should be directed to provide an independent analysis of groundwater recharge areas based on actual site visits and real data before being allowed to proceed.

"Highland has an active caving community which has explored and surveyed our numerous caves. The caves are home to several bat species, including the federally protected Indiana bat. The DElS fails to adequately address mitigation regarding this endangered species," the county said.

"The Highland Board of Supervisors has remained neutral on the ACP. However, we were alarmed to read of the March 2017 decision by a U.S. District Judge in Virginia, who found that Dominion Virginia Power violated the Clean Water Act by leaking arsenic into waters surrounding a coal ash storage area. Our small county cannot and should not have to rely on Dominion's 'good will' where the ACP is concerned. Hard facts must be demanded by FERC.

"We ask that you require detailed, independent analyses of the threats to our groundwater and the threats to all endangered species. Our county does not have a staff engineer, a staff erosion and sediment control expert, or a staff biologist. We are reliant on FERC to protect us from all unreasonable adverse impacts as a result of this for-profit project," the county said.