

Back-to-back Va. rulings boost Dominion's grip on renewables

Arianna Skibell, E&E News reporter Published: Monday, July 27, 2020



A solar array in Virginia operated by Dominion Energy. Dominion Energy

Virginia regulators this month approved a proposal by Dominion Energy Inc., the state's largest utility, to exclusively sell an all-renewable energy package to its customers. The move has spurred backlash from critics who say it squashes competition and prevents businesses from shopping around for their energy supply.

The Virginia Supreme Court this month upheld a separate State Corporation Commission (SCC) decision barring Walmart from buying energy from companies other than the state's regulated utilities.

The two rulings have crushed the latest round of efforts by companies seeking to competitively buy electricity in Virginia, even as Dominion has defended its renewable energy tariff as needed to keep costs low for all customers. But several retail power providers, businesses and advocates are plotting their next moves to counter Dominion's ability to corner the renewable energy market.

"Our growing coalition of environmental groups and businesses is not going to give up, and we're going to continue to fight for customers in Virginia," said Ron Cerniglia, director of corporate and regulatory affairs at Direct Energy, a retail gas and electricity provider that

was acquired last week by NRG Energy Inc. ([*see related story*](#)). "We have positive momentum behind us."

The group is throwing its weight behind a state bill that would allow retail customers to purchase 100% renewable energy from any licensed competitive supplier, not just incumbent utilities like Dominion. The measure, **H.B. 868**, sponsored by Virginia Del. Jeff Bourne (D), passed the state House and Senate in the last legislative session and was accepted by the governor's office. But, Bourne confirmed in an email, the measure needs to be passed again in the next session to become law.



Virginia Del. Jeff Bourne (D). Prince George County

Cerniglia said the recent SCC decision has only "invigorated our coalition's efforts to make sure that legislation passes a second time in 2021."

The group includes the North Carolina nonprofit Conservatives for Clean Energy, the Council of Independent Colleges in Virginia, Costco Wholesale, Harris Teeter, Texas-based energy giant Vistra Corp., Food Lion and the Virginia Apartment Management Association, among others.

Virginia law requires energy customers to buy electricity from their incumbent utility unless they are purchasing an all-renewable package not offered by their normal power provider. Now that the SCC has approved Dominion's 100% renewable product, customers voluntarily seeking low-carbon options must purchase electricity from the utility and not elsewhere.

"The ruling is great news for our customers in Virginia, who now have the option to meet 100 percent of their energy needs with renewable energy generated by facilities in Virginia and the surrounding region," Dominion spokesperson Audrey Cannon said in an email. "We believe this is the best option for all electric customers in Virginia because it keeps rates low for those who choose not to participate."

She said the SCC has acknowledged that when customers leave Dominion to seek renewable energy from other providers, costs increase for remaining electricity consumers.

Under the new program, "customers who choose not to enroll will not be required to pay for, or subsidize, the costs to serve the 100% Renewable Energy customers," she said. Those who enroll would see about \$4 added to their monthly electricity bills.

Caitlin Marquis, who handles corporate renewable energy procurement for Advanced Energy Economy, said that for years, Dominion and Appalachian Power, the state's other major utility, have been attempting to put forward 100% renewable energy programs that would close off other options for customers.

"Part of the reason this is problematic is because the [Dominion] program doesn't meet the criteria customers are looking for," she said. "It comes with an automatic premium as the cost of renewables is going down, so customers are not excited about that. And it relies on existing resources that are already part of Dominion's resource fleet ... like biomass plants. So it's not just wind and solar, which is what most customers want."

Under the new tariff, about 50,000 residential customers can buy 100% renewable energy procured from solar, hydropower and biomass plants whose power Dominion either owns or has contracts to purchase from outside suppliers. There is debate among climate activists about to what extent biomass is a renewable resource ([*Climatewire*](#), May 22).

Dominion's original proposal included power generated from a co-fired coal and biomass plant. But the SCC struck that from Dominion's renewable portfolio, saying that "in no universe" would customers believe they were purchasing 100% renewable energy from a generating unit whose primary fuel is coal.

Tackling Dominion and the status quo through legislative action has already proved possible in Virginia, Cerniglia said. For example, he said that despite the state Supreme Court's ruling, Walmart may ultimately be able to competitively shop for its renewable energy supply because of another recent law — [**H.B. 889**](#) — that provides certain loopholes through a pilot program.

"At the end of the day, Walmart still got what it wanted through this legislation," Cerniglia said.