

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 24, 2023

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APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

2023 AUG 24 A 8:35  
CASE NO. PUR-2023-00023

For approval and certification of electric  
transmission facilities: Lines #2019  
and #2007 Rebuild Project

FINAL ORDER

On February 24, 2023, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in the City of Virginia Beach, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, the Company proposes to complete the following, which is collectively referred to as the "Rebuild Project" or "Project:"

- Rebuild an approximately 1.17-mile segment of 230 kilovolt ("kV") Greenwich-Thalia Line #2019 from Structure #2019/20 to the Company's existing Thalia Substation. Specifically, replace 1.17 miles of Line #2019 structures beginning at Structure #2019/21, which primarily are single circuit concrete monopoles, with single circuit galvanized steel monopoles on concrete foundations. Additionally, replace conductors between Structure #2019/20 and the Thalia Substation, and replace shield wires between Greenwich Substation and Thalia Substation with two fiber optic shield wires;
- Rebuild the entire approximately 3.37-mile 230 kV Lynnhaven-Thalia Line #2007 between the Company's existing Lynnhaven and Thalia Substations. Specifically, replace 3.37 miles of Line #2007 structures between Structure #2007/102 and Structure #2007/42A, which primarily are single circuit concrete monopoles, with single circuit galvanized steel monopoles on concrete foundations. Additionally, between Greenwich Substation and Thalia Substation, replace conductors, and replace shield wires with two fiber optic shield wires; and

- Conduct related work at the Company's existing Greenwich, Thalia and Lynnhaven Substations to support the new line ratings.<sup>1</sup>

In its Application, Dominion asserted the proposed Rebuild Project is necessary to replace aging infrastructure at the end of its service life to comply with the Company's mandatory electric transmission planning criteria, and provide important system reliability benefits to the Company's entire network.<sup>2</sup> The Company stated that existing right-of-way ("ROW") and Company-owned property are adequate for the proposed Rebuild Project, and that no new ROW is required.<sup>3</sup>

In its Application, the Company stated that the desired in-service date for the Rebuild Project is December 31, 2025.<sup>4</sup> The Company further stated that the estimated conceptual cost of the Rebuild Project (in 2022 dollars) is approximately \$91.7 million, which includes approximately \$87.4 million for transmission-related work and approximately \$4.3 million for substation-related work.<sup>5</sup>

On March 23, 2023, the Commission issued an Order for Notice and Comment that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application, to participate in the proceeding as a respondent by

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<sup>1</sup> Application at 2-3.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.* at 4.

<sup>4</sup> Errata Filing with Revised Application Page 4, Doc. Con. Cen. No. 230340378, filed on Mar. 31, 2023. Dominion requests that the Commission enter a final order by September 1, 2023. Application at 3. Should the Commission issue a final order by September 1, 2023, the Company estimates that construction should begin in July 2024 and be completed in December 2025. *Id.* at 3-4.

<sup>5</sup> *Id.* at 4.

filing a notice of participation, or request that a hearing be convened; directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter and to file a final report.

Staff requested that the Department of Environmental Quality ("DEQ") coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review.<sup>6</sup> On May 18, 2023, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides a list of permits needed for the Project.<sup>7</sup> The DEQ Report also provided general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contained the following Summary of Recommendations regarding the Project.

According to the DEQ Report, the Company should:

- Conduct an on-site delineation of wetlands and streams within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Further evaluate Pollution Complaint cases identified in the project area;

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<sup>6</sup> Letter from Kati K. Dean, State Corporation Commission, dated March 3, 2023, to David L. Davis, Department of Environmental Quality, filed in Case No. PUR-2023-00023; Letter from Kati K. Dean, State Corporation Commission, dated March 3, 2023, to Bettina Hayfield, Department of Environmental Quality, filed in Case No. PUR-2023-00023.

<sup>7</sup> DEQ Report at 3-4.

- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") regarding the development of an invasive species plan;
- Coordinate with DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months;
- Employ best management practices for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.<sup>8</sup>

On June 23, 2023, Staff filed its report ("Staff Report") summarizing the results of its investigation of Dominion's Application. On July 6, 2023, the Company filed rebuttal testimony. No other parties provided any written comments on the Application, filed a notice of participation, or requested that a hearing be convened. On July 20, 2023, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner made the following findings and recommendations:

1. A transmission project to rebuild Line #2007 and partially rebuild Line #2019 is needed to address aging infrastructure and maintain transmission system reliability;
2. The proposed Project, which would be constructed entirely in existing right-of-way, would avoid or reasonably minimize adverse impact to the greatest

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<sup>8</sup> DEQ Report at 5-6.

extent reasonably practicable on the scenic assets, historic districts, and environment of the area concerned;

3. The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
4. It is not necessary to direct Dominion to develop an environmental management system;
5. It is not necessary to direct Dominion to develop an invasive species management plan. The Company continues to meet with DCR regarding invasive species management and anticipates providing to DCR a draft addendum to the Company's integrated vegetation management plan during the next few months;
6. Dominion has adequately investigated the closed petroleum release sites near the Project and the Company shall contain any petroleum contaminated sediments it may encounter during construction of the Project;
7. Dominion should be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project;
8. The Project does not appear to adversely impact any goals established by the Virginia Environmental Justice Act,<sup>9</sup> and
9. The Project would support economic development.<sup>10</sup>

Accordingly, the Hearing Examiner recommended the Commission enter an order that adopts the findings in the Report; authorizes the Company to construct and operate the Project, subject to the findings and conditions recommended by the Hearing Examiner; issues the appropriate certificate of public convenience and necessity ("CPCN") for the Project; and dismisses this case from the Commission's docket of active cases.<sup>11</sup>

On July 27, 2023, the Company filed comments to the Report. On August 1, 2023, Staff filed comments to the Report.

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<sup>9</sup> Code § 2.2-234 *et seq.*

<sup>10</sup> Report at 13-14.

<sup>11</sup> *Id.* at 14.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission further finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

Applicable Law

The Statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides the following:

it shall be unlawful for any public utility to construct, enlarge, or acquire . . . any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

[w]henver the Commission is required to approve the construction of any electrical facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that:

[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represented that the proposed Project is necessary to replace aging infrastructure at the end of its service life to comply with the Company's mandatory electric transmission planning criteria, and would provide important system reliability benefits to the Company's entire network.<sup>12</sup> Staff concluded that Dominion reasonably demonstrated that the proposed Project is needed.<sup>13</sup> The Commission agrees with the Hearing Examiner that the Company has reasonably demonstrated the requisite need for the Project.<sup>14</sup>

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<sup>12</sup> Application at 3.

<sup>13</sup> Staff Report at 19.

<sup>14</sup> Report at 10.

### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds the evidence in this case demonstrates that the Project would support economic growth in the Commonwealth by continuing to provide reliable electric service.<sup>15</sup>

### Rights-of-Way and Routing

No new ROW is required for the Project, which would rebuild existing transmission lines.<sup>16</sup> The Commission concludes that the route of the Project satisfies the statutory requirements and best serves the total public interest.

### Impact on Scenic Assets and Historic Districts

The Commission agrees with the Hearing Examiner that the route of the Project would avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic districts, and environment of the area concerned,<sup>17</sup> as required by § 56-46.1 B of the Code.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.<sup>18</sup>

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<sup>15</sup> Staff Report at 17.

<sup>16</sup> See, e.g., Application, Appendix at 4.

<sup>17</sup> Report at 11.

<sup>18</sup> Code § 56-46.1 A.



The Commission finds there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests the Project should not be constructed. There are, however, recommendations included in the DEQ Report for the Commission's consideration.<sup>19</sup> The Company disagreed with three of those recommendations and requested that the Commission reject them.<sup>20</sup>

First, the Company requested the Commission reject DCR's Division of Natural Heritage ("DNH") (together, "DCR-DNH") recommendation to develop a separate invasive species management plan ("ISMP")<sup>21</sup> because it is unnecessarily duplicative and could potentially lead to significant project cost increases and construction delays.<sup>22</sup> The Company stated that it already has an Integrated Vegetation Management Plan ("IVMP") in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species.<sup>23</sup> The Company also explained that its IVMP is consistent with the standards for utility rights-of-way developed by the American National Standards Institute, as well as the NERC Vegetation Management Standards, for all regions in the Company's service territory.<sup>24</sup> Furthermore, the Company cited numerous cases in which the Commission has rejected this recommendation.<sup>25</sup>

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<sup>19</sup> DEQ Report at 7, 9-10, 14, 17-21, 23-25.

<sup>20</sup> Ellis Rebuttal Testimony at 5.

<sup>21</sup> DEQ Report at 19.

<sup>22</sup> Ellis Rebuttal Testimony at 5.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 5-6.

<sup>25</sup> *Id.* at 7, n.2.

Nevertheless, and in accordance with the Chief Hearing Examiner's recommendation in Case No. PUR-2021-00272, the Company met with DCR representatives on August 23, 2022 and again in February 2023 in an attempt to come to a mutual agreement regarding its IVMP moving forward.<sup>26</sup> Dominion further states that it is actively compiling an addendum draft of its IVMP to provide to DCR for review and continued discussions.<sup>27</sup> Dominion states that once all discussions are complete and the addendum is final, the Company will report on the results of its communications with DCR in future occurring transmission CPCN filings.<sup>28</sup> The Hearing Examiner found that DCR-DNH's recommendation for the development and implementation of an invasive species management plan should be rejected as unnecessary, consistent with recent Commission precedent.<sup>29</sup> The Commission agrees with the Hearing Examiner and declines to adopt DCR-DNH's recommendation regarding an ISMP.

Second, Dominion requested that the Commission reject DEQ's recommendation to consider development of an effective Environmental Management System ("EMS").<sup>30</sup> The Company asserted that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations."<sup>31</sup> We find that

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<sup>26</sup> *Id.* at 6-7.

<sup>27</sup> *Id.* at 7.

<sup>28</sup> *Id.*

<sup>29</sup> Report at 12.

<sup>30</sup> Ellis Rebuttal Testimony at 10.

<sup>31</sup> *Id.*

Dominion's existing EMS achieves the purpose of this recommendation.<sup>32</sup> The Commission agrees with the Hearing Examiner that this recommendation should be rejected.<sup>33</sup>

Third, Dominion requested that the Commission reject DEQ's recommendation that the Company further evaluate 22 pollution complaint cases identified in the Project area by DEQ,<sup>34</sup> specifically as to the exact location, nature, and extent of petroleum releases and their potential to impact the proposed Project.<sup>35</sup> According to Dominion, it has already evaluated these cases. Of the five petroleum release sites within 100 feet of the centerline of the proposed Project, none are in the Project ROW and all five sites have been closed for more than 15 years.<sup>36</sup> The remaining 17 petroleum release sites are not within or directly adjacent to the Project ROW, and all of these sites were closed between 1989 and 2021. The Company further represented that it has a containment procedure in place should petroleum contaminated sediments be encountered during construction.<sup>37</sup> The Hearing Examiner recommended that the Commission reject this DEQ recommendation.<sup>38</sup> The Commission agrees with the Hearing Examiner and declines to adopt this DEQ recommendation but directs Dominion to contain any petroleum contaminated sediments it may encounter during construction of the Project.

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<sup>32</sup> The Commission has made similar rulings in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, 2021 S.C.C. Ann, Rpt. 312, 315, Final Order (Mar. 23, 2021).

<sup>33</sup> Report at 12.

<sup>34</sup> DEQ Report at 16-17.

<sup>35</sup> Ellis Rebuttal Testimony at 8-10.

<sup>36</sup> *Id.* at 9.

<sup>37</sup> *Id.* at 9-10.

<sup>38</sup> Report at 12.

The unopposed recommendations in the DEQ Report are adopted herein as conditions of approval. The Commission further finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

### Environmental Justice

The Virginia Environmental Justice Act ("VEJA") sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>39</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>40</sup>

The Commission agrees with the Hearing Examiner that the Project does not appear to adversely impact any goals established by the VEJA.<sup>41</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

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<sup>39</sup> Code § 2.2-235.

<sup>40</sup> Code § 2.2-234; *see, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia, Case No. PUR-2021-00001, 2021 S.C.C. Ann. Rep. 368, 372, Final Order (Sept. 9, 2021); Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 EPS Proceeding for Virginia Electric and Power Company, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rep. 242, 252, Final Order (Apr. 30, 2021); Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq., Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rep. 190, 195, Final Order (Feb. 1, 2021).*

<sup>41</sup> Report at 13.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-SEC-2023-A, which authorizes Virginia Electric and Power Company, under the Utility Facilities Act, to operate certificated facilities in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2023-00023; Certificate No. ET-DEV-SEC-2023-A cancels Certificate No. ET-DEV-SEC-2022-A, issued to Virginia Electric and Power Company in Case No. PUR-2021-00142 on August 5, 2022.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for the Certificate Number that shows the routing of the transmission line approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 31, 2025. No later than ninety (90) days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension requested.

(7) This matter is dismissed.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.