

Dominion Energy's Natural Gas Assets:  
**A Stranded Risk  
Assessment**



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## Forward-Looking Statements

This report contains certain forward-looking statements that are subject to various risks and uncertainties. Such forward-looking statements include, among other things, projections related to emission reductions and targets, changes in technology, statements about future business plans and forecasts for planned capital needs. We have identified and will in the future identify in our SEC (Securities and Exchange Commission) Reports on Forms 10-K and 10-Q several factors that could cause actual results to differ from those in the forward-looking statements. We refer you to those discussions for further information. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made.



Robert M. Blue  
Chair, President, and CEO

## Letter from the CEO

Dear Shareholders:

Dominion Energy is committed to delivering safe, reliable, affordable and increasingly clean energy. As a result, we have taken meaningful steps toward a sustainable clean-energy future. In 2020, we announced a commitment to Net Zero carbon and methane emissions across our electric and gas lines of business by 2050.<sup>1</sup> In 2022 we meaningfully expanded our Net Zero commitment to include Scope 2 emissions and material categories of Scope 3 emissions, including upstream fossil fuel and power suppliers and downstream end-use natural gas customers.<sup>2</sup>

We are taking action to achieve these industry-leading commitments. For example, we have developed one of the largest solar power generation portfolios among utility holding companies in the United States. We built and operate the only offshore wind turbines located in federal waters

and we are in advanced stages of building, owning, and operating the largest offshore wind project in the United States currently under development. We are extending the operating lives of our zero-carbon nuclear power stations and, relatedly, are the only U.S. company to currently possess governmental authorization to operate a nuclear unit beyond 60 years. We have a national-leading agriculture-based renewable natural gas (RNG) presence capturing millions of cubic feet of methane from livestock operations every year (and growing) and processing it into carbon-beneficial natural gas. We are also testing innovative uses of hydrogen across a variety of energy applications.

Even as we optimally position the company to pursue an industry-leading regulated decarbonization investment opportunity to the benefit of customers and shareholders alike, some things have not and will not change—your company remains steadfast in both our public service obligations and fiduciary duty as we undertake this generational transformation. We recognize that the clean-energy transition must be attentive to costs borne by our customers and risks borne by shareholders.

<sup>1</sup> <https://news.dominionenergy.com/2020-02-11-Dominion-Energy-Sets-New-Goal-of-Net-Zero-Emissions-by-2050>.

<sup>2</sup> <https://news.dominionenergy.com/2022-02-11-Dominion-Energy-Broadens-Net-Zero-Commitments>.



**We recognize that the clean-energy transition must be attentive to costs borne by our customers and risks borne by shareholders.**

At the company’s 2022 Annual Meeting of Shareholders, a majority voted in favor of a proposal regarding a report on the theoretic potential that during this transition, natural gas assets become “stranded” (i.e., no longer able to usefully serve our customers). In response to the proposal, we collated and report herein relevant information from your company’s various public disclosures, including the recently released 2022 Climate Report.<sup>3</sup>

This information demonstrates that Dominion Energy is pursuing multiple initiatives to enhance and ensure the sustainability of our natural gas investments as part of our broader business strategy to achieve Net Zero and align with global climate objectives. These efforts involve prudent, timely investments in modernizing our natural gas distribution infrastructure and preparing for

the critical role we expect natural gas, RNG, and hydrogen will play in the future. Roughly half our customers receive natural gas from Dominion Energy, and natural gas service and infrastructure will continue to play an important role in the clean energy transition. Put simply, your company is responding to stranded asset risk by working to keep our natural gas infrastructure portfolio modern, reliable, affordable, and sustainable.

**Robert M. Blue**  
Chair, President, and CEO  
February 10, 2023

<sup>3</sup> Dominion Energy Climate Report 2022, available at <https://www.dominionenergy.com/-/media/pdfs/global/company/esg/2022-climate-report.pdf>.

# Risk Assessment and Management

Enterprise risk management processes guide Dominion Energy’s strategic decisions. These processes are embedded in management practices and corporate governance. At least annually, management assists in identifying and evaluating the major risks faced by the holding company and at each of the company’s business segments. Members of management regularly report their findings and recommendations to the Board of Directors and its committees. The Board exercises oversight of the company’s long-term strategy and any associated risks, consistent with its belief that risk management advances the company’s interests.<sup>4</sup>

In support of effective climate governance, Dominion Energy operates an executive-level Climate Council supported by working groups and strategy teams in developing and overseeing climate-related strategy, initiatives, commitments, and performance. To evaluate the alignment of our capital investments with our business strategy, including our decarbonization strategy, we have an Investment Review Committee (IRC) that ensures all significant proposed investments receive appropriate analysis and review of Environmental, Social, and Governance (ESG) and Environmental Justice considerations, among other factors.

The transition-related and physical/climatic risks we have identified in the utility industry’s response to climate change are disclosed and discussed in the 2022 Climate Report.<sup>5</sup> We consider stranded asset risk as principally transition-related and recognize the attendant potential for financial implications. The risk of natural gas infrastructure becoming stranded is assessed in its proper context, alongside the other risks implicated in the clean-energy transition.

We are especially mindful of the imperative to meet our customers’ energy needs reliably and affordably; any lapse in our public service commitments would entail its own regulatory, financial, and reputational



risks. Given today’s technological outlook, retention of and reinvestment in natural gas assets is a strategic planning decision intended to mitigate those risks. Efficient and low-emission natural gas resources are necessary to ensure reliability and security of electric service—at least until advances in zero-carbon energy and battery storage allow those resources to meet our customers’ around-the-clock energy needs. Therefore, natural gas will remain a part of our portfolio for the foreseeable future.

We also take notice of 2020 survey results which showed that 74 percent of our natural gas utility customers in Utah, Ohio, and South Carolina, including a majority of those who identify as environmentalists, prefer the ability to choose natural gas service over the implementation of bans on new natural gas connections or mandated electrification of home appliances.<sup>6</sup> We acknowledge the risks associated with natural gas bans in certain jurisdictions, and the company is working with policymakers to maintain customers’ access to natural gas in accordance with their preferences and expectations. Legislation preserving customer choice has already been passed in many of the states in which our gas business operates.

Although preservation of and investment in natural gas infrastructure may raise concerns about stranded asset risk, the company is confident that the strategies discussed in subsequent sections of this report substantially mitigate that risk. We firmly believe these assets will remain used and useful even as the global response to climate change intensifies. In fact, they will be instrumental in achieving near-term progress toward our Net Zero commitment and in implementing innovative carbon-reducing measures in the future.

<sup>4</sup> [Dominion Energy Climate Report 2022](#), pg. 46.

<sup>5</sup> [Dominion Energy Climate Report 2022](#), pgs. 46-53.

<sup>6</sup> [Dominion Energy Climate Report 2021](#), pg. 34.



## Promoting Natural Gas Sustainability

From 2010 through 2021, Dominion Energy reduced direct methane emissions from our natural gas business by 38%. Furthermore, the company's efforts prevented 138,000 metric tons of methane emissions from entering the atmosphere in that timeframe—the carbon equivalent of removing 744,000 non-electric cars from the road for a year or planting 57 million new trees.<sup>7</sup>

Our strategy has hinged on modernizing and replacing less efficient natural gas infrastructure, expanding our leak detection programs, improving processes, procedures and systems, pursuing a wide range of voluntary initiatives, investing in innovation, and striving towards best-in-class technical excellence. By taking these proactive measures, we help ensure existing and planned natural gas infrastructure aligns with

our customers' needs as well as both our Net Zero commitment and the objectives of the Paris Agreement. This supports ongoing use of that infrastructure and mitigates stranded asset risk.

### Direct Emissions Reductions

Carbon and methane emissions from our natural gas operations make up only about 6% of Dominion Energy's Scope 1 emissions.<sup>8</sup> The company established targets for Scope 1 methane emissions reductions of 65% by 2030 and 80% by 2040, relative to a 2010 baseline. The primary sources of methane emissions from Dominion Energy's natural gas system are:

- Bare and unprotected steel mains and services;
- Pneumatic devices;
- Residential and commercial meter sets; and
- Third-party pipeline damages.

Considerable progress has been made to date through implementation of Best Management Practices (BMPs) including replacement of vintage

<sup>7</sup> [Dominion Energy Methane Report 2021](#), pg. 2.

<sup>8</sup> [Dominion Energy Climate Report 2022](#), pg. 29.

pipe and pneumatic devices; voluntary expansion of our Leak Detection and Repair (LDAR) activities; damage prevention programs and annual public awareness campaigns which have considerably reduced releases caused by excavation damage to pipelines; and minimizing methane emissions from maintenance activities through procedural changes and investments in innovation such as Zero Emission Vacuum and Compressor (ZEVAC) technology. A full list of BMPs can be found in our [2021 Methane Report](#).

These efforts will continue, and we are evaluating additional reduction opportunities to reach our targets, including leak detection and repair activities for customer meter sets and refinement of emissions calculation methodologies (use of company specific measurements versus emissions factors).

This multi-pronged approach has enhanced the company's environmental performance. Of course, we recognize that the company's Net Zero ambitions call for even deeper emissions reductions, and we are confident that future technological innovations will enable further operational emissions reductions.

### Upstream and Downstream Emissions Reductions

As Dominion Energy holds itself to an ever-higher standard of sustainability for its natural gas operations, we are also asking the same of our upstream gas suppliers. We advocate for gas suppliers to adopt their own net zero goals, promote disclosure of their emissions and development of sustainability plans, and encourage them to bring responsibly sourced gas—that is, gas certified as produced at a lower emissions intensity—to market.<sup>9</sup> At the other end of the value chain, Dominion Energy is working to support our natural gas customers' desire to lower their emissions profile.

Although Scope 3 emissions are not under the direct control of the company, Dominion Energy employs a variety of approaches to help reduce gas supplier and customer emissions:

- We provide carbon calculators to customers to help them better understand and manage their emissions.



- We offer energy efficiency programs to our customers and are expanding them in many states.
- We offer customer programs in Utah, Idaho, and North Carolina providing access to RNG and carbon offsets.
- We are surveying our gas suppliers to better understand their methane intensities, methane reduction goals, net zero initiatives, and responsibly sourced gas (RSG) certifications.
- We are piloting hydrogen blending in Utah, Ohio, and North Carolina.
- We created the largest agriculture based RNG profile in the country.
- We are performing RNG feasibility assessments in our operating areas and working with developers.

### Ongoing Asset Utilization

There are multiple applications of Dominion Energy's natural gas distribution infrastructure that support ongoing utilization and align with emissions reduction strategies. Our efforts involve prudent, timely investments in modernizing our natural gas distribution infrastructure and preparing for the critical role we expect natural gas, RNG, and hydrogen to play in the future.

We envision a growing role for carbon-beneficial RNG throughout our electric and natural gas lines of business to capitalize on its emissions reduction benefits.

<sup>9</sup> [Dominion Energy Climate Report 2022](#), pgs. 28, 30.



By capturing methane created through agricultural operations that would otherwise escape into the atmosphere, RNG facilities are able to convert it into RNG which can then be used interchangeably within the same infrastructure built for conventional natural gas. Methane is a more potent greenhouse gas compared to carbon dioxide, so capturing it removes significantly more emissions than are created when agriculture-based RNG is used to heat homes, power businesses, or fuel transportation fleets.

The Align and Vanguard Renewables RNG programs capture methane created through farming operations and convert it into RNG that can be used interchangeably with conventional natural gas. Our first swine-based RNG project (in Milford, Utah) entered service in 2020. During 2022, we continued to develop and construct RNG swine and dairy projects, with three projects in commissioning, 11 projects in active construction and five more approved to start construction by the end of the year. In 2023, we expect to complete our first swine-based RNG project in North Carolina, enough RNG from a network of 19 family farms to heat 4,500 homes. Additional

projects are underway in Georgia, Colorado, Nevada, Utah, Arizona, and elsewhere.

Our RNG business will continue to grow and develop. Taken together, these industry-leading initiatives are expected to reduce agricultural emissions by over 5.5 million metric tons a year—the carbon equivalent of removing more than 1.2 million non-electric cars off the road for a year or planting 90 million new trees.<sup>10</sup>

Hydrogen is an emerging clean energy source that could reduce the environmental impact of generating electricity and heating homes and buildings; power manufacturing; and fuel transportation — all with few or zero emissions. Dominion Energy is exploring how hydrogen can help us achieve Net Zero emissions and help decarbonize other industries like transportation and manufacturing. One substantial advantage of hydrogen is that it can be blended into the existing natural gas network, preserving the beneficial use of natural gas infrastructure. Another advantage is that hydrogen, like natural gas, is an efficient heating source (particularly in colder climates).

<sup>10</sup> [RNG Partnerships | Dominion Energy](#)





In Utah, we tested blending hydrogen with natural gas on a small scale on natural gas pipelines and appliances at our training center with significant positive results. Our pilot project confirmed extensive industry research that at modest blending levels, hydrogen can deliver safe, reliable, and sustainable energy without impairing appliance or system performance. We are expanding our pilot to a Utah community to field-test blending on a broader scale. We are conducting similar pilots at our North Carolina and Ohio training centers, and the company is engaging with regional coalitions in support of establishing multiple regional hydrogen hubs.

### Strategy Summary

Our Net Zero commitment and the Paris Agreement impel us to find ways to reduce the emissions intensity of our business, including our natural gas operations. Those assets may indeed be at risk of becoming stranded if the company does nothing to adapt them to meet modern-day climate challenges. On the contrary, Dominion Energy foresees continued beneficial use of our natural gas infrastructure, and we are acting accordingly.

The company is taking steps to reduce not only Scope 1 emissions from our natural gas

operations, but also Scope 3 emissions from upstream and downstream sources. And we are positioning our natural gas distribution and electric generation infrastructure to leverage clean-energy innovations like RNG and hydrogen. This includes meeting with state commissions, project developers, regulators, and legislators in our operating states to discuss the company's natural gas sustainability strategy and work collaboratively to develop tariffs and incentives for RNG. Through 2035, Dominion Energy foresees up to \$8 billion in gas distribution modernization and RNG investment.<sup>11</sup>

Dominion Energy is at the forefront of efforts to reduce methane emissions, but it is not a unilateral effort. We are a founding member or leading participant in the EPA's Natural Gas STAR Program, the EPA's Methane Challenge Program, the Natural Gas Sustainability Initiative, and the ONE Future Coalition. Moreover, we are supporting certification and procurement of responsibly sourced natural gas through the NextGenGas Coalition.<sup>12</sup> Dominion Energy is also an anchor sponsor of the Low Carbon Resources Initiative, a research and development effort focused on emerging clean-energy technologies, including hydrogen.

<sup>11</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 31.

<sup>12</sup> [Dominion Energy 2020 Sustainability and Corporate Responsibility Report](#), pgs. 88, 99.



## Consistency with Scenario Modeling

### Climate Reports

In addition to its discussion of climate-related risks and opportunities, the 2022 Climate Report assessed decarbonization pathways for Dominion Energy's electric and gas operations.

To better understand the contours of these potential pathways, we engaged a third-party consultant to model different scenarios under which Net Zero could be achieved. Those pathways were modeled using two national market scenarios reflecting different increases in average global temperatures — one reflecting a 2.1°C scenario and the other reflecting a 1.5°C scenario consistent with the Paris Agreement. Combined, the results of the scenario modeling and related analysis provide comparative pathways to meet our enterprise-wide carbon and methane Net Zero goal. Notably, the electric generation and natural gas scenario modeling demonstrates the need for gas infrastructure to support reliable integration of intermittent renewable generation resources, hydrogen, and RNG on our system.

In particular, the natural gas scenario analysis focused on reducing Scope 3 customer emissions as a critical component of our Net Zero commitment. Our approach evaluated a mix of potential strategies by modeling the following two scenarios:

- **Energy Efficiency Scenario:** This scenario results in customer demand reductions by focusing on increasing levels of energy efficiency.
- **Hybrid Heating Scenario:** This scenario results in customer demand reductions by assuming higher rates of hybrid (electric and gas) heating.

While the two gas customer scenarios assume the same level of demand reduction, they take different approaches to achieving it. Both leverage higher levels of decarbonized gases and some offsets to reach Net Zero emissions by 2050. The results of this scenario modeling illustrate that even with the assumed widespread energy efficiency and adoption of other demand reduction approaches like hybrid heating, gas infrastructure will still be needed to meet customer demand on peak cold days across our service territory. In addition, the modeling results contemplate further development of RNG and hydrogen supply technologies and markets. Given the increasing levels of RNG called for in the scenario modeling,

the analysis included an assessment of potential feedstocks and RNG supply within Dominion Energy’s natural gas service territories.

RNG and hydrogen production are not currently demonstrated at the requisite long-term scale but are assumed to become widely available within the planning horizon. To achieve such widespread adoption of these fuels, multiple conditions including technological advancement and cost reductions, sufficient infrastructure, manufacturing capability for key equipment, incentives to stimulate private sector investment, and a supportive regulatory framework at the federal and state levels are implicitly assumed within the modeled scenarios. Some of these conditions are already in various states of formation, such as new federal legislative tax benefits for RNG that enhance the economic viability of new RNG projects.

The 2022 Climate Report scenario modeling supports natural gas as part of our long-term vision, consistent with our Net Zero commitment. Natural gas plays a key role in delivering clean energy by providing fuel to power the electric grid as intermittent renewable energy sources are brought online. We are committed to efforts that reduce upstream and downstream emissions and continued investment in our gas infrastructure to support integration of RNG and hydrogen on our system.

For more information on Dominion Energy’s scenario modeling, see the [2022 Climate Report](#).

### Integrated Resource Plans

Our Integrated Resource Plans filed with state-level regulatory agencies also provide insight into the contours of potential pathways Dominion Energy could pursue to meet future customer needs reliably, affordably, and sustainably. Due to specific regulatory requirements, Integrated Resource Plans filed may use some modeling assumptions that differ from the Climate Report scenario modeling. Nevertheless, recent results from these filings lend support to ongoing utilization of our natural gas assets.

For instance, Dominion Energy Virginia’s 2022 Update to its 2020 Integrated Resource Plan (filed September 1, 2022) notes that preservation of natural gas generation can act as a hedge against



future system reliability, stability, and energy independence issues even on a trajectory toward dramatic emissions reductions. By contrast, pathways that assume complete retirement of all company-owned natural gas generation in Virginia would demand significant incremental resource development and capacity purchases. Even then, it remains to be seen whether the utility could maintain a reliable system under such an approach.<sup>13</sup>

Meanwhile, the preferred resource plan in Dominion Energy South Carolina’s Integrated Resource Plan 2021 Update is aptly described as a plan to replace coal with natural gas and renewables.<sup>14</sup> It is the most cost-effective means of meeting the utility’s projected energy and capacity needs over the 15-year planning horizon and is the most consistent with a Net Zero future. That is, the preferred plan reflects the greatest carbon emissions reduction among the multitude of alternative plans, despite its contemplated addition of new natural gas-fired combined cycle and combustion turbine facilities as coal resources retire.

In short, these Integrated Resource Plans affirm that long-term electric system plans which include natural gas resources are among the most successful in balancing reliability, fuel diversity, and cost to customers in tandem with emissions reductions. Integrated Resource Plans do not purport to be a definitive statement of how Dominion Energy will ultimately meet customers’

<sup>13</sup> Dominion Energy Virginia’s 2022 Update to the 2020 Integrated Resource Plan, pg 24.

<sup>14</sup> Dominion Energy South Carolina’s Integrated Resource Plan 2021 Update, pgs. 35-36.



energy needs. Rather, they represent a snapshot in time based on present market, technological, and legal conditions. But it is telling that, to date, these highly elaborate modeling exercises present a compelling use case for natural gas infrastructure.

### **Regulatory Framework**

For our state-regulated businesses, the impact of significant losses from stranded assets is also mitigated by our regulatory framework. For new investments, we do not invest in projects that are uneconomic to customers and shareholders. Through regulatory proceedings such as rate cases, state regulators review investments made by the company for prudence. To date, they have consistently found our investments prudent.

For our current gas assets, we are required to continuously assess their useful life. When a regulated asset's useful life changes significantly before its previously determined useful life, an assessment of recoverability of the remaining unrecovered value from the customer would need to be determined. Given these assets are currently being recovered in rates, there is not significant risk they would be disallowed in future rates if decisions to retire are considered prudent. If such a risk were to become more than remote and potentially significant to investors, such information would be disclosed. None of our current gas assets are probable of being retired significantly before the end of their useful life.



## The Broader Clean-Energy Context

Investment in natural gas infrastructure is not mutually exclusive with an increasingly sustainable generation portfolio on the electric side of our business. We note that use of natural gas in electric generation has presided over a dramatic reduction in the company's reliance on coal over the past 16 years—our owned electricity generation from coal fell from 47% in 2005 to 12% in 2021.<sup>15</sup> And, by 2035, we expect that coal generation will only represent approximately 1% of our owned generation output.<sup>16</sup> Dominion Energy South Carolina has proposed to retire coal-only stations by the end of 2030. Dominion Energy Virginia maintains coal capacity beyond 2030

for reliability and resiliency, with a 100% Renewable Portfolio Standard by 2045.<sup>17</sup>

The company's Net Zero commitment for our power generation business includes an interim target—a 55% carbon emissions reduction by 2030 (compared to 2005 levels). We are well on our way. For example, we expanded our fleet of zero-carbon solar resources from zero megawatts to ~2,200 megawatts in less than a decade, creating one of the largest portfolios in our industry.<sup>18</sup> The company also boasts the first utility-owned offshore wind turbines in federal waters, and our Coastal Virginia Offshore Wind project, the largest of its kind in the nation, has received key state-level regulatory approvals.

To support these new renewable energy resources, we also continue to grow our investments in energy storage. Meanwhile, we have sought to secure a vital source of zero-carbon baseload power for years to come by extending the operating lives of our

<sup>15</sup> [Dominion Energy 2021 Sustainability and Corporate Responsibility Report](#), pg. 26.

<sup>16</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 25.

<sup>17</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 28.

<sup>18</sup> [Dominion Energy 2021 Sustainability and Corporate Responsibility Report](#), pg. 28.

nuclear units and by exploring advanced nuclear technologies such as small modular reactors. Dominion Energy has also retired more than 3,500 megawatts of fossil fuel-fired capacity through 2021.<sup>19</sup> In addition, consistent with the company's strategic positioning to focus on pure-play state regulated utility operations with a strong sustainability ethic, we have also divested about 7,200 megawatts of fossil fuel-fired capacity.<sup>20</sup>



We have reduced carbon emissions from our electric operations by 46% through 2021, using 2005 as the baseline.<sup>21</sup> In order to meet our Net Zero commitment and prepare for the possibility of more stringent emissions regulations, we have identified up to \$50 billion in zero-carbon generation and energy storage investment through 2035.<sup>22</sup>

Such a shift in generation mix demands a concerted focus on grid transformation to better accommodate renewable resources without

impairing system reliability and security. This is a worthwhile endeavor, but power delivery modernization alone cannot assure electric service reliability in view of the intermittent generation profile of our forecasted investment in solar and wind assets. As the company has long recognized, preserving some natural gas generation will be necessary to complement renewables by serving as a reliability backstop throughout the clean-energy transition.

For this reason, we expect high efficiency natural gas generation will remain a crucial part of our electric system until RNG, hydrogen, advanced nuclear, and carbon capture and storage technologies are deployable affordably at commercial scale. Dominion Energy projects that even as zero-carbon resources emerge as the largest contributors to our generation mix through 2035, natural gas will still comprise about 29% of the company's owned generation dispatch.<sup>23</sup> It would be imprudent not to prepare our natural gas infrastructure accordingly.

Dominion Energy believes that our robust response to climate change and our natural gas sustainability strategy are complementary rather than competing. Carbon and methane emissions have fallen substantially and will continue trending downward. Renewable energy resources' share of our total investment base is expected to grow from 9% in 2021 to 25% in 2026.<sup>24</sup> Zero-carbon generation and energy storage will come to dominate the company's portfolio as our medium-term investments through 2035 come to fruition. Beyond that horizon, we expect new technologies and public policies to support fulfillment of our Net Zero commitment.

At each stage of this decades-long undertaking, Dominion Energy will invest in natural gas infrastructure where and when it makes sense for our customers and shareholders.

<sup>19</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 21.

<sup>20</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 21.

<sup>21</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 21.

<sup>22</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 25.

<sup>23</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 25.

<sup>24</sup> [Dominion Energy Fall 2022 ESG Update Materials](#), slide 29.



## Conclusion

This report demonstrates Dominion Energy's ongoing commitment to transparently disclose our plans for responding to the global imperative of emissions reductions, along with the accompanying risks and opportunities. Shareholders can be assured that the risk of natural gas infrastructure becoming stranded is duly considered as part of the company's robust risk management protocols.

We believe the many voluntary methane reduction strategies Dominion Energy is employing across its natural gas distribution system, in conjunction with the promising future of RNG and hydrogen, substantially mitigate that risk. So too does the vital role that natural gas-fired generation will continue to play in any credible decarbonization pathway for the company's electric business.

Of course, no single report should be construed as Dominion Energy's final word on the matter. We are charged with navigating a path toward

a sustainable clean-energy future—one which respects both our public service obligations and our responsibility to shareholders—in a rapidly evolving technological and policy landscape. Our analysis and strategy will necessarily adjust as greater clarity and understanding about the future reveals itself over time.

Any shift in our strategy for achieving Net Zero, including the company's thinking relative to existing and planned natural gas infrastructure, will be made apparent through a variety of recurring disclosures. Future iterations of our strategy will be discussed in the Sustainability & Corporate Responsibility Report, Climate Report, and Summary Annual Report. State-level Integrated Resource Plans filed with state regulators by our electric utilities will also be instructive.

For now, we are pleased to have had this opportunity to review how Dominion Energy is thoughtfully positioning our natural gas infrastructure for a sustainable, reliable, affordable, and productive future.

# References

**2020 Annual Report:**

[https://s2.q4cdn.com/510812146/files/doc\\_financials/2020/ar/Dominion\\_Energy\\_2020\\_Summary\\_Annual\\_Report.pdf](https://s2.q4cdn.com/510812146/files/doc_financials/2020/ar/Dominion_Energy_2020_Summary_Annual_Report.pdf)

**2021 Annual Report:**

[https://s2.q4cdn.com/510812146/files/doc\\_financials/2021/ar/2021-Summary-Annual-Report-\(ADA\).pdf](https://s2.q4cdn.com/510812146/files/doc_financials/2021/ar/2021-Summary-Annual-Report-(ADA).pdf)

**Climate Report 2021:**

<https://www.dominionenergy.com/-/media/pdfs/global/company/esg/2021-climate-report.pdf>

**Climate Report 2022:**

<https://www.dominionenergy.com/-/media/pdfs/global/company/esg/2022-climate-report.pdf>

**2021 Methane Report:**

<https://www.dominionenergy.com/-/media/pdfs/global/company/esg/2021-methane-report.pdf>

**2020 Sustainability and Corporate Responsibility Report:**

<https://sustainability.dominionenergy.com/assets/pdf/2020-Sustainability-Report.pdf>

**2021 Sustainability and Corporate Responsibility Report:**

<https://sustainability.dominionenergy.com/assets/pdf/SCR-Report-2021.pdf>

**Fall 2022 ESG Update Materials:**

[https://s2.q4cdn.com/510812146/files/doc\\_presentations/2022/11/2022-11-21-Fall-ESG-Update-vTC.pdf](https://s2.q4cdn.com/510812146/files/doc_presentations/2022/11/2022-11-21-Fall-ESG-Update-vTC.pdf)

**Dominion Energy Virginia's 2022 Update to its 2020 Integrated Resource Plan:**

<https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/global/company/2022-va-integrated-resource-plan.pdf?la=en&rev=4549a78d3a3a49fdb4850432fdbc9492>

**Dominion Energy South Carolina's 2021 Update to its 2020 Integrated Resource Plan:**

<https://dms.psc.sc.gov/Attachments/Matter/531e91d9-05ff-48e2-938f-adccf3548768>



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