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September 20, 2021

VIA ELECTRONIC DELIVERY

Ms. Antonia Dunston, Interim Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

**Re: Docket No. E-100, Sub 165
2021 Integrated Resource Plan Update Filing**

Dear Ms. Dunston:

On September 1, 2021, Virginia Electric and Power Company (the “Company”) filed the 2021 update (the “2021 Update”) to its 2020 Integrated Resource Plan. Subsequent to filing the 2021 Update, the Company identified a minor error in an underlying calculation supporting the customer rate estimates presented on page 20 of the 2021 Update, which resulted in customer rate estimates that were slightly too high. Please find enclosed for filing in the above-captioned proceeding a corrected page 20 of the 2021 Update, which is intended to replace the version of page 20 filed on September 1, 2021.

Please do not hesitate to contact me if you have any questions. Thank you for your assistance in this matter.

Very truly yours,

/s/Andrea R. Kells

ARK:sjg

Enclosures

cc: Lucy Edmondson, Public Staff—North Carolina Utilities Commission
Layla Cummings, Public Staff—North Carolina Utilities Commission
Nadia Luhr, Public Staff—North Carolina Utilities Commission

Our Company

Results of 2021 Update

Consolidated Bill Analysis

The Company completed a consolidated bill analysis for each Alternative Plan presented in the 2021 Update. This analysis encompasses three different customer classes and spans 2021 through 2035.

The Company calculated projected bills for each customer class under each Alternative Plan based on requirements set by the SCC (“Directed Methodology”). These requirements dictate that the Company use constant class allocation factors across time and no sales growth, either at the system or class level, in its calculations. As discussed in prior proceedings, the Company believes that this methodology results in overstated bill projections because it does not reflect anticipated growth in sales over the 15-year period on which each build plan is based.

Under the Directed Methodology, all Alternative Plans also assume a capacity factor for existing and future solar resources of 21.2%—the 3-year average of solar tracking facilities in Virginia. As discussed in prior proceedings, the Company believes that a projected capacity factor for future solar facilities better reflects their long-term output and has therefore incorporated such capacity factors into one of the sensitivities presented in *Sensitivity Analyses*.

Given these concerns with the Directed Methodology, the Company has also calculated projected bills under each Alternative Plan using (i) forecasted system and class sales growth, and the associated class allocation factors and (ii) a 25.4% capacity factor for solar resources (“Company Methodology”).

The electric bill of the Company’s typical residential customer in Virginia (i.e., one which uses 1,000 kWh per month) was \$122.66 as of December 31, 2019. As of May 1, 2020, this typical bill was \$116.18, with the decrease largely attributable to a significant reduction in the fuel factor. Figure 2.5.1 presents the summary results of typical residential customer bill projections under both the Company Methodology and the Directed Methodology based on Alternative Plan B for 2030 and 2035.

Figure 2.5.1 shows that, when using the Company Methodology and a baseline of May 1, 2020, the typical residential customer’s bill is expected to increase at a compound annual growth rate (“CAGR”) of 2.4% over the next 15 years. When using the Company Methodology and December 31, 2019 as the baseline, the projected increase in the typical residential customer’s bill is approximately 2.0% on a compound annual basis.

As an additional point of comparison, in July 2008—the year following passage of the Virginia Electric Utility Regulation Act—the electric bill of the Company’s typical residential customer in Virginia was \$107.20. Using 2008 as the baseline, the projected CAGR for the typical residential customer bill through 2035 is approximately 1.8% using the Company Methodology.

Figure 2.5.1: Residential Bill Projection
(1,000 kWh per Month)

	Plan B – Company Methodology ¹			Plan B – Directed Methodology		
	Projected Bill	CAGR Dec 2019	CAGR May 2020	Projected Bill	CAGR Dec 2019	CAGR May 2020
12/31/19	\$122.66			\$122.66		
05/01/20	\$116.18			\$116.18		
05/01/21	\$117.47			\$117.47		
Year End 2030	\$162.50	2.6%	3.2%	\$177.29	3.4%	4.0%
Year End 2035	\$169.43	2.0%	2.4%	\$197.57	3.0%	3.4%
Total Bill Increase <i>(May 2020-2035)</i>	\$53.25			\$81.39		

Note: (1) Derived using the system resources selected in Alternative Plan B incorporating the Company Methodology for the purposes of the billing analysis, including forecasted sales growth, forecasted class allocation factors, and a 25.4% capacity factor for solar resources.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing 2021 Integrated Resource Plan Update. Corrected Page 20 filed in Docket No. E-100, Sub 165 was served electronically or via U.S. mail, first class postage prepaid, upon all parties of record.

This 20th day of September, 2021.

/s/Andrea R. Kells

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