

THE COMMONWEALTH OF VIRGINIA'S

2022 ENERGY PLAN

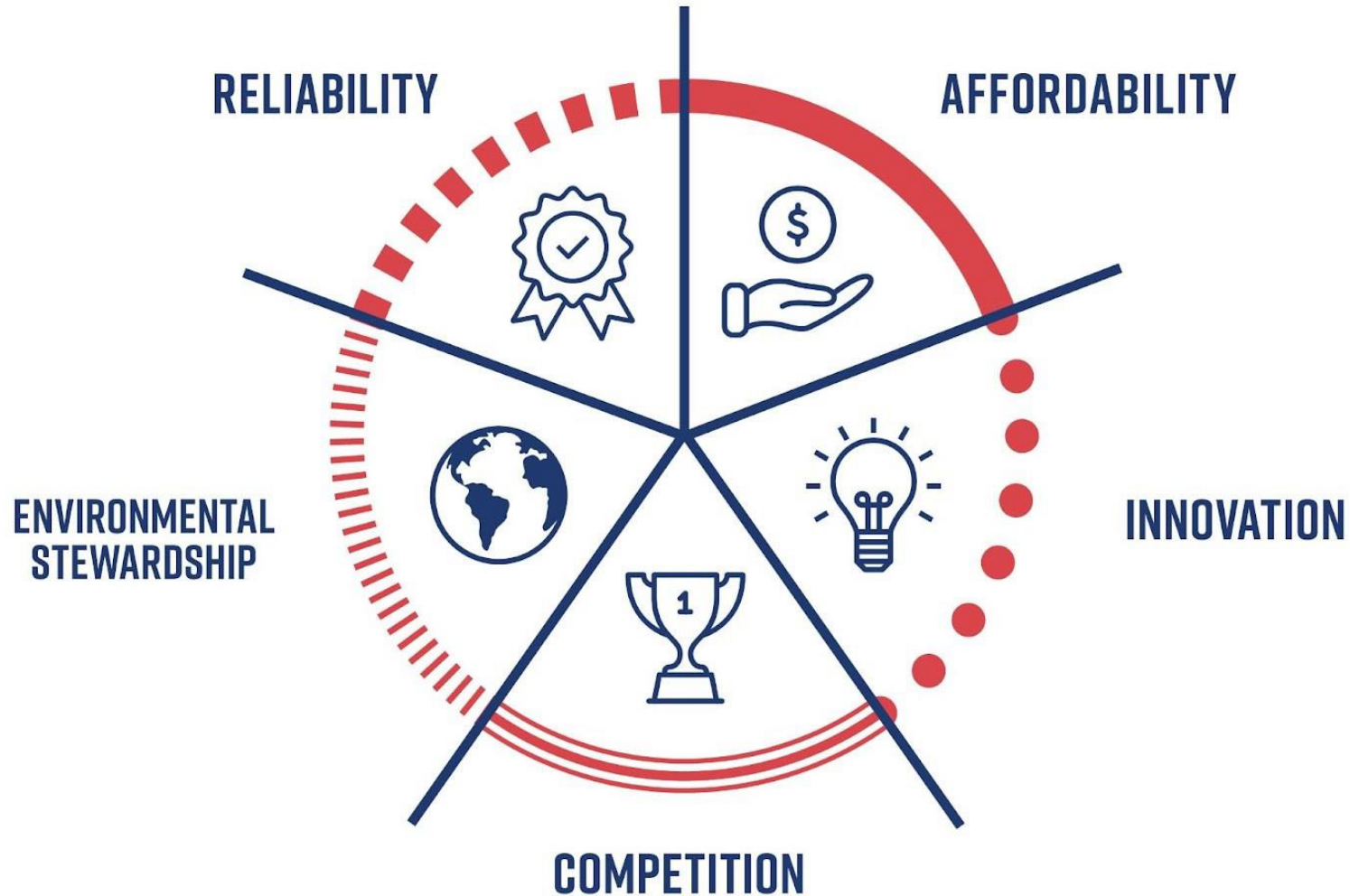


RELIABLE. AFFORDABLE. CLEAN. INNOVATIVE.

VIRGINIA DEPARTMENT OF ENERGY



VIRGINIA'S *ENERGY* FUTURE



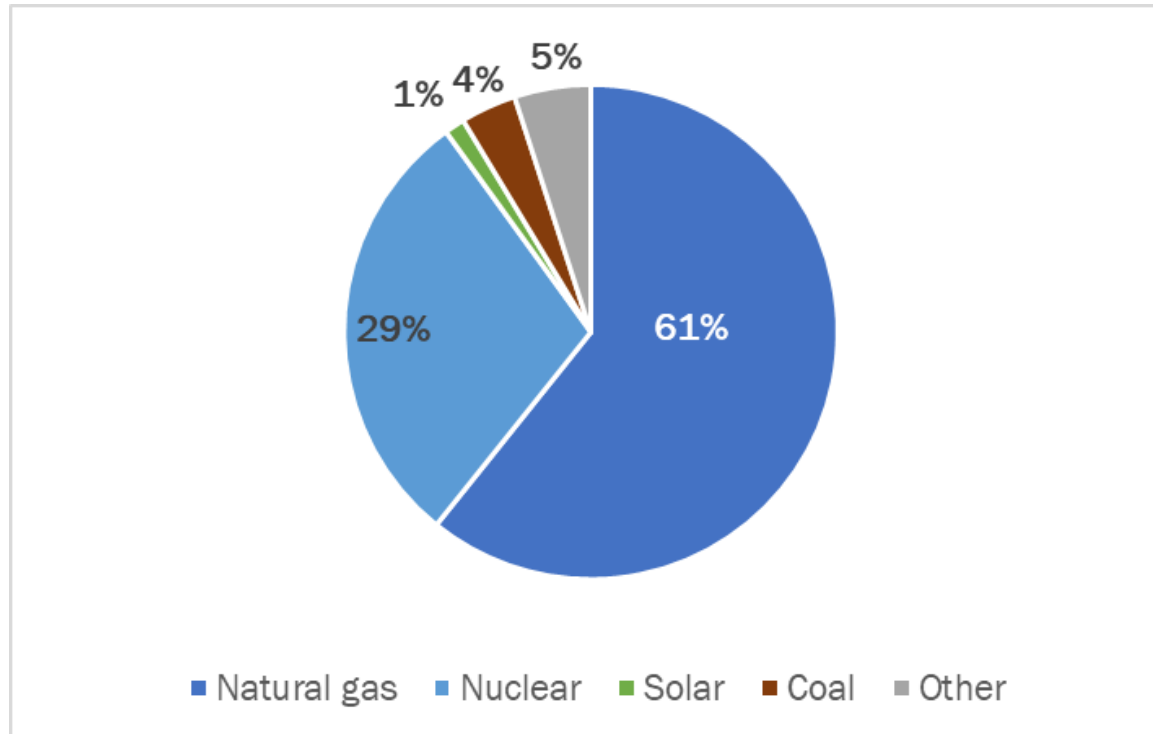
- Focuses on five Guiding Principles
- Virginia Energy serves as technical advisor to the administration
- Plan is required by Virginia code
- Stakeholder engagement and public comment included in the process
- The Virginia Energy Plan is a living document

RELIABILITY

- Grid reliability requires sufficient baseload generation and dispatchable sources
- Virginia Clean Economy Act requires retirement of all fossil fuel generation
- Solar and wind are becoming more competitive but battery storage is expensive
- VCEA does not consider other energy innovations

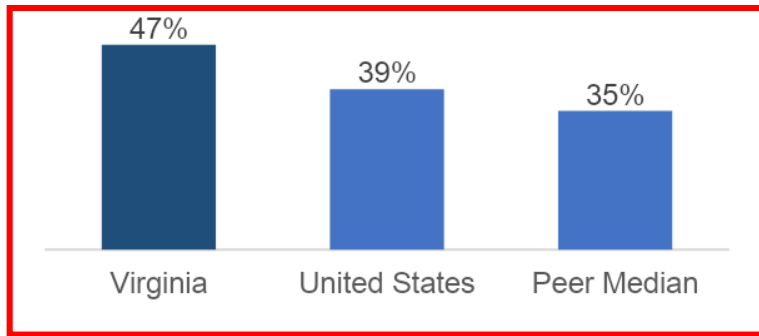


- Reevaluate the Plan every five years
- Restore discretion to the SCC to defer renewable portfolio standards requirements
- Expedite approval of critical infrastructure projects
- Study methods to improve forecasting and collaborate with utilities to improve planning for demand.



2020 GENERATION BY FUEL SOURCE

AFFORDABILITY



GROWTH IN AVERAGE PRICE OF ELECTRICITY 2005-2020

- **Electric Rates have increased rapidly over the last decade.**
- **Regulatory controls to safeguard consumer were removed by legislative changes to energy framework.**
- **SCC annual report concluded VCEA will increase energy bills to over \$50 per month between 2020 and 2030. The expected rate increase will be almost 6% annually over the next five years.**

- **Grant proactive authority and restore full discretion to the State Corporation Commission**
- **Restore biennial rate reviews for Virginia's utilities**
- **Virginia Energy will study reforms for cost overruns, utility rates of return and allowable over earnings.**

INNOVATION

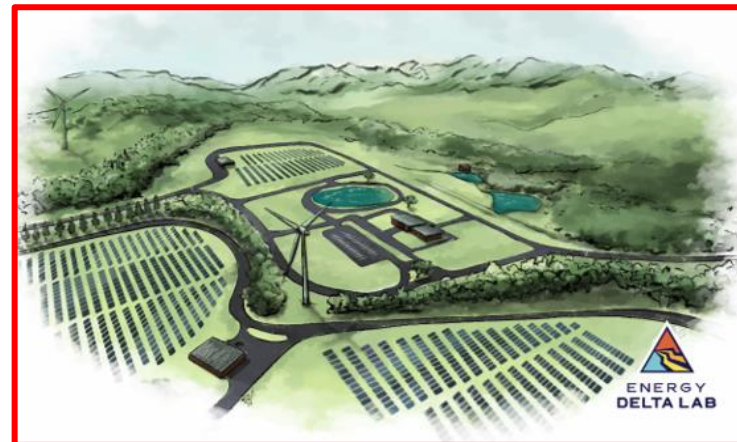


NUCLEAR

- Deploy Small Modular Reactor in Southwest Virginia in ten years
- \$10 Million Announced on October 14, 2022

ENERGY DELTA LAB

- It's not a lab. It's about the land.
- Experts on available, suitable land facilitate access to locations needed for development.

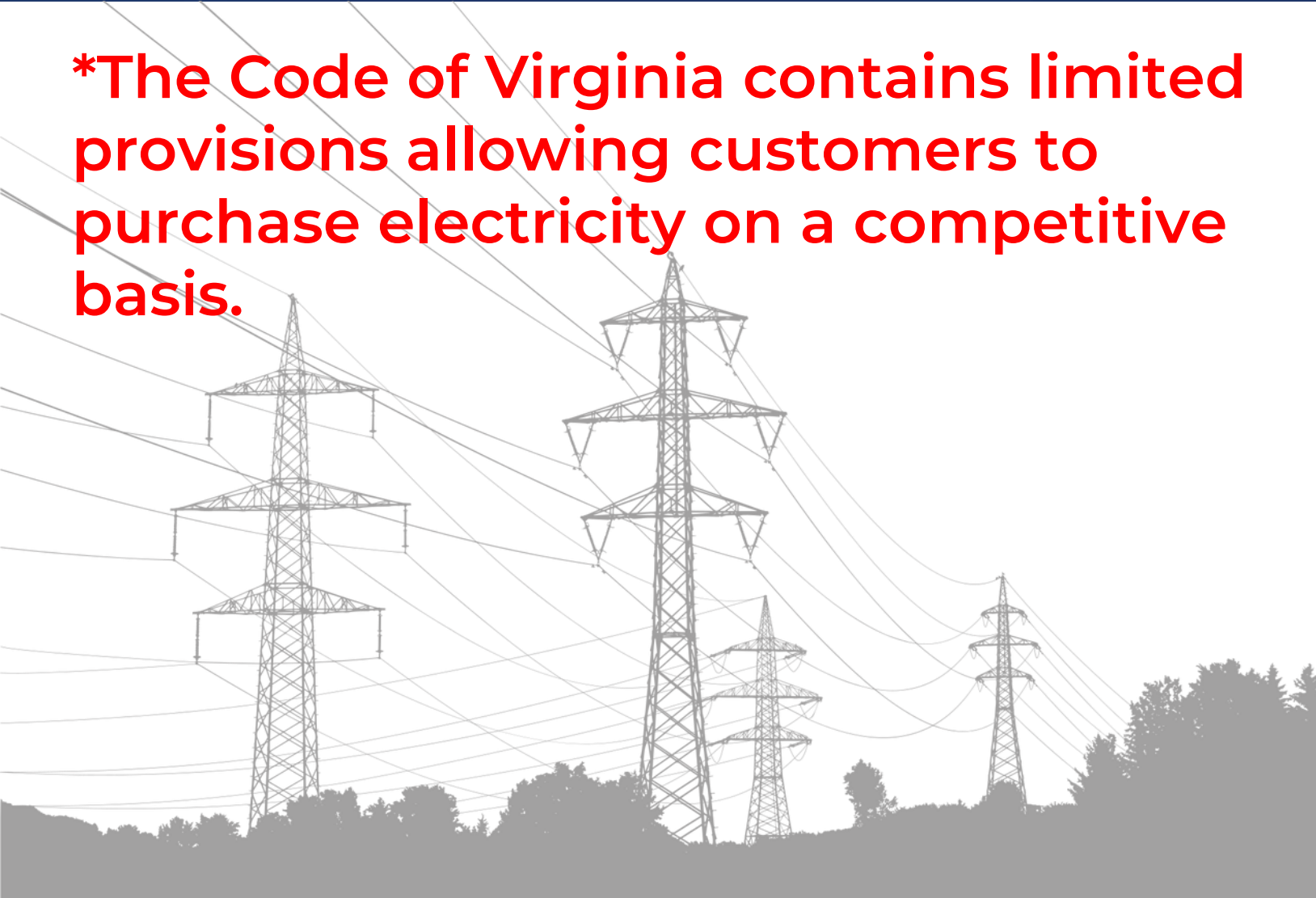


- HYDROGEN
- CLEAN ENERGY
- BATTERY STORAGE
- TECHNOLOGY
- CARBON CAPTURE, USE AND STORAGE
- WASTE COAL UTILIZATION

COMPETITION

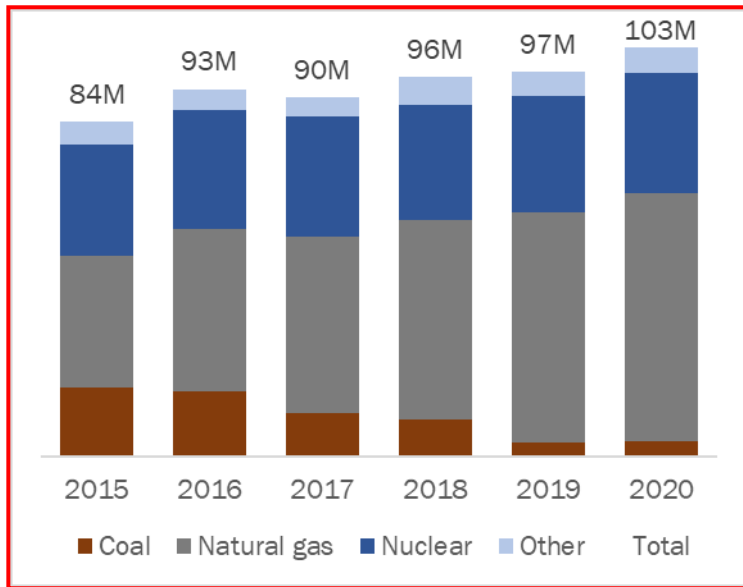
***The Code of Virginia contains limited provisions allowing customers to purchase electricity on a competitive basis.**

- CLEAN ENERGY ATTRACTS ECONOMIC DEVELOPMENT
- INCREASE THE ABILITY OF VIRGINIANS TO INSTALL POWER RESOURCES ON THEIR PROPERTY.
- OPEN CLEAN ENERGY PROJECTS FOR COMPETITIVE BIDS BY INDEPENDENT POWER PRODUCERS



ENVIRONMENTAL STEWARDSHIP

VIRGINIA GENERATION BY SOURCE (TERAWATT HOURS)



- Significant carbon emissions reduction in transition from coal to natural gas
- All energy developments have environmental impacts

- Legislatively require the State Corporation Commission to consider end-of-life planning for energy developments
- Invest in developing clean energy recycling technologies
- Encourage the reduction of methane emissions from active and abandoned coal mines and encourage methane and biogas capture on public assets
- Promote energy efficiency by studying smart grid and Demand Response programs



NEXT STEPS



Release
Supporting
Report



Additional
Cost Analysis



Continue
Stakeholder
Outreach



Legislative
Proposals



Track
Objectives and
Key Results



Resolve
Conflicts and
Restraints



Identify
Opportunities



Accelerate
Processes



Leverage
Federal
Funding

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