SENATE OF VIRGINIA

R. CREIGH DEEDS
25TH SENATORIAL DISTRICT
ALL OF ALLEGHANY, BATH, HIGHLAND, NELSON, AND ROCKBRIDGE COUNTIES; ALL OF THE CITIES OF BUENA VISTA, CHARLOTTESVILLE, COVINGTON, AND LEXINGTON; AND PART OF ALBEMARLE COUNTY
P.O. BOX 5462
CHARLOTTESVILLE, VIRGINIA 22905

COMMITTEE ASSIGNMENTS:
COURTS OF JUSTICE
PRIVILEGES AND ELECTIONS
TRANSPORTATION

July 11, 2019

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Re: Docket Nos. CP15-554-000 and CP15-554-001 (Atlantic Coast Pipeline)

Dear Secretary Bose,

As members of the Virginia General Assembly, we respectfully ask the Federal Energy Regulatory Commission **to issue a stop work order and suspend the Certificate of Public Convenience and Necessity (the Certificate) while it reassesses the need for the proposed Atlantic Coast Pipeline (ACP).** A joint venture of Dominion Energy, Duke Energy and Southern Company, the pipeline's now $7.8 billion price tag would be passed on to captive ratepayers under the developers' plans.

The ACP was first announced in 2014, and approved by FERC in 2017 with the issuance of the Certificate. The pipeline developers have never demonstrated public need for the ACP. Falling renewable energy prices, a growing body of evidence that the developers have overstated the demand for gas, and recent upgrades to existing pipeline infrastructure that have increased total available capacity, further indicate the lack of need for the ACP. At a time of rapid climate change, it would lock not just Virginia but the entire Southeast region into decades of climate-disrupting fossil fuel use. Additionally, Virginia ratepayers would be on the hook for these decades-long unnecessary costs.

Since the ACP was announced in 2014, Dominion's Integrated Resource Plans (IRP) has changed dramatically. The lack of demand for the ACP is underscored in the most recent IRP of Dominion Energy, whose affiliates are both primary developers *and* customers of the ACP. In Dominion's 2015 IRP, future electric generation included a large percentage of gas-fired electricity generation and four to five additional gas plants were planned to be built.

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Dominion's re-filed 2019 IRP[1] does not propose building any additional combined cycle natural gas plants in five of its six scenarios, including those modeling compliance with carbon regulation.[2] Instead, the plans rely on solar power to replace retiring coal plants.

Further, the project has no independent committed customers. Utility affiliates of Dominion, Duke and Southern Company in Virginia and North Carolina have contracted for 96% of the pipeline's capacity. These types of affiliate arrangements are not a reliable indicator of true market demand.

We urge FERC to issue a stop work order and suspend the Certificate of Public Convenience and Necessity until another analysis of need has been done.

The ACP is facing numerous legal challenges; seven federal permits have been stayed, vacated, or suspended. According to Dominion Energy, all construction on the pipeline currently is halted. In addition to growing regulatory uncertainty, the project is presently two years behind schedule and substantially over-budget. Dominion Energy recently estimated the project cost at $7.8 billion -- an 85 percent increase from the original estimate of $4.2 billion -- with full operation pushed back to at least 2021. Those costs, plus a 15 percent profit, would be passed on to the developers' captive ratepayers.

As confirmed by the rejection and re-filing of the Dominion IRP, Dominion has historically overstated its load forecast, overemphasizing the need for additional gas supplies. The ACP is unnecessary to meet demand for power generation in the Commonwealth. We are concerned that harmful environmental impacts of the proposed ACP, and impacts on electricity ratepayers and landowners, greatly outweigh any potential benefits to Virginia's citizens. **We respectfully urge the Commission to issue a stop work order, and suspend the Certificate of Public Convenience and Necessity in order to re-assess the need for this project.**

Sincerely,

R. Creigh Deeds
Senator, 25th District

John S. Edwards
Senator, 21st District

Jeremy S. McPike
Senator, 29th District

Lionell Spruill, Sr.
Senator, 5th District

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[1] Dominion's most recent IRP was rejected by Virginia state regulators, in part for overstating projections of future electricity demand.

[2] Institute for Energy Economics and Analysis (IEEFA) and Oil Change International, The Vanishing Need for the Atlantic Coast Pipeline, Growing Risk That the Pipeline Will Not Be Able to Recover Costs From Ratepayers, January 2019.

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