

## **Dominion Wants More Natural Gas and More Money to Keep Energy Reliable**

By [Steve Haner](#)

10/17/2024 -- With the release of its latest [15-year plan](#) to expand energy generation in the Commonwealth, Dominion Energy Virginia has increased the projected cost of residential electricity in 2035 to almost \$216 per 1,000 kilowatt hours, a 24% increase over the same projection in its 2023 planning document.

If the \$216 comes to pass, it will represent about \$100 per megawatt hour more (up 86%) than the same residential customer was paying in 2020, just before the implementation of the Virginia Clean Economy Act. If 1,000 kilowatt hours is the monthly average usage, the annual bill will be up about \$1,200. Many customers, of course, use much more power than that per month.

The comparable projection in the plan introduced last year was \$174 for 1,000 kilowatt hours of juice in 2035. The current price is about \$143 for that much residential electricity. Another projected future price in the analysis, using assumptions dictated by regulators but resisted by the utility, sets the new 2035 price at \$277 and puts the 2039 price at \$315 -- more than three Benjamins for one modest monthly power bill.

This analysis also includes, for the first time, a projected future cost for Dominion's thousands of customers in northeastern North Carolina. With different state laws and regulators, Dominion reports North Carolinians will pay \$127 for that 1,000 kWh by the end of this year and only \$202 by 2035. Somewhere in the 406-page document, the difference might be explained.

The new 2024 integrated resource plan, a planning [document](#) required by state law and the regulatory State Corporation Commission, will prove just as contentious as the [rejected](#) 2023 plan was. In that plan, Dominion [abandoned](#) its earlier promises to fully retire hydrocarbon fuels and asked to add a new natural gas plant. Now the 2024 plan is proposing even more new natural gas plants. If the plan is approved, each project still faces its own future application process.

The political fight over the IRP document has already started, with climate alarmist lobby groups [complaining](#) it will violate the letter and the spirit of the VCEA and cause disease. Despite all the ancillary issues that are bound to arise through the debate, this is the important question facing Virginia:

*Can we run a modern economy, with growing energy demand for data centers and electric transportation systems, without the use of any hydrocarbon fuels?* It is the SCC that will rule on that in the integrated resource case, but the question ultimately needs an answer from the General Assembly and the next governor.

Current Governor Glenn Youngkin (R) has clearly answered the question with a no, arguing we will long continue to need natural gas in the mix. He and Dominion are spending most of their time discussing the new plan's call for 1,340 megawatts of [new nuclear power](#), but the proposed additional of almost 6,000 megawatts of new natural gas is four times the size of the nuclear component.

The nukes are window dressing in this plan and apparently will be developed mainly to benefit the data center industry. It is the new natural gas generation which will keep the lights on in homes and other businesses day to day, and which will keep the grid balanced as the company's wind and solar assets fluctuate in their hourly or daily output based on weather.

There is also more new natural gas in this plan than there is new offshore wind (3,400 added megawatts.) And the offshore wind seems to be pushed off further into the future, later in the 15-year period, perhaps in recognition of that industry's troubles. The second phase of turbines planned for the area east of the current Virginia Beach project is pushed off until 2039 in some scenarios, with a smaller 800-megawatt facility off Kitty Hawk, North Carolina coming first.

As it did in the 2023 petition to the SCC, Dominion argues the natural gas plants are needed to ensure energy reliability. And the VCEA, when it passed in 2020, provided an opportunity for regulators to say yes to new natural gas generation, or to allow an existing plant to stay open despite that law, if the case was made based on needed reliability.

More space and data in this 2024 petition are devoted by the utility to making that case, citing data from the regional transmission organization PJM and the recent cases where the grid was badly stressed by extreme weather. In the introduction it writes:

*The Company must maintain a focus on a diverse portfolio of energy supply resources, and that will include investment not only in planned renewable and energy storage resources but also traditional dispatchable generation and new technologies.* (Translation of the utility speak: "dispatchable" means controlled by the utility, not by the weather.)

Dominion points to the [PJM capacity auction's](#) record prices for reliable generation as one major indicator that abandoning all hydrocarbons is dangerous. And it notes that PJM has reevaluated – and significantly reduced – its base assumptions about the reliability of various forms of electricity generated by the wind or the sun or stored in long term batteries. The downgrade followed the experience of a major 2022 winter storm that forced involuntary power reductions.

All these points will be debated at the SCC *ad nauseum*, and the legal posturing and technical expert testimony will go right past the average Virginian. A much broader, more basic and understandable message needs to be directed at the

public from the utility and from industrial or business groups in agreement on the need for continued and expanded use of hydrocarbons. The other side will be relentless in fighting that.

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