

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 26, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: MARK B. JINKS, CITY MANAGER 

FROM: BILL EGER, ENERGY MANAGER
KAREN SNOW, SENIOR ASSISTANT CITY ATTORNEY

SUBJECT: DOMINION ENERGY 230-KV LINE PROJECT UPDATES

This memo provides an update on the Dominion Energy 230-kV line project, including Dominion Energy's application to the State Corporation Commission "SCC" for the Potomac Yard Undergrounding and Glebe Road Substation Conversion project ("North Potomac Yards" project), the City's participation in the SCC case, case activities and status, and next actions.

In summary, the case's hearing was held on July 23, 2019 before the SCC whereby all parties advocated for the SCC's approval of the application and project. Subsequently, the Hearing Examiner's report was issued on August 13, 2019. The report indicates the project's need has been established, the project has positive impact on economic development, the project has no material adverse impact on scenic assets and historic districts, and Dominion Energy has reasonably responded to the City's concerns regarding the project's environmental impacts. On August 20, 2019, the City filed comments on the Hearing Examiners report advocating the SCC adopt of the Hearing Examiner's report's findings and recommendations, and to issue a Certificate of Public Convenience and Necessity "CPCN" to Dominion Energy for the project. The SCC's Final Order is forthcoming. The City is hopeful the SCC will act expeditiously so as to not prolong the project's outcomes or schedule. Notice of the SCC's Final Order and issuance of a CPCN will be shared with City Council and the Alexandria community accordingly.

BACKGROUND: As discussed in the March 12, 2019, Dominion Energy 230-kV Update memorandum to City Council (see Attachment 1), Dominion Energy forewent its long-planned 230-kV transmission line project under Potomac Avenue. Instead, on March 7, 2019, Dominion Energy filed an application (PUR-2019-00040 - "Potomac Yard Undergrounding and Glebe Road Substation Conversion" project) with the SCC for consideration and approval to relocate the Potomac Yard North Terminal Station and perform upgrades to the Glebe Road substation in Arlington County, and underground the existing overhead transmission lines that span Four Mile Run. Should the SCC approve Dominion Energy's application and issue a Certificate of Public Convenience and Necessity (CPCN), this would support Dominion Energy's ability to comply with the City's SUP conditions requiring the removal of the North Potomac Yard Terminal Station by 2021.

DISCUSSION: In the March 12, 2019, update memo, the City indicated its intent to participate in the SCC process. On April 24, 2019, the City of Alexandria filed its Notice of Participation through outside legal counsel. Subsequent to Dominion Energy's filing of pre-filed testimony outlining the intents and benefits

of the project, City staff Heather Diez (Former Deputy Director – Development and Right-of-Way Services, T&ES), Jeff Farner (Deputy Director – Long Range & Strategic Planning, P&Z), and Bill Eger (Energy Manager, GS) submitted pre-filed testimony on behalf of the City, reflecting the interests of the City of Alexandria and Alexandria community. City staff's pre-filed testimony primarily addressed the following issues:

- Expiration of the City's SUP and the conditions requiring removal of the North Potomac Yards Terminal Station and overhead transmission lines;
- The project's benefits to the Alexandria community and the North Potomac Yard area according to the visions set forth in North Potomac Yard Small Area Plan and the Four Mile Run Restoration Master Plan;
- Emphasizing the environmental mitigation measures set forth by the Virginia Department of Environmental Quality;
- Advocating that approved construction methods consider and stress the importance of taking Route 1 traffic flows into account so as to mitigate traffic flow congestion;
- The project's support of the Virginia Economic Development Partnership (VEDP), Arlington County, and the City of Alexandria's goals regarding the future locations of Virginia Tech's Innovation Campus and Amazon's HQ2 locations in the cross-jurisdictional, National Landing area.

Overall, the City advocated the SCC's approval of Dominion Energy's application.

Arlington County submitted written comments in support the project and the SCC's approval of Dominion Energy's application with requests for Dominion Energy compliance on several aesthetic and environmental elements of the project's implementation relevant to Arlington County.

Alexandria community member Liz Birnbaum submitted comments on behalf the Joint Task on Four Mile Run as its former Co-Chair. The Joint Task Force on Four Mile Run supports the project and SCC's approval of Dominion Energy's application consistent with the Four Mile Run Restoration Master Plan's vision and goals. Joint Task Force on Four Mile Run members Judy Noritake, Steve Sockwell, and Kurt Moser supported these comments.

SCC Staff filed pre-filed testimony reviewing Dominion Energy's application and need of the project; concluding Dominion Energy "...reasonably demonstrated the need for the Project to address the expiration of the SUP and the aging infrastructure of the Glebe Substation." SCC Staff's report was largely consistent or in agreement with the City's positions and interests.

Dominion Energy filed various rebuttal testimony which was largely non-consequential to the City's interests with one exception – advocating Dominion Energy's and the City's preference for utilizing a micro-tunneling construction method to minimize traffic flow disruption along Route 1 and within the North Potomac Yard shopping center's parking area.

A hearing was held on July 23, 2019. Pre-filed testimony and comments were entered into the case record as evidence. All parties waived cross-examination of witnesses. Only opening and closing arguments to the case were heard. All parties advocated for the SCC's approval of the application and project.

Senior Hearing Examiner Michael D. Thomas issued a report of findings on August 13, 2019. In summary, the findings include: the project's need has been established, micro-tunneling is a reasonable method of construction, the project has positive impact on economic development, the project has no material adverse impact on scenic assets and historic districts, has no adverse environmental impacts, and Dominion Energy has reasonably responded to the City's concerns regarding the project's environmental impacts. Senior Hearing Examiner Thomas recommends that the SCC adopt the report's findings and recommendations and move to approve the application and issue a CPCN to construct and operate the project.

On August 20, 2019, the City filed comments on the Hearing Examiners report. The City's comments reflect its priorities for the SCC's consideration and urge the SCC to expeditiously adopt the Hearing Examiner's report's findings and recommendations, and issue a CPCN to Dominion Energy for the project¹.

NEXT STEPS: The substantive activity of the case is now complete. At this time, it is unknown how long the SCC will take to issue a final order and issue a CPCN to Dominion Energy for the project. However, the City is hopeful the SCC will act expeditiously so as to not prolong the outcomes or schedule of the project. This memorandum will be shared with the City's Underground Transmission Line Working Group "UTLWG" and with the Alexandria community via the City's website. Notice of the SCC's Final Order and issuance of a CPCN will be shared with City Council and the Alexandria community accordingly.

ATTACHMENTS:

1 March 12, 2019 Memorandum Re: Dominion Energy 230kV Update

Cc: Joanna Anderson, City Attorney
Emily A. Baker, Deputy City Manager
Laura Triggs, Deputy City Manager
Yon Lambert, Director, T&ES
Jeremy McPike, Director, DGS
James Spengler, Director, Recreation, Parks and Cultural Activities
Karl Moritz, Director, Planning & Zoning
William Skrabak, Deputy Director, T&ES

¹ The City also advocates the SCC incorporate into the order approving a CPCN to Dominion Energy that reflects the responses to Arlington County's comments requesting compliance on several aesthetic and environmental elements of the project's implementation relevant to Arlington County.