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November 1, 2010

**VIA HAND DELIVERY**

Mr. William F. Stephens  
Division of Energy Regulation  
State Corporation Commission  
1300 E. Main Street  
Richmond, Virginia 23219

*Dominion Virginia Power's  
Annual Report to the State Corporation Commission on Renewable Energy,  
in accordance with § 56-585.2H of the Code of Virginia*

Dear Mr. Stephens:

In accordance with § 56-585.2 H of the Code of Virginia, Virginia Electric and Power Company d/b/a Dominion Virginia Power submits its Annual Report to the State Corporation Commission on Renewable Energy. Based on consultation with the Commission's Staff, a copy is not being filed with the Clerk of the Commission.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Bernard L. McNamee

Enclosures

cc: Howard M. Spinner  
Division of Economics and Finance

William H. Chambliss, Esq.  
Arlen Bolstad, Esq.  
Office of the General Counsel

26809051.1



**Virginia Electric and Power Company**

**Annual Report to the State Corporation Commission**

**on Renewable Energy, in accordance with**

**§ 56-585.2.H of the Code of Virginia**

**November 1, 2010**

## I. INTRODUCTION

Pursuant to § 56-585.2 H of the Code of Virginia (“Va. Code”), Virginia Electric and Power Company (“Dominion Virginia Power” or the “Company”) submits this Annual Report on Renewable Energy (“Report”) to the Virginia State Corporation Commission (“Commission”). Va. Code § 56-585.2 H requires each investor-owned incumbent electric utility to report to the Commission annually on (i) its efforts to meet renewable portfolio standard goals; (ii) its generation of renewable energy; and (iii) advances in renewable generation technology that affect the utility’s activities.

## II. EFFORTS TO MEET RENEWABLE PORTFOLIO STANDARD GOALS

### A. Statutory Guidance

For the purposes of complying with Virginia’s Renewable Energy Portfolio Standard (“RPS”) Goals as set forth in Va. Code § 56-585.2 *et seq.*, “renewable energy” is defined (by reference to Va. Code § 56-576) as “energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.”

Va. Code § 56-585.2 further defines how such renewable energy can qualify for compliance with the Virginia RPS Goals. Such renewable energy must be:

- generated or purchased in the Commonwealth or in the interconnection region of the regional transmission entity of which the participating utility is a member, as it may change from time to time;

- generated by a public utility providing electric service in the Commonwealth from a facility in which the public utility owns at least a 49 percent interest and that is located in a control area adjacent to such interconnection region; or
- represented by certificates issued by an affiliate of such regional transmission entity, or any successor to such affiliate, and held or acquired by such utility, which validate the generation of renewable energy by eligible sources in such region.

“Renewable energy” shall not include electricity generated from pumped storage, but shall include run-of-river generation from a combined pumped-storage and run-of-river facility.

Va. Code § 56-585.2 B provides that “[a]ny investor-owned incumbent electric utility may apply to the Commission for approval to participate in a renewable energy portfolio standard program” and that the “Commission shall approve such application if the applicant demonstrates that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022, and 15 percent of its base year electric energy sales from renewable energy sources during calendar year 2025 . . . .”

Va. Code § 56-585.2 D sets forth the RPS Goals that utilities must meet to qualify for a 50 basis point Performance Incentive:

- RPS Goal I: In calendar year 2010, 4 percent of total electric energy sold in the base year.
- RPS Goal II: For calendar years 2011 through 2015, inclusive, an average of 4 percent of total electric energy sold in the base year, and in calendar year 2016, 7 percent of total electric energy sold in the base year.
- RPS Goal III: For calendar years 2017 through 2021, inclusive, an average of 7 percent of total electric energy sold in the base year, and in calendar year 2022, 12 percent of total electric energy sold in the base year.
- RPS Goal IV: For calendar years 2023 and 2024, inclusive, an average of 12 percent of total electric energy sold in the base year, and in calendar year 2025, 15 percent of total electric energy sold in the base year.



The Company's RPS Plan will also meet the interim RPS Goals I through IV as described in the RPS application filed on July 28, 2009 and approved on May 18, 2010. Exhibit 1A and Exhibit 1B to this report show the Company's projected RPS position year-by-year from 2010 through 2025 including and excluding NUGs respectively.

1. Total Electric Energy Sold in the Base Year

Pursuant to Va. Code § 56-585.2 A, “[t]otal electric energy sold in the base year” is “total electric energy sold to Virginia jurisdictional retail customers by a participating utility in calendar year 2007, excluding an amount equivalent to the average of the annual percentages of the electric energy that was supplied to such customers from nuclear generating plants for the calendar years 2004 through 2006.” The Company has calculated its total electric energy sold in the base year as follows:

Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007	64,621,534 MWh
Three-year Average Percentages (2004-2006) Nuclear Generation	21,302,885 MWh
Total Electric Energy Sold in the Base Year	<u>43,318,649 MWh</u>

2. RPS Goals for the Years 2010 Through 2025

Multiplying the total electric energy sold in the base year by the RPS Goals for the years 2010 through 2025, the Company's RPS Goals for each individual year as represented in MWh (or average MWh for a group of years) are as follows:

Year	2010	2011- 2015	2016	2017-2021	2022	2023-24	2025
Percent	4%	4% Average	7%	7% Average	12%	12% Average	15%
Goal	1,732,746	1,732,746	3,032,305	3,032,305	5,198,238	5,198,238	6,497,797

3. Resources to Fulfill the RPS Goals

a. Existing DVP Renewable Energy Generation Facilities<sup>1</sup>

Dominion Virginia Power owns the following renewable energy facilities in its generation fleet:

<b>Existing Renewable Energy Facilities Owned by Dominion Virginia Power</b>			
<b>Facility</b>	<b>State</b>	<b>Capacity</b>	<b>Fuel</b>
Gaston	NC	220 MW	Hydroelectric
Roanoke Rapids	NC	95 MW	Hydroelectric
Cushaw	VA	2 MW	Hydroelectric
North Anna	VA	1 MW	Hydroelectric
Pittsylvania	VA	83 MW	Biomass
Subtotal		318 MW	Hydroelectric
Subtotal		83 MW	Biomass
Total		401 MW	

Note: Altavista, which provided an additional 6MW of biomass capacity, is not included in this list of Renewable Energy Facilities, because it has been placed in cold reserve status as of 10/14/2010.

For modeling the RPS Plan, the Company also included up to 58.5 MW of renewable energy from its Virginia City Hybrid Energy Center (“VCHC”) using biomass co-fired with coal for availability starting in 2013.<sup>2</sup>

Pursuant to Va. Code § 56-585.2 F, utilities participating in an RPS program are permitted to use a combined 1.5 million tons of green tree-based material, as defined in the statute. In its Final Order, the Commission determined that DVP’s pro rata share of the 1.5 million ton restriction for green tree-based materials is 73.929% or 1,108,940 tons. Since the

<sup>1</sup> Based on the Company’s most recent cost of service study for the 12 months ending December 31, 2009, Virginia Jurisdiction is responsible for approximately 80.69% of the Company’s electricity demand, and the Company used this allocation factor as the basis for apportioning approximately 80.69% of the existing generation MWh for inclusion in its Virginia RPS Plan.

<sup>2</sup> VCHC is designed to produce up to 117 MW of renewable energy, but the actual amount of renewable energy produced at the facility may vary from year to year, particularly as plant operations begin and develop over the first 8-10 years. It is anticipated that it will provide approximately 5% of renewable energy from years 2013-15 and step up to 10% renewable energy starting in 2020. Should the facility produce additional renewable energy beyond the 58.5 MW modeled, the Company will also count this additional renewable generation toward its RPS Goals for that year.

Company's biomass facilities are grandfathered as existing facilities under the statute, the Company did not burn any incremental tree-based material subject to the 1.5 million ton limitation in 2010.

b. NUG Renewable Energy Resources

In addition to Company-owned resources, Dominion Virginia Power has existing renewable energy resources in the form of long-term contracts with various renewable energy NUGs. In its RPS Application, the Company took the position that the NUG contracts for renewable energy include all aspects of that energy, including the renewable attributes. In its Final Order, the Commission interpreted Va. Code § 56-585.2 F to mean "that if the Company opts to participate in a voluntary RPS program pursuant to § 56-585.2 of the Code, then the Company is required by this statute to: (1) determine the amount of energy derived from renewable sources that it is purchasing through NUG contracts; and (2) apply this amount toward meeting its RPS goals." Final Order at 8. The Commission also stated that if the Company asserts that determining the ownership is not feasible in a particular instance, the Commission will examine that circumstance when the Company raises the concern. *Id.*

The Company has been informed by at least one owner of certain renewable NUGs that it does not agree that the Company may count the RECs produced at its facilities. Though the Company continues to believe that it may use these NUG RECs for compliance with the Virginia RPS Plan, the Company also has purchased a sufficient number of RECs from the market that it can apply to meet its 2010 RPS Goals should the NUG RECs not be available. Should the Company prevail in the ownership of the disputed RECs, it will bank the additional RECs for future use as permitted by statute or optimize them for the benefit of ratepayers.



### c. New Renewable Energy Sources

The Company intends to develop new renewable generation facilities. Decisions to build new generation will be determined based on need and as part of the Company's Integrated Resource Planning process. Each new facility will need to be approved by the Commission and granted a certificate of public convenience and necessity.

Specifically, the Company continues to evaluate renewable development opportunities for availability by 2025 including total new biomass capacity of 100 MW and coal-to-biomass conversions totaling approximately 150 MW, which were identified in the Preferred Plan of the 2010 IRP as needed resources. The Company is also assessing the potential for an additional 58.5 MW of biomass at VCHEC (for a total of 117 MW), up to 4MW of solar with advanced energy storage in Halifax County (as described further in Section IV.A.1) and the viability of on-shore wind facilities in the future. Whether such facilities are constructed depends on a variety of factors which cannot be known at this time, including the market for renewable resources, access to capital, environmental laws, siting and permitting issues, federal legislation, technical innovations, and Commission approval.

### d. Purchase of RECs

After counting the MWh from the existing renewable energy sources, the RPS Plan calls for the Company to fulfill any deficit by purchasing lower cost RECs that fit within the definition of Va. Code § 56-585.2. Though Virginia law makes no distinction regarding types of RECs based on the source of renewable energy, some jurisdictions and markets do make distinctions, and currently these distinctions affect the valuation of the RECs. The price of individual RECs is based on a variety of factors, including energy source. The Company expects that it will be able to fully satisfy the RPS Goals I through IV through the Company's existing renewable



generation portfolio, new renewable generation facilities and the purchase of lower cost RECs. In addition, based on an amendment to Va. Code § 56-585.2 during the 2010 General Assembly, utilities are permitted to sell more expensive RECs generated at their facilities (or acquired through a purchase power agreement) and replace them with lower cost RECs from the market and credit the difference to customers (REC optimization).<sup>3</sup> The Company intends to carry-out REC optimization transactions for the benefit of ratepayers.

e. Banking of Excess Renewable Energy and/or RECs

Under the RPS Plan, the Company will bank any excess amounts of renewable energy and/or RECs and apply to future years in which there is a deficit pursuant to Va. Code § 56-585.2 D. Section 56-585.2 D allows a utility to apply renewable energy sales or RECs acquired during the periods covered by any RPS goal that are in excess of the sales requirement for that goal to the sales requirements for a future RPS goal.

**C. Application of the Renewable Resources to Meeting the Company's RPS Plan**

The Company's RPS Plan will permit the Company to meet its RPS Goals.

**1. 2010 Renewable Energy Generated & REC Transactions**

The Company will meet or exceed its 2010 VA RPS Plan renewable target of 1,732,746 MWh through implementation of its RPS Plan approved by the Commission. This is illustrated in the Exhibit 2.

a. Company-Owned Facilities

Total renewable energy production for 2010, through September 30, 2010, from existing renewable energy facilities owned by the Company was 903,460 MWh. The Company estimates

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<sup>3</sup> Chapter 850 of the 2010 Acts of the Assembly.

the total renewable energy production from existing renewable energy facilities owned by the Company for calendar year 2010 will be 1,099,829 MWh.

b. NUGs

The Company has determined the renewable energy production from contracted NUGs year-to-date through September 30, 2010 is 578,481 MWh. The Company estimates the total qualified renewable energy production from existing contracted NUGs for calendar year 2010 will be 803,852 MWh. This amount is based on the presumption that the disputed NUG RECs will be determined to be owned by the Company. As discussed above, the Company has purchased a sufficient number of RECs from the market to replace these RECs if not available for use. Any RECs not needed to meet the 2010 Goal will be banked for future use as permitted by statute or optimized for the benefit of ratepayers.

c. 2010 REC Transactions (Purchase for VA RPS Compliance/Sales for Optimization)

The Company's actual and planned REC transactions for 2010 are summarized as follows:

- Purchased 1,389,856 RECs
- Sold 324,839 higher cost RECs
- Expect to buy an additional 300,000 lower cost RECs

d. Banking of Excess Renewable Energy and/or RECs

The Company expects to bank approximately 732,103 RECs excluding NUGs and approximately 1,535,955 RECs, including NUGs, towards future RPS targets. This banked

amount will be influenced by whether the disputed NUG RECs can be used by the Company for its RPS Plan.

## **2. 2010 Through 2025 Renewable Plan**

Exhibit 1A and Exhibit 1B to this report outline the Company's VA RPS Plan from 2010 through 2025. It has been refreshed from the original exhibits submitted with the Company's RPS Plan in July 2009 to reflect 2010's estimated year-end generation resources as optimized, as well as the assumptions used for 2011-2025 based on the September 2010 IRP. For planning purposes from 2011 through 2025, no REC optimization is assumed due to uncertainty in this evolving market. Based on current information, the Company forecasts that it will be able to fully satisfy the RPS Goals I through IV through the Company's existing renewable generation portfolio and through the purchase of RECs.

### **D. Rider Filings**

Pursuant to § 56-585.1 A 5(d), § 56-585.1 A(6) and § 56-585.2 E, utilities are permitted to recover certain costs for participating in an RPS program or for the construction of renewable generation facilities. The Company anticipates that it will file a § 56-585.1 A 5(d) rate adjustment clause rider in 2011, primarily for the recovery of the costs for purchasing RECs to comply with the RPS program. In addition, the Company may file for recovery of renewable generation modifications or for the construction of new renewable generation facilities under § 56-585.1 A(6).

## **III. OVERALL GENERATION OF RENEWABLE ENERGY**

As discussed in Section II.B.3.a above, the Company has over 400 MW of renewable energy capacity that it generates at four hydroelectric facilities and one biomass facility. In addition, the Company intends to construct, based on determination of need and economic



viability, new renewable energy facilities through the 2025 timeframe as discussed in Section II.B.3.c. In addition, potential new renewable energy resources are discussed in Section IV below.

Though not part of the Company's RPS Plan, the Company is also encouraging customers to invest in renewable energy generation resources generally through voluntary participation in Dominion Virginia Power's Rider G Renewable Energy Program, commonly referred to as the "Green Tariff" or "Dominion Green Power." Effective January 1, 2009, the Company began to offer its customers this companion rate for the purchase and retirement of RECs for all or a portion of a customer's monthly consumption. The Company's contractor, 3Degrees Group, Inc., performs REC procurement services (including certification and tracking) and customer education services, and has ensured that the Company's Green Tariff program has received Green-e® Energy certification from the Center for Resource Solutions, a national non-profit organization. As of September 30, 2010, more than 9,850 customers have elected to participate in Dominion Green Power, with 55% of participants choosing to match 100% of their energy usage with purchases of RECs. The RECs purchased on behalf of customers participating in this voluntary program are not counted toward the Virginia RPS compliance goals. Rather, this program offers Dominion Virginia Power customers a way to support renewable energy above and beyond Dominion's renewable energy initiatives.

#### **IV. ADVANCES IN RENEWABLE GENERATION TECHNOLOGY**

The Company strives to remain up to date on the development of emerging renewable and alternative energy technologies. Dominion formed its Alternative Energy Solutions (AES) Group in April 2009 to conduct research, track federal and state policies, and identify potential

opportunities in the alternative and renewable energy sector. Some of the renewable resources and technologies that Dominion is currently considering include:

**A. Solar**

Although solar photovoltaic (PV) technology only makes up a small portion of the United States' overall electricity generation, it is one of the most rapidly growing renewable energy resources. Due to its variable nature as a generating resource, solar PV is not a dispatchable resource and, therefore, contributes less to peak load and reserve requirements than conventional generation resources. As solar and wind penetration on the system increases, advancements in energy storage technologies could enhance grid stability. Solar resources are becoming more viable in terms of cost due to the rapidly dropping costs of solar modules, the increasing standardization of installation techniques, and the federal tax credits available through January 1, 2017 for solar resources.

*1. Halifax Solar*

The Company is considering the development of a solar facility in Halifax County. This facility would be a 4 MW solar power generation facility with advanced energy storage in Halifax County, VA. This project, if developed, will use utility-scale solar and battery storage to regulate intermittency, enable peak shaving, and increase reliability. The project will also allow the Company to gain experience in constructing and operating an integrated solar-battery facility. The Company and the Industrial Development Authority of Halifax County submitted a \$5 million grant proposal to the Virginia Tobacco Indemnification and Community Revitalization Commission's Research and Development Fund in June 2010 to help fund the project. If the Commission ultimately approves the facility, it is expected to begin operations in 2012. Other participants include the University of Virginia and a battery storage manufacturer.

## 2. Solar Distributed Generation

The Company is also considering the development of Solar Distributed Generation. Solar distributed generation is increasing across the country. The Company has seen an increase in solar distributed generation throughout its Virginia service territory. The Company is evaluating alternative structures for distributed generation integration in order to increase the benefits of otherwise disaggregated renewable energy on the system.

## 3. Solar PV Distributed Generation

The Company is currently evaluating the feasibility of developing utility-owned solar PV generation on targeted circuits in the Company's service territory from 2012 to 2016. By strategically placing installations on circuits projected to require upgrades, the Company could reduce circuit loading and delay currently planned upgrades and associated capital costs.

## 4. Targeted Solar Distributed Generation Tariff

As an alternative to net metering, the Company is also evaluating the feasibility of developing a Targeted Solar Distributed Generation Tariff. This tariff would give the Company the opportunity to purchase the solar output and associated renewable attributes from third-parties in exchange for locating distributed solar PV systems on strategically identified circuits targeted by the Company. As opposed to net metered systems, a distributed generation solar tariff would ensure that 100 percent of the electricity generated when the sun is shining flows directly to the grid, thus providing more system planning certainty. The Company plans to use a targeted approach in subscribing customers, while also limiting the duration and size of enrollment of participants. The Company believes this targeted approach may prove substantially more beneficial to the distribution system as a whole than the random, disaggregated locations of



net-metered systems. The Company also believes that this would eliminate the inequitable cross-subsidization inherent in net-metering.

**B. Offshore Wind**

Offshore wind has the potential to provide the largest source of renewable generation for the east coast of the United States, as it is not limited by the amount of suitable land or fuel. Compared to onshore wind, offshore wind is more complex and costly to install and maintain. While it is a potential renewable option in the future, additional studies are required to better estimate the energy production potential and relative cost data.

There is increasing political momentum in Virginia and throughout the Mid-Atlantic surrounding offshore wind development, both for its renewable attributes and its potential for significant economic development and job creation. In 2010, the Virginia General Assembly passed legislation creating the Virginia Offshore Wind Development Authority. The Authority will identify existing state and regulatory or administrative barriers to the development of the off-shore wind industry, collect met-ocean and environmental data, and apply to the United States Department of Energy (“DOE”) for loan guarantees for offshore wind projects. Virginia also passed a bill increasing the value of off-shore wind RECs to three times the standard credit under Virginia’s voluntary RPS, demonstrating the importance that the General Assembly places on this technology.

The Department of Interior’s Bureau of Ocean Energy Management (“BOEM”) is the lead federal agency in charge of leasing offshore waters on the outer continental shelf. The BOEM is expected to issue a Request for Interest for potential projects off of Virginia’s coast. The agency established a federal-state-local task force in Virginia in December 2009 to provide a collaborative approach to evaluating the potential of off-shore wind development.

The Company is actively participating in Virginia's discussion on the potential for offshore wind development. The Company is carefully evaluating the technology and will proceed with offshore wind projects as it becomes economically and technologically feasible to do so.

**C. Other Renewable Technologies**

The Company is also continuing to evaluate other emerging alternative energy technologies including waste-to-energy, geothermal, and tidal and wave power.

- Waste-to-energy (WtE) technologies involve converting waste sources such as municipal solid waste, landfill gas, and agricultural waste into electricity. WtE is a dispatchable and a potentially cost competitive form of renewable energy.
- Geothermal power is power extracted from heat stored deep within the earth's surface. The United States has more geothermal capacity than any other country. Eighty percent of this capacity is in California, where more than 40 geothermal plants provide nearly 5 percent of the state's electricity. Very limited geothermal energy resources are available in Virginia.
- Tidal and wave power relies on ocean water fluctuations to collect and release energy. While significant research is being conducted on tidal- and wave-powered electric facilities, neither type of facility has proven to be commercially available. The Company will continue to monitor developments surrounding these technologies.

**VI. CONCLUSION**

In the past year, the Company views its efforts toward its RPS Plan in Virginia as successful and highlights the following:

**ANNUAL REPORT TO THE SCC ON RENEWABLE ENERGY - EXHIBIT 1A UPDATE**  
**DOMINION VIRGINIA POWER**  
**RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM**  
**VIRGINIA GOALS**  
**(Including Energy from Non-Utility Generators)**

<b>TOTAL ELECTRIC ENERGY SOLD IN THE BASE YEAR</b>																
Total Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007	64,621,534 MWh															
Less Three-year Average Percentages (2004-2006) Nuclear Generation	21,302,885 MWh															
Total Electric Energy Sold in the Base Year	43,318,649 MWh															
<b>RENEWABLE ENERGY PORTFOLIO STANDARD GOALS</b>																
Percent Goal (MWh)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	4%	4%	4%	4%	4%	4%	4%	7%	7%	7%	7%	7%	7%	12%	12%	15%
	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	5,198,238	5,198,238	5,198,238	6,497,797
<b>RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM<sup>1,2</sup></b>																
Generation Resources (MWh)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Small Hydro	15,024	14,063	14,062	14,062	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,062	14,062
Large Hydro	712,088	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461
Biomass	372,717	391,437	323,723	446,873	482,010	479,552	486,789	486,478	488,671	482,048	478,922	515,925	514,694	522,491	520,387	521,064
VCHEC Co-Fire <sup>3</sup>	0	0	0	145,146	156,669	147,993	177,335	217,207	259,447	265,298	300,622	314,788	318,698	303,634	325,462	318,400
NUGS	803,852	780,545	769,144	802,513	772,667	424,423	148,849	148,442	148,442	148,442	148,849	148,442	148,442	10,981	0	0
Total	1,903,681	1,623,506	1,544,390	1,846,055	1,862,870	1,503,492	1,261,496	1,303,651	1,348,084	1,347,312	1,379,916	1,430,679	1,433,358	1,288,629	1,297,372	1,290,986
Total Generation Resources as Optimized	3,268,701	1,623,506	1,544,390	1,846,055	1,862,870	1,503,492	1,261,496	1,303,651	1,348,084	1,347,312	1,379,916	1,430,679	1,433,358	1,288,629	1,297,372	1,290,986
Use of VA Bank	0	1,535,955	1,426,715	1,238,360	1,351,669	1,481,792	1,252,539	0	0	0	0	0	0	0	0	0
Target (MWh)	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	5,198,238	5,198,238	5,198,238	6,497,797
Net Position (MWh)	1,535,955	1,426,715	1,238,360	1,351,669	1,481,792	1,252,539	(518,270)	(1,728,654)	(1,684,221)	(1,684,993)	(1,652,389)	(1,601,626)	(3,764,880)	(3,909,609)	(3,900,866)	(5,206,811)

**NOTES:** 1 - Based on Strategist forecast used for the 2010 NC IRP provided as information to VA.  
2 - Based on Virginia Jurisdictional allocation of 80.69%  
3 - VA City Hybrid (VCHEC) starts at 5% applicable for 2013 to 2015; increasing 1% per year beginning April 1, 2016 and reaching 10% by April 1, 2020 and thereafter



**ANNUAL REPORT TO THE SCC ON RENEWABLE ENERGY - EXHIBIT 1B UPDATE**  
**DOMINION VIRGINIA POWER**  
**RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM**  
**VIRGINIA GOALS**  
**(Excluding Energy from Non-Utility Generators)**

**TOTAL ELECTRIC ENERGY SOLD IN THE BASE YEAR**

Total Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007  
 Less Three-year Average Percentages (2004-2006) Nuclear Generation  
 Total Electric Energy Sold in the Base Year

64,621,534 MWh  
 21,302,885 MWh  
 43,318,649 MWh

**RENEWABLE ENERGY PORTFOLIO STANDARD GOALS**

Percent Goal (MWh)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	4%	4%	4%	4%	4%	4%	4%	7%	7%	7%	7%	7%	12%	12%	12%	15%
	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	5,198,238	5,198,238	5,198,238	6,497,797

**RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM<sup>2</sup>**

Generation Resources (MWh)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Small Hydro	15,024	14,063	14,062	14,062	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,062	14,062
Large Hydro	712,088	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461	437,461
Biomass	372,717	391,437	323,723	446,873	482,010	479,552	483,789	488,478	488,671	482,048	478,922	515,925	514,694	522,491	520,387	521,064
VCHCEC Co-Fire <sup>3</sup>	0	0	0	145,146	156,669	147,993	177,335	217,207	259,447	265,298	300,622	314,788	318,698	303,634	325,462	318,400
NUGS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,099,829	842,961	775,246	1,043,542	1,090,203	1,079,069	1,112,647	1,155,209	1,199,641	1,198,870	1,231,067	1,282,237	1,284,916	1,277,649	1,297,372	1,290,986
Total Generation Resources as Optimized	2,464,849	842,961	775,246	1,043,542	1,090,203	1,079,069	1,112,647	1,155,209	1,199,641	1,198,870	1,231,067	1,282,237	1,284,916	1,277,649	1,297,372	1,290,986
Use of VA Bank	0	732,103	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Target (MWh)	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	1,732,746	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	3,032,305	5,198,238	5,198,238	5,198,238	6,497,797
Net Position (MWh)	732,103	(157,882)	(957,500)	(689,204)	(642,543)	(653,677)	(1,919,658)	(1,877,096)	(1,832,664)	(1,833,435)	(1,801,238)	(1,750,068)	(3,913,322)	(3,920,589)	(3,900,866)	(5,206,811)

NOTES: 1 - Based on Strategist forecast used for the 2010 NC IRP provided as information to VA.

2 - Based on Virginia Jurisdictional allocation of 80.69%

3 - VA City Hybrid (VCHCEC) starts at 5% applicable for 2013 to 2015; increasing 1% per year beginning April 1, 2016 and reaching 10% by April 1, 2020 and thereafter

**ANNUAL REPORT TO THE SCC ON RENEWABLE ENERGY - EXHIBIT 2**  
**DOMINION VIRGINIA POWER**  
**RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAM**  
**2010 SUMMARY**

**TOTAL ELECTRIC ENERGY SOLD IN THE BASE YEAR (MWh)**

Total Electric Energy Sold to Virginia Jurisdictional Retail Customers in 2007	64,621,534
Less Three-year Average Percentages (2004-2006) Nuclear Generation	<u>21,302,885</u>
Total Electric Energy Sold in the Base Year	<u>43,318,649</u>

**RENEWABLE ENERGY PORTFOLIO STANDARD GOALS**

	<b>2010</b>
Percent	<u>4%</u>
Goal (MWh)	<u>1,732,746</u>

<b>Generation Resources (MWh)</b>	<b>Actual through September 30, 2010</b>	<b>Projected through Balance of Year</b>	<b>Estimated Total 2010</b>
<b>COMPANY-OWNED</b>			
<b>Hydro</b>			
Cushaw	9,652	2,604	12,256
North Anna	2,252	516	2,768
Gaston	291,747	67,379	359,126
Roanoke Rapids	285,447	67,515	352,962
<b>Subtotal Hydro</b>	<b>589,098</b>	<b>138,014</b>	<b>727,112</b>
<b>Biomass</b>			
Pittsylvania	306,159	58,355	364,514
Altavista	8,203	0	8,203
<b>Subtotal Biomass</b>	<b>314,362</b>	<b>58,355</b>	<b>372,717</b>
<b>Sub-total COMPANY-OWNED</b>	<b>903,460</b>	<b>196,369</b>	<b>1,099,829</b>
<b>NUGS</b>	<b>578,481</b>	<b>225,371</b>	<b>803,852</b>
<b>TOTAL</b>	<b>1,481,941</b>	<b>421,740</b>	<b>1,903,681</b>
<b>Company-Owned Renewables</b>	<b>903,460</b>	<b>196,369</b>	<b>1,099,829</b>
<b>less REC-Optimized Resources</b>	<b>324,836</b>	<b>0</b>	<b>324,836</b>
<b>Net Company-Owned</b>	<b>578,624</b>	<b>196,369</b>	<b>774,993</b>
<b>REC Purchases</b>	<b>1,389,856</b>	<b>300,000</b>	<b>1,689,856</b>
<b>TOTAL Renewable Sources Excluding NUGs</b>	<b>1,968,480</b>	<b>496,369</b>	<b>2,464,849</b>
<b>NUGs</b>	<b>578,481</b>	<b>225,371</b>	<b>803,852</b>
<b>TOTAL Renewable Sources Including NUGs</b>	<b>2,546,961</b>	<b>721,740</b>	<b>3,268,701</b>
<b>RECs to be Retired (based on the Target)</b>			<b>1,732,746</b>

**REC SURPLUS TO BE BANKED EXCLUDING NUGS** **732,103**

**REC SURPLUS TO BE BANKED INCLUDING NUGS** **1,535,955**