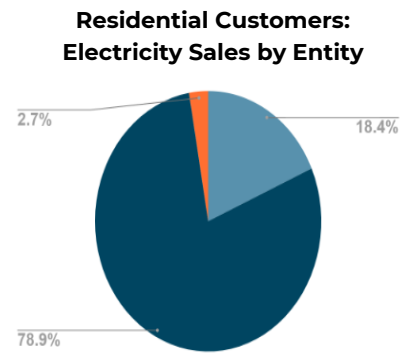
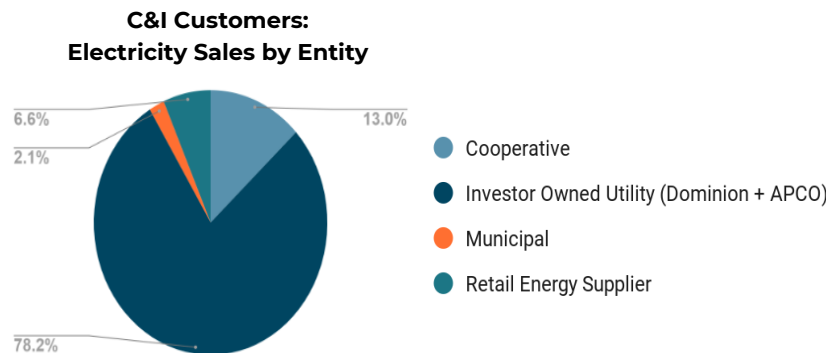


## Virginia & Energy Choice

*Electric market challenges and opportunities,  
energy competition and customer demand*

### Energy Landscape:

The majority of Virginia’s electric market is controlled by two utilities. Compared to other restructured states, Virginia imposes significant restrictions on the few commercial and industrial (C&I) customers allowed to access the competitive energy market and choose their energy supplier. No residential customers may choose a clean energy or associated retail product if their utility offers a clean energy plan, even if it is more expensive or has less attractive renewable attributes than competitors.



*Data Source: U.S. Energy Information Administration, Virginia "2022 Retail Power Marketers Sales" and "2022 Utility Bundled Retail Sales" (MWh Sales)*

	CHALLENGE	OPPORTUNITY
<b>Cost of Electricity</b>	Electric rates are rising. In 2022, Virginia’s utilities increased electric rates 18% for C&I customers. <sup>1</sup>	The limited Virginia customers that were able to shop saved \$105M+ compared to utility rates between 2017-2021 and the majority were enrolled in plans that were 100% renewable energy. <sup>2</sup>
<b>Reliability</b>	Electricity demand will rise significantly over the next decade. State utilities and the grid operator warn of reliability concerns.	Retail customers can participate in demand response programs proven successful in other states and be incentivized to reduce energy usage during peak periods and support grid resiliency.
<b>Clean Energy</b>	The 2020 Virginia Clean Economy Act seeks to decarbonize the state’s electric grid by 2050. State utilities warn of a shortage of Renewable Energy Certificates to meet demand. <sup>2</sup>	Retailers offer a variety of renewable energy products, meeting customer demand for clean energy and empowering the voluntary advancement of clean energy goals. This also drives investments in in-state clean energy resources without state or ratepayer funding.
<b>Energy Innovations</b>	Much of the state utility plans rely on energy use management and demand response technologies that have not yet been developed, deployed or funded. <sup>3</sup>	Customers have access to energy efficiency programs, special EV programs and rates, energy use management tools, solar programs, and tailored energy solutions.
<b>Economic Impact</b>	VA’s top economic drivers are energy-intensive industries. State utilities warn they cannot accommodate the growing demand, jeopardizing future investments and creating uncertainty for existing customers. <sup>4</sup>	Energy is a top operating expense and businesses want options on price, renewable make-up and energy use management tools and products. Competition supports jobs, increases tax revenue, and drives investments in clean energy technologies.

**Key Takeaway:** Fewer market participants, innovations and private investments in the market will result in singular and narrow paths forward and fewer opportunities to affordably and reliably address these challenges for Virginia’s residents.

17 states allow full or partial competition with utilities. States that allow unrestricted competition with the utility have realized a better outcome in reducing overall electric costs and carbon emissions than states with utility monopolies and are better positioned to support the transition to clean energy, consumer adoption of electric vehicles and energy efficiency and use management tools without relying on ratepayer or state dollars.

**Virginians Want Energy Choice**

2021 Survey Results<sup>6</sup>

**Consumer Choice: 83%**  
*desire the ability to choose their electric supply provider*

**Clean Energy Demand: 77%**  
*prefer renewable energy for home electricity*

**Proposed Solution:** Pass Virginia [Senate Bill 591](#), sponsored by Sen. Jeremy McPike (D-29) to reduce restrictions on shopping and some of the barriers to access the competitive market.

Virginia’s Customer Classes	Current Shopping Restrictions	Proposed Solution
<p><b>CLASS A3:</b> Large C&amp;I consumers with 5MW+ annual usage</p> <p>Ex: Data center, chemical and paper manufacturer, plastic processor, refineries</p>	<p>Required to give the utility a five-year advance notice if enrolled with a competitive supplier and wish to return to utility supply.</p>	<p>Lower the threshold to be eligible to shop from 5MW to 1MW. Reduce the advanced notice requirement from 5 years to 6 months. The average requirement for other states is 15 days (OH, PA, MD, DE, NJ, DC).</p>
<p><b>CLASS A4:</b> Smaller commercial and industrial customers &lt;5MW annual usage</p> <p>Ex: Hospital, university, grocery store, enclosed shopping mall, large chain retailers (able to aggregate load from multiple stores)</p>	<p>Must be able to aggregate their usage and meet a 5MW energy usage threshold to be eligible to apply for regulatory approval to shop by filing a petition with the SCC.</p>	<p>Lower the threshold to be eligible to shop from 5MW to 1MW. Remove the mandatory petition filing with the SCC.</p>
<p><b>CLASS A5:</b> Mass market, including residential</p> <p>Ex: Nonrefrigerated warehouse, distribution center, convenience store, primary school, apartment building, office building, hotel, residential household</p>	<p>May only shop for a 100% renewable plan AND if the utility does not already have a renewable offering, even if that plan is more expensive or has less attractive renewable attributes. The utilities currently offer a renewable product, so none of these customers are permitted to shop.</p>	<p>Permit these customers to shop if they choose a 100% renewable plan from eligible sources.</p>

<sup>1</sup> U.S. Energy Information Administration, “Electric Sales, Revenue, and Average Price,” Tables 7&8, 2021 - 2022

<sup>2</sup> U.S. Energy Information Administration, “Utility Bundled Retail Sales” 2017-2021 (VA Electric and Power Co.)

<sup>3</sup> Dominion Energy, “Virginia Electric and Power Company’s Report of Its 2023 Integrated Resource Plan,” 13.

<sup>4</sup> Dominion Energy, “Virginia Electric and Power Company’s Report of Its 2023 Integrated Resource Plan,” 102.

<sup>5</sup> Fits News, “South Carolina Energy Hearing: Google Gets Put On Blast”

<sup>6</sup> SurveyUSA Mkt Research Study #25775