

SCC Judge Issues Order for More Tests from Dominion and PJM on Need for Loudoun Line

(June 12, 2008 – Warrenton, VA) State Corporation Commission Hearing Examiner Alexander Skirpan has ordered Dominion Virginia Power and PJM Interconnect to conduct more tests with recently obtained data regarding the need for the proposed high-voltage transmission line requested by Dominion and Allegheny Power.

“We are pleased the Judge is asking for more evidence,” said Robert Marmet of the Piedmont Environmental Council. “Recent auctions conducted by PJM suggest that the marketplace is capable of satisfying future electricity demand without the Loudoun line.”

The expert testimony presented by PEC before the SCC definitively demonstrates that Dominion and Allegheny’s proposed high-voltage transmission line is unnecessary and that simple alternatives that have significantly less impact are available to the power companies to meet the electricity needs of Northern Virginia for today and into the future. The testimony filed with the SCC revealed that Dominion and Allegheny:

- Ignored less costly and less environmentally damaging solutions;
- Misrepresented the need for the proposed transmission line as a local Northern Virginia issue rather than as a regional issue;
- Made wildly unrealistic assumptions and used unreliable data in analyzing the needs of Northern Virginia and the greater Mid-Atlantic area; and
- Claimed falsely that the proposed transmission line will benefit consumers, when (as they know) studies show that the line will cost consumers more in the long run.

PEC has consistently criticized transmission line proponents for faulty forecasting of demand for power and available future sources of supply. Forecasted demand was exaggerated by the proponents ignoring Commonwealth and regional programs to increase energy efficiency and reduce demand, particularly during periods of peak consumption. Those programs are prescribed in the energy legislation that the Commonwealth enacted in 2007, Governor Kaine’s Energy Plan, and the energy plans of neighboring states, but were modeled by the Loudoun line proponents as having absolutely no effect on the future demand for power.

At the same time, projected future supply was seriously understated. Successful programs such as PJM’s new electric capacity market that rewards investments in new power supply capacity, as well as demand management and reduction, were ignored in order to make the case in favor of the proposed Loudoun line, which proponents contend may be needed for reliability reasons as early as 2011. “If the service reliability need for 2011 were real,” asked Piedmont’s President Christopher Miller, “then why is VEPCO postponing the in-service dates of generating plants that are being developed close to demand centers in eastern PJM?”

Based upon the testimony filed with the State Corporation Commission PEC and other parties are requesting that Commission reject the Dominion/Allegheny application in that:

1. The Loudoun line does not advance the security of the National Capital Region (NCR). The line compromises security by making the NCR more dependent on remote coal fired generation to the west and long distance high-voltage transmission vulnerable to cascading outages and sabotage.
2. Loudoun line is unnecessary because simulated reliability violations are the product of highly unlikely multiple contingencies and baseline assumptions as to future loads, generation and demand side management that are unreasonable, unjustifiable, and, in the case of demand side management, contrary to Federal and Commonwealth policy.
3. Uncontested evidence demonstrates the Loudoun line does not work.

A hearing is scheduled to be held in Richmond on June 30 before Hearing Examiner Skirpan regarding these new tests.