

# 2021-2022 IRP Technical Conference

## June 22, 2021



**Dominion  
Energy**<sup>®</sup>

# 2021 IRP Schedule

## February 9, 2021 – Technical Conference

- Review of IRP Standards and Guidelines
- Review of 2020 PSC Order Regarding IRP
- March 2020 Stakeholder Meeting Review
- Rural Expansion Update
- LNG Update
- Hedging

## May 18, 2021 – Technical Conference

- IRP Project Detail Discussion
- Long Term Planning Update
- Hydrogen Pilot Update
- Future STEP Project Update

## April 28, 2021 – Technical Conference

### **CONFIDENTIAL MEETING**

- Heating Season Review
- System Integrity Update
- Wexpro Matters (Confidential)
- RFP Review (Confidential)

## June 22, 2021 – Technical Conference

- Presentation and Review of 2021-2022 IRP

# Industry Overview

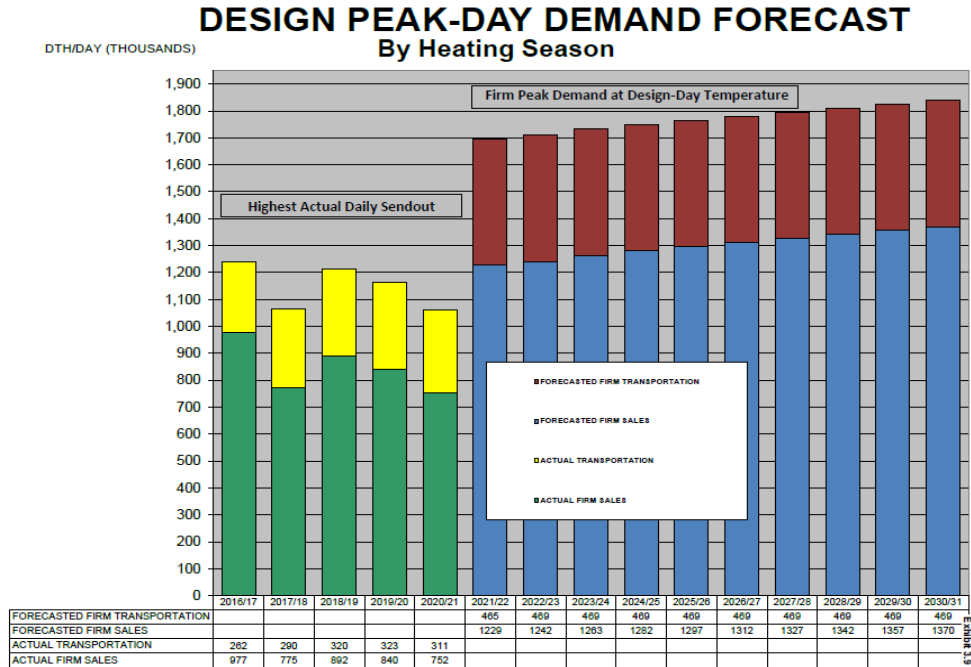
## Will Schwarzenbach/Maddie Haynes

- Regulatory Updates
- Discussion of Industry Trends
  - Pricing
  - Production
  - Storage
  - LNG Exports
  - Sustainability
- Review of UT/WY IRP Process

# Customer and Gas Demand Forecast

David Landward

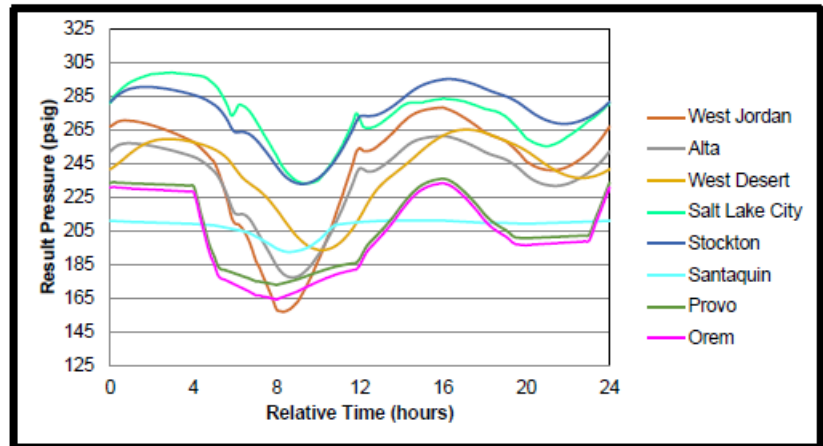
- 2021-2022 Design-day firm sales demand = 1.229 MMDth



# System Capabilities and Constraints

Adam Del Toro

- Distribution system meets current design-day needs
  - Feeder line systems have adequate capacity to meet average-daily and peak-hourly demands
  - Supply contracts are adequate
- Projects have been identified to address constraints and concerns
  - FL135, Central 20-inch Loop
  - Lindon (RE0027) HP regulator station
  - FL13 East and West HP Stations
  - Saratoga (TG0005) gate station
- Long-term Planning



# Distribution Action Plan

Jason McGee

- High Pressure Projects

Year	Project	Estimated Cost	Revenue Requirement
2021	LE0021 – District Regulator Station for American Fork and Lehi	\$750,000	\$85,600
	LG0012 Logan District Regulator Station and Feeder Line Extension	\$4,500,000	\$514,000
	Eureka – EU0001 District Regulator	\$600,000	\$68,500
	WA1600 – District Regulator Station -- North Temple Replacement for Belt Line Capacity	\$750,000	\$85,600
2022	Central 20-inch Loop (Phase 1)	\$32,813,000	\$3,806,308
	SY0002 Syracuse District Regulator Station	\$500,000	\$57,100
	FL047 Extension for SY0002 Syracuse District Regulator Station	\$5,500,000	\$628,000
	WA1604 – Replace WA0866 District Regulator Station for South Salt Lake City, UT	\$1,500,000	\$171,300
	FL13 West HP Station and ILI Facilities, Magna, UT	\$900,000	\$102,800
	FL13 East HP Station and ILI Facilities, Salt Lake City, UT	\$2,800,000	\$319,800
2023	Jamestown, WY District Regulator Station	TBD	TBD
	White Dome District Regulator Station (St George)	TBD	TBD
	Bluffdale District Regulator Station	TBD	TBD
	TG0005 Saratoga KRG T Gate Station	\$2,000,000 to \$5,000,000	\$232,000+
	Eagle Mountain District Regulator Station, near 4000 N and Hwy 73	\$500,000	\$57,100
	FL85 Extension for Eagle Mountain District Regulator Station	\$3,000,000	\$342,600
2025	Central 20-inch Loop (Phase 2)	TBD	TBD
2028	Central 20-inch Loop (Phase 3)	TBD	TBD
TBD	RE0027 HP Station Capacity Upgrade	TBD	TBD

# Distribution Action Plan

## Jason McGee

- Feederline Replacement
  - FLR met with the PSC on June 21, 2021 to provide a detailed report
- Rural Expansion – Eureka
  - IHP and HP projects have been awarded to Fugal – Construction to start June 2021.
  - Completion on track for heating season 2021-2022
- Plant Projects
  - On-System LNG
- Intermediate-High Pressure Projects
  - Belt Main Replacement Program
  - Aging Infrastructure Replacement (Not included in the Infrastructure Rate Adjustment Tracker)
- Transponder Replacement Program
  - Completed in 1st Quarter 2021 – transitioning to regular maintenance schedule

# Integrity Management

Richard Kiser

- Mega Rule published October 2019

	2021	2022	2023
Transmission Integrity Management Program	8,189	7,316	7,891
Distribution Integrity Management Program	1,862	2,089	2,193
Total Integrity Management Cost (\$ Thousands)	10,050	9,405	10,083

Year	HCA Miles Assessed	Anomalies Repaired
2012	26.470	28
2013	50.367	27
2014	54.555	20
2015	11.040	2
2016	37.226	4
2017	12.935	8
2018	30.212	9
2019	25.571	3
2020	54.624	8



# Environmental Review

## Glenn Johnson

- DEU is committed to compliance with environmental laws and regulations
- Conservation efforts will continue to have a positive environmental impact
  - Estimated savings of more than 1.2 MMDth of natural gas in 2020
    - Equivalent of about 63,000 metric tons of CO<sub>2</sub>e or nearly 14,000 passenger vehicles each driven for one year (calculated using EPA's GHG equivalencies calculator)
  - Lifetime savings attributable to the ThermWise® program totals more than 486,000 tons of CO<sub>2</sub>e
    - Equivalent of about 106,000 passenger vehicles each driven for one year
- Dominion Energy is committed to achieving net zero greenhouse gas emissions by 2050

# Purchased Gas

## Steven Wall

- Balanced portfolio of gas purchases of approximately 60 MMDth
- Work continues on potential hedging increases
- Historical heating season pricing:

Month	2019-2020	2020-2021	Difference
Nov	\$2.32	\$3.03	\$0.71
Dec	\$3.44	\$2.94	(\$0.50)
Jan	\$3.16	\$3.23	\$0.07
Feb	\$1.95	\$2.75	\$0.80
Mar	\$1.54	\$3.04	\$1.50
Average	\$2.48	\$3.00	\$0.52

# Cost-of-Service Gas

## Will Schwarzenbach/Maddie Haynes

- Level of Production
  - 58.4 MMDth (49.6% of forecasted demand)
  - Cost-of-service production continuing to decline
  
- Drilling Plans
  - For calendar year 2021, Wexpro plans on completing to production 11.3 net wells
    - Focus will be on the Trail Field and Vermillion Basin
  - 2022 through 2025, the total planned net wells 15, 17, 19, and 18 respectively

# Gathering, Transportation, and Storage

## Will Schwarzenbach

- Transportation Capacity
  - Contracted capacity is adequate to meet design-day demands
    - New contract with Dominion Energy Overthrust Pipeline
      - 8,542 Dth/day of capacity
  - Contract extensions negotiated as part of the BHE transaction
- Firm Peaking Services
  - Firm Peaking Services offered by both KRGT and DEQP have been the most cost-effective and reliable solution to meet peak-hour demand
  - Contract extensions negotiated as part of the BHE transaction
- Storage Contracts
  - Contract extensions negotiated as part of the BHE transaction

# Supply Reliability

## Will Schwarzenbach/Will Radford

- LNG Facility Update
  - Construction started July 2020
  - Tank roof was raised May 2021
  - Tank inner cryogenic wall expected completion March 2022
  - Ground improvements have begun with expected completion August 2021
  - Foundation work and equipment placement underway with expected completion December 2021
  - Main pipe rack to begin being constructed July 2021 with expected completion August 2021
  - All buildings expected to be completed March 2022

# Sustainability

## Judd Cook/Jordan Stephenson

- Updates provided on DEUWI sustainability initiatives
  - Methane reduction program
  - Sustainability legislation
  - Sustainability of supply
  - Responsibly sourced natural gas (RSG)
  - Renewable natural gas (RNG)
  - Carbon offset program
  - Hydrogen pilot program
  - Wexpro sustainability initiatives

# Energy Efficiency Programs

## Mike Orton

- Provided results of 2020 programs
- Provided expectations for 2021 programs

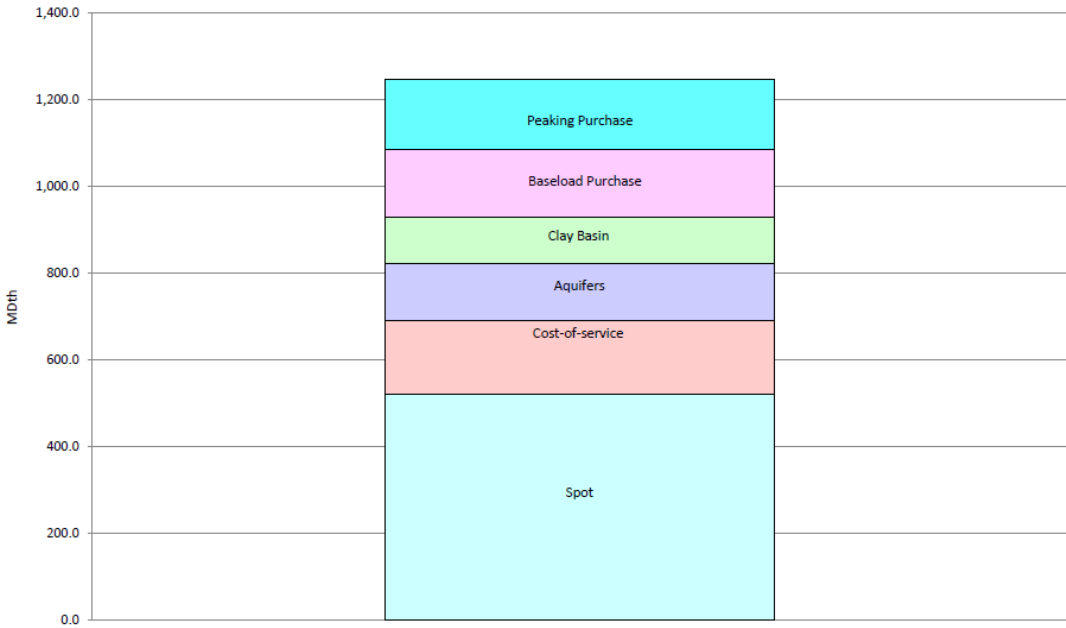
2021 IRP Forward Curve	Total Resource Cost		Participant Test		Utility Cost Test		Ratepayer Impact Measure Test	
	NPV	B/C	NPV	B/C	NPV	B/C	NPV	B/C
ThermWise® Appliance Rebate	\$3.47	1.76	\$19.52	5.26	\$3.14	1.65	(\$2.92)	0.73
ThermWise® Builder Rebates	\$4.12	1.46	\$26.30	3.60	\$5.19	1.67	(\$3.71)	0.78
ThermWise® Business Rebates	\$0.91	1.16	\$11.27	3.11	\$3.19	1.93	(\$0.53)	0.93
ThermWise® Weatherization Rebates	\$1.64	1.18	\$18.29	2.95	\$3.04	1.39	(\$3.77)	0.74
ThermWise® Home Energy Plan	\$0.32	1.65	\$2.28	60.25	\$0.31	1.62	(\$0.35)	0.70
Low Income Efficiency Program	\$0.50	1.61	\$2.78	8.55	\$0.51	1.62	(\$0.46)	0.74
Energy Comparison Report	\$0.40	1.76	\$2.13	5.36	\$0.40	1.76	(\$0.39)	0.70
Market Transformation Initiative	(\$1.32)	0	\$0.00	N/A	(\$1.32)	0	(\$1.32)	0
<b>Totals</b>	<b>\$10.04</b>	<b>1.32</b>	<b>\$82.58</b>	<b>3.73</b>	<b>\$14.46</b>	<b>1.53</b>	<b>(\$13.48)</b>	<b>0.76</b>

\*Shown in millions

# Final Model Results

Maddie Haynes

- Plan includes adequate supplies to meet design-day demand





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# Questions?