



THE P<sup>3</sup>  
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**FOR IMMEDIATE RELEASE**

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## **EPSA and P3 File to Protect Virginia Consumers from Shouldering Cost of Dominion's \$1.3 Billion Power Plant**

**WASHINGTON, DC and KING OF PRUSSIA, PA** – In testimony submitted before the Virginia State Corporation Commission, the Electric Power Supply Association (“EPSA”) and the PJM Power Providers Group (“P3”) revealed numerous flaws, mistaken or overly aggressive assumptions and a distinct lack of meaningful consideration of lower cost market alternatives in Dominion’s application to build a new power plant. Today’s filings reflect the latest pro-consumer development in the case, and represent the growing momentum behind protecting consumers from having to finance an unnecessary \$1.3 billion plant.

“Dominion’s proposed Brunswick County Power Station would cost Virginia consumers over \$1.3 billion for a power plant that does not need to be built in order to keep the lights on,” said EPSA President and CEO John E. Shelk. “This is a particularly bad option for consumers given that Dominion proposes to build this new, more expensive plant on the backs of consumers at the same time it is not considering other, less costly alternatives in the region. Other market-based alternatives in Dominion’s territory deserve fair consideration.”

According to expert testimony prepared by Michael Schnitzer of The NorthBridge Group, Inc. on behalf of EPSA and P3, “Dominion plans to self-build 1,358 MW of new generation and associated transmission facilities without fully considering market alternatives and without conducting a transparent, competitive market test to determine whether such a plan would in fact provide its customers the lowest reasonable cost resource solution . . . . Dominion’s customers could be forced to pay significant above-market generation costs for a long period of time.”

According to Mr. Schnitzer’s expert analysis, Dominion does not need additional supply resources in its service territory until after 2022. Yet even if additional supply resources were needed, there are likely lower cost alternatives that Dominion never seriously considered.

Mr. Schnitzer concludes that Dominion failed to systematically evaluate competitive market alternatives available to Dominion's customers and the related customer benefits that competitive markets provide. To support his conclusion, Mr. Schnitzer found that a market offer received by Dominion was significantly less than the long-term market price forecast that Dominion relied on to justify the benefits of Dominion's power plant, which raises significant concerns about the forecast the Company is using and its relationship to actual or true market prices that can be obtained in the market.

Mr. Schnitzer independently reached many of the same conclusions as Scott Norwood, an energy specialist who submitted testimony regarding the necessity of the proposed new power plant for Virginia Attorney General Ken Cuccinelli. In part, Mr. Norwood stated that "(D)ue to (these) apparent problems with Dominion's resource evaluation process, I question the validity of the results presented and the company's conclusion that Brunswick represents the lowest reasonable cost option for fulfilling Dominion's capacity requirements in 2016 and beyond."

"Mr. Schnitzer's and Mr. Norwood's respective testimonies should give the Commission great pause," said Glen Thomas, President of P3. "This plant looks like a really bad deal for Virginia's consumers. With \$1.3 billion of Virginia ratepayer money on the line, the Commission should not rush to approve this unnecessary and costly power plant."

For all of these reasons, P3 and EPSA support Mr. Schnitzer's recommendation that the Commission reject Dominion's request for this unneeded power plant and require a more open, transparent, objective and truly non-discriminatory market test before further consideration.

The full copy of Mr. Schnitzer's publicly available testimony can be found at the following link: <http://p3powergroup.com/sitecontent.cfm?page=pressdetail&id=473> or [www.epsa.org](http://www.epsa.org).

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*P3 is a non-profit organization that supports the development of properly designed and well functioning markets in the PJM region. Combined, P3 members own over 87,000 megawatts of power and over 51,000 miles of transmission lines in the PJM region, serve nearly 12.2 million customers and employ over 55,000 people in the 13-state plus District of Columbia PJM region.*

*EPSA is the national trade association representing competitive power suppliers, including generators and marketers. Competitive suppliers, who account for nearly 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities. EPSA seeks to bring the benefits of competition to all power customers.*