

# United States Department of the Interior

**US Army Corps of** 

Engineers

Norfolk District Regulatory Office Received by: RLS

Date: October 14, 2016

NATIONAL PARK SERVICE Northeast Region United States Custom House 200 Chestnut Street Philadelphia, PA 19106

IN REPLY REFER TO: A.1.2.(NER-RSS)

OCT 1 3 2016

William T. (Tom) Walker Chief, Regulatory Branch USACE, Norfolk District 803 Front Street Norfolk, VA 23510

Subject: Dominion Surry-Skiffes Creek Whealton Project - Tribal Consultation, the Yorktown Power Station, Project Alternatives and Load Growth

Dear Mr. Walker,

The National Park Service (NPS) has previously provided information to the US Army Corps of Engineers (USACE) on various aspects of the Dominion Surry-Skiffes Creek Whealton Project. This includes information on the purpose and need for the project, the amount of power to be replaced and the role the latter has on the alternatives that might satisfy the purpose and need for the project. In this letter, NPS provides greater detail on some of the points raised in our July 27, 2016 letter commenting on the draft Memorandum of Agreement, specifically the amount of power being supplied by the three units at Yorktown Power Station, their changing role in overall grid operation and the longstanding use of oil and natural gas in producing electricity at the station. We also address a number of repowering alternatives that should be analyzed and raise questions about load growth projections. As we detail below, NPS asks that the USACE request information from Dominion Virginia Power (Dominion) that would clarify the actual need for electricity in the North Hampton Roads Load Area (NHRLA) going forward.

NPS maintains that the range of available alternatives is broader than has been proposed, due to a changing set of conditions and the ability to use a wider variety of fuels as explained below, as

well as the ability of USACE to modify or condition its permit. The necessity of this project as proposed and the appropriate range of alternatives are germane to NPS because different routing or project design could reduce adverse impacts to units of the National Park System and other special status areas under NPS administration. NPS remains extremely concerned over the impacts the project as currently proposed would have on these units and special status areas and continues to advocate for preparation of an environmental impact statement (EIS). There are still clearly "unresolved conflicts concerning alternative uses of available resources".<sup>1</sup> An EIS would allow USACE to assess the range of alternatives that would satisfy an accurate depiction of the need for the project.

The NPS also has concerns over the requirements for ongoing tribal consultation in light of information on this project developed since 2014, and consultation efforts with the federally-recognized Pamunkey Tribe. We turn to this subject first.

## **Tribal Consultation**

The NPS recognizes that the USACE reached out to both state- and federally-recognized tribes in August 2014 as part of Step 1 of the Section 106 process: Initiating the Process. The USACE's "Section 106 Consultation and Public Involvement Plan" states that the USACE consulted with three federally-recognized tribes and nine state-recognized tribes. While we are concerned that the USACE's tribal consultation efforts have not yet met the requirements set forth in 36 CFR 800 for several reasons, we are pleased to see that the USACE has recently accepted the Pamunkey Tribe to become a consulting party for the project.

However, the results of the USACE's August 2014 consultation efforts are not clear to us. The Chickahominy Tribe and Delaware Tribe are noted as consulting parties on the USACE's project website and the Pamunkey Tribe has now been recognized as a consulting party, but we are not aware of the responses from the remaining tribes. In addition, while engaging with the tribes in August 2014 was part of the process to initiate Section 106, the amount of project information provided to potential consulting parties at that time would have been insufficient for them to determine their level of concern. The extent of impacts from the proposed project is clearer today now that an area of potential effect (APE) has been determined and a list of potentially affected historic properties identified. It is unclear what level of effort the USACE has expended to keep tribes informed of the new information.

In light of the above, and the fact that the Pamunkey Tribe is now federally-recognized (January 2016) and has been accepted as a consulting party, we feel the USACE should revisit tribal consultations. Both state- and federally-recognized tribes should be provided with the appropriate, and now available, documentation regarding the APE, historic properties identified within it and the current assessment of effect for each. The USACE states in its own Section 106

<sup>&</sup>lt;sup>1</sup> See USACE NEPA Implementation Procedures for the Regulatory Program, 33 CFR Part 325, Appendix B to Part 325, section 7 and Council on Environmental Quality (CEQ) regulations at 40 CFR 1502.14(a).

consultation plan that the identification of consulting parties will remain an open task throughout the Section 106 process.

While we realize that the USACE may feel consulting party identification and tribal consultation efforts are complete, the extent of potentially affected resources and possible impacts of this project to resources associated with some of the earliest interactions between Native Americans and European settlers require an intensive Section 106 process. We request the USACE provide documentation to all consulting parties of tribal consultation efforts to date, including any recent correspondence with the Pamunkey Tribe, barring any confidential information on sites of tribal interest. We also recommend the USACE reach out to both state- and federally-recognized tribes, including the Pamunkey Tribe, and provide them with the expanded project documentation that was not available in 2014.

## **EIA Data Collection**

The Energy Information Administration (EIA) collects information on the operation of electric power plants and combined heat and power (CHP) plants in the United States on its Form EIA-923<sup>2</sup>. "Data collected on this form include electric power generation, fuel consumption, fossil fuel stocks, delivered fossil fuel cost, combustion by-products, operational cooling water data, and operational data for NOx, SO2, particulate matter, mercury, and acid gas control equipment."<sup>3</sup> "Form EIA-923 is a mandatory report for all electric power plants and CHP plants that meet the following criteria:

1) Have a total generator nameplate capacity (sum for generators at a single site) of 1 megawatt (MW) or greater; and

2) Where the generator(s), or the facility in which the generator(s) resides, is connected to the local or regional electric power grid and has the ability to draw power from the grid or deliver power to the grid.

3) In addition to power plants, fuel transfer terminals for generating stations, may be required to report on Form EIA-923."<sup>4</sup>

Form EIA-923 data is reported by the generator and facility managers. In this case, the information on the three units at the Yorktown Power Station has been reported by Virginia Electric and Power Company of which Dominion Virginia Power (Dominion) is a sub-unit.

Examination of the last eight years of data supplied by Virginia Electric and Power Company on Form EIA-923 reveal trend lines for net generation, and the use of oil and natural gas as fuel

<sup>&</sup>lt;sup>2</sup> Form EIA-923 Power Plant Operations Report Instructions, available at https://www.eia.gov/survey/form/eia 923/instructions.pdf

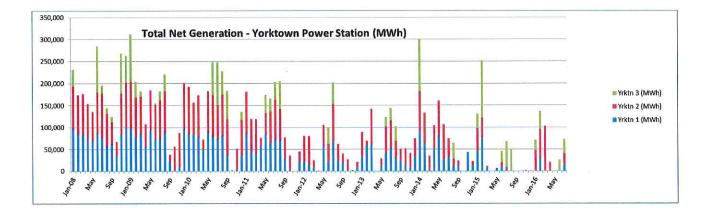
<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Ibid.

sources in generating electricity at the Yorktown Power Station that NPS believes point to a number of alternatives that should be analyzed by the USACE before reaching a decision.

### **Net Generation at Yorktown**

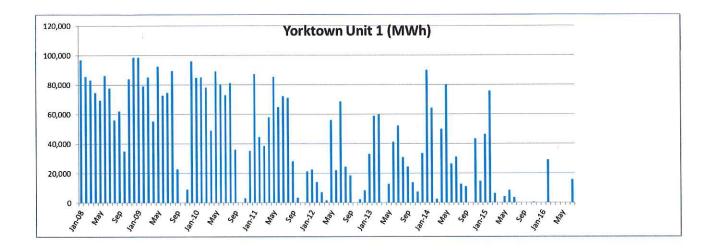
Yorktown Power Station consists of three generating units. The USACE has described them as follows, "Dominion currently supplies power to the North Hampton Roads Load Area (NHRLA) via generation from the Yorktown Power Station (approximately 1,141 Mw). ... Yorktown Power Station is comprised of two coal fired plants (Yorktown 1 & 2) that produce approximately 323Mw and one oil fired plant (Yorktown 3) that produces 818Mw."<sup>5</sup> While these numbers represent the maximum generating capacity, they are not indicative of current use. The amount of electricity being produced at Yorktown has changed quite a bit over time as shown in EIA data.



**Figure 1:** Total net generation for all three units from all fuel sources at the Yorktown Power Station, January 2008-July, 2016 from Form EIA-923.<sup>6</sup>

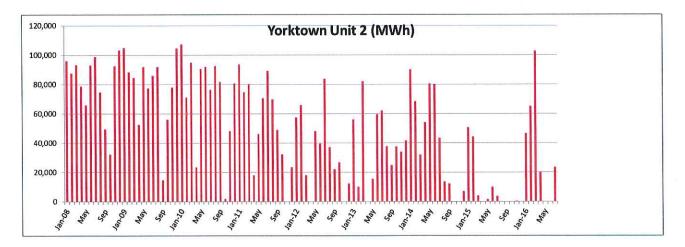
As Figure 1 indicates, generation from all three units has declined over time. In January, 2009 the station reported peak generation of 312,288 MWh. Averaged over the entire month, the station generated 420 MW, well below its maximum capacity of 1,141 MW, yet still the highest generation over the last eight years. We do not know if the Yorktown Power Station operated all 31 days of the month, so the MWs generated could be higher. But this points to another observed trend: as generation has declined, Yorktown seems to have moved from being a baseload operator counted on to supply electricity at all times, to a peaking plant counted on mostly during the coldest parts of the winter and to a lesser degree during peak electricity demand in the summer.

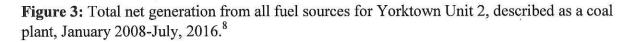
<sup>&</sup>lt;sup>5</sup> USACE Preliminary Alternatives Conclusions White Paper, RE: NAO-2012-0080 / 13-V0408, October 1, 2015. <sup>6</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month.



**Figure 2:** Total net generation from all fuel sources for Yorktown Unit 1, described as a coal plant, January 2008-July, 2016.<sup>7</sup>

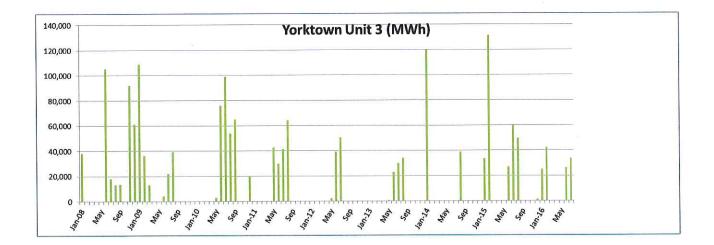
Examination of each unit individually highlights this trend. As shown in Figure 2, Yorktown Unit 1 has seen a decline in operations since 2008 and a marked decline in generation since 2015. In July, 2016 (the most recent reported month available), Unit 1 generated 15,866 MWh, averaging just over 21 MW for the month. This is an average; if Unit 1 was only needed for a few peaking days and wasn't in operation for the full month, the MW total would be higher. But the trend line is unmistakable.





7 Ibid.

The data for Unit 2 shows a similar situation. Use has decreased significantly over time, with mostly peaking use since 2015. While some of this decline for Units 1 and 2 may be related to decisions in complying with the Environmental Protection Agency's Mercury and Air Toxics Standards (MATS), it is true that reliance on these plants for electricity generation has markedly decreased and both units have been shut down completely for months at a time without ill effect to the electrical grid or service to customers. The amount of electricity needed to meet peak demand and the number of days of operation during peak demand months for these units should be disclosed to more accurately understand the load that must be replaced, the true nature of the need for this project, and the range of alternatives that might meet the need.



**Figure 4:** Total net generation from all fuel sources for Yorktown Unit 3, described as an oil-fired plant, January 2008-July, 2016.<sup>9</sup>

Form EIA-923 data for Unit 3, the Yorktown oil-fired unit, tells a slightly different story. Use has been intermittent since at least 2008, but is on the decline. Unit 3 operations are constrained, "Due to environmental restrictions Dominion can only operate Yorktown 3 intermittently (8% of year)."<sup>10</sup> Unit 3 generation since 2008 has been concentrated on peak periods. It is unclear when these environmental restrictions were put in place, and what effect, if any, they have had on the operation schedule and output of Unit 3. NPS requests more information from the USACE on this topic.

The net generation trends and most recent output at all three Yorktown units call into question the amount of load that must be replaced to meet NERC standards. NPS questions whether the analysis conducted for submission of this project to the Virginia State Corporation Commission and subsequent submission to the USACE was predicated on past net generation figures in

<sup>&</sup>lt;sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Ibid.

<sup>&</sup>lt;sup>10</sup> USACE Preliminary Alternatives Conclusions White Paper, RE: NAO-2012-0080 / 13-V0408, October 1, 2015.

meeting load growth that have long since been reduced. This element deserves further explanation and has impacts on the need for the project and the range of alternatives capable of meeting that need. Next we turn to the fuel mix in use at Yorktown Power Station.

#### **Project Alternatives: The Fuel Mix at Yorktown Power Station**

The USACE has stated, "Yorktown Power Station is comprised of two coal fired plants (Yorktown 1 & 2) that produce approximately 323Mw and one oil fired plant (Yorktown 3) that produces 818Mw."<sup>11</sup> This is only partially correct. Form EIA-923 data clearly shows that the three Yorktown units can and do use the following fuel types:

- $\succ$  Unit 1:
  - o BIT bituminous coal
  - o DFO<sup>12</sup> distillate fuel oil
  - o NG natural gas
- ▶ Unit 2:
  - o BIT bituminous coal
  - DFO distillate fuel oil
- ➤ Unit 3:
  - o DFO distillate fuel oil
  - o NG natural gas
  - RFO residual fuel oil

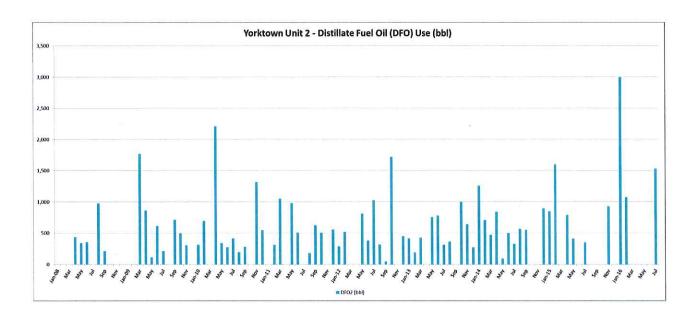
This calls into question the analysis that Dominion and Stantec supplied to the USACE in their examination of the alternatives to the proposed action. There are clearly other alternatives to be examined. Dominion and Stantec, in their analysis for the USACE<sup>13</sup>, stated that "Three options exist for aging coal- and oil-fired generation units to obtain compliance with the EPA MATS rule: (1) retrofit existing units to achieve required emission reductions; (2) repower existing units with alternative fuel sources to achieve required emission reductions; or (3) retire the unit. (Emphasis added.) Dominion and Stantec argued in their report that repowering had been examined. "Dominion examined the potential to repower some or all of the Yorktown units to natural gas in light of the extensive costs to retrofit these facilities. From a capital perspective, this was a more favorable option than retrofitting existing units. A scenario was examined in which Yorktown Unit 1 was retired and Yorktown Unit 2 was converted to gas and oil."<sup>14</sup>

<sup>&</sup>lt;sup>11</sup> USACE Preliminary Alternatives Conclusions White Paper, RE: NAO-2012-0080 / 13-V0408, October 1, 2015. <sup>12</sup> Unit 1 can burn DFO for fuel, but has not done so since at least 2008.

<sup>&</sup>lt;sup>13</sup> "Surry-Skiffes Creek-Whealton 500 kV Alternatives Analysis", prepared by Dominion Virginia Power and Stantec Consulting Services, Inc.; cc rpt\_sscw alt analysis\_20150105.docx; received by the USACE on January 8, 2015; page 3.12.

<sup>&</sup>lt;sup>14</sup> *Ibid.*, page 3.13.

NPS finds this potential repowering of Unit 2 somewhat confusing in that Unit 2 is already capable of burning oil (DFO) and has been doing so since at least 2008<sup>15</sup>, as shown in Figure 5.



**Figure 5:** Use of distillate fuel oil as a generation fuel source at Yorktown Unit 2, January 2008-July, 2016.<sup>16</sup>

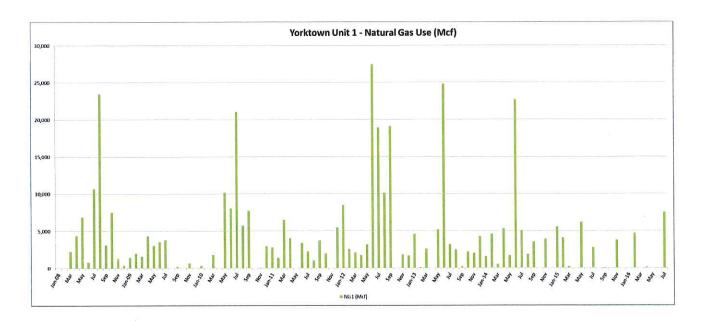
A more fitting scenario to examine would be the closure of Unit 2 and the conversion of Unit 1 to natural gas and oil, and Unit 3 to natural gas and oil. It would be more fitting since this is what is, and has been, actually occurring at Yorktown Power Station since at least March of 2008 for Unit 1 and at least January of 2008 for Unit 3. NPS has examined Form EIA-923 data<sup>17</sup> for each unit at the Yorktown Power Station. These records show that both Unit 1 and Unit 3 are capable of and have been burning natural gas for power generation since at least 2008. And 2008 does not appear to be the first year in which natural gas was used. Examination of historical data<sup>18</sup> from Forms EIA-906, EIA-920 and EIA-923 show small amounts of natural gas use since at least January of 2001.

<sup>&</sup>lt;sup>15</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month.

<sup>&</sup>lt;sup>16</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month.

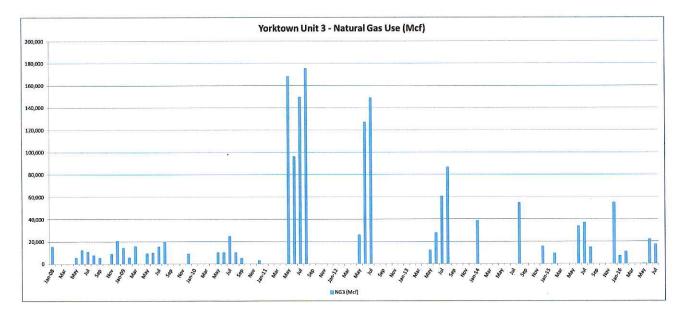
<sup>&</sup>lt;sup>17</sup> EIA Form EIA-923 detailed data, available at <u>https://www.eia.gov/electricity/data/eia923/</u>

<sup>&</sup>lt;sup>18</sup> EIA Form EIA-906, EIA-920 and EIA-923 data, available at https://www.eia.gov/electricity/data/eia923/



**Figure 6:** Use of natural gas as a generation fuel source at Yorktown Unit 1, January 2008-July, 2016.<sup>19</sup>

As shown in Figure 6, natural gas use in Unit 1 has been occurring for a number of years. Much of this use has been concentrated in summer peaking periods.



**Figure 7:** Use of natural gas as a generation fuel source at Yorktown Unit 3, January 2008-July, 2016.<sup>20</sup>

<sup>&</sup>lt;sup>19</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month.

Use of natural gas in Unit 3 has been more intermittent, but in higher volumes. Much of this use has also been concentrated in summer peaking periods.

NPS believes that the USACE should examine repowering alternatives in more detail. "Repowering" in this case may be a misnomer in that each unit is already capable of and is generating electricity using the fuel sources listed below. We request analysis of the full range of repowering alternatives possible given current fuel use. These would include:

- Power all three Yorktown units: Unit 1 on natural gas, Unit 2 on distillate fuel oil, Unit 3<sup>21</sup> on natural gas, residual fuel oil and distillate fuel oil.
- Close Yorktown Unit 1: power Unit 2 on distillate fuel oil, and Unit 3 on natural gas, residual fuel oil and distillate fuel oil.
- Close Yorktown Unit 2: power Unit 1 on natural gas, and Unit 3 on natural gas, residual fuel oil and distillate fuel oil.
- > Close Yorktown Unit 3: power Unit 1 on natural gas, and Unit 2 on distillate fuel oil.
- Close Yorktown Units 1 and 2: power Unit 3 on natural gas, residual fuel oil and distillate fuel oil.
- > Close Yorktown Units 1 and 3: power Unit 2 on distillate fuel oil.
- > Close Yorktown Units 2 and 3: power Unit 1 on natural gas.

Form EIA-923 data shows that all of these alternatives are possible given the current use and current fuel sources for each unit. Each alternative should also be analyzed in combination with transmission line upgrades if necessary in order to meet the purpose and need for the project.

The rejection of the repowering scenario that Dominion and Stantec examined was predicated in part on the lack of "sufficient natural gas supply to support year round operation of gas-fired generation at Yorktown."<sup>22</sup> Form EIA-923<sup>23</sup> data shows that Yorktown Power Station purchases its natural gas from Virginia Power Services Energy Corp., Inc., which is another division within Virginia Electric and Power Company, which owns and runs the Yorktown Power Station. EIA data also shows that natural gas is delivered to the Yorktown Power Station via pipeline. In 2015, Yorktown switched their natural gas transportation service to "firm" as listed on Form EIA-923. Data for 2016 shows service as firm. Yorktown's service had been "interruptible" in 2014. The EIA<sup>24</sup> defines natural gas "firm" and "interruptible" service as follows:

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Subject to the 8% limit.

<sup>&</sup>lt;sup>22</sup> "Surry-Skiffes Creek-Whealton 500 kV Alternatives Analysis", prepared by Dominion Virginia Power and Stantec Consulting Services, Inc.; cc rpt\_sscw alt analysis\_20150105.docx; received by the USACE on January 8, 2015; page 3.13.

<sup>&</sup>lt;sup>23</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month. See Page 5 – Fuel Receipts and Costs.

<sup>&</sup>lt;sup>24</sup> Form EIA-923 Power Plant Operations Report Instructions, available at https://www.eia.gov/survey/form/eia\_923/instructions.pdf

 $\mathbf{F} - \mathbf{Firm} - \mathbf{Gas}$  transportation service or supply contract provided on a firm basis (i.e., the contract with the gas transportation company anticipates no interruption of gas transportation or supply service). Firm transportation service takes priority over interruptible service.

I - Interruptible - Gas transportation service or supply provided under schedules, or contracts, which anticipate and permit interruption on short notice, such as in peak-load seasons, by reason of the claim of firm service customers and higher priority users.

The switch to firm service is notable in that it gives priority to Yorktown for natural gas deliveries, even in peak load seasons when natural gas demand is high. It also undercuts the argument that natural gas supplies are insufficient "to support year round operation of gas-fired generation at Yorktown."<sup>25</sup> As is clear in the data provided above, Yorktown is not operating year round.

Yorktown also already appears to be switching fuel sources. Form EIA-923 data<sup>26</sup> shows that Yorktown took its last delivery of coal sometime in 2015. Deliveries to date in 2016 have only been for natural gas and distillate fuel oil. NPS requests analysis and disclosure of any constraints on securing a year round supply of natural gas.

Additional natural gas pipeline capacity has been proposed in Virginia. Dominion itself is proposing the Atlantic Coast Pipeline (ACP). Williams Transco has proposed the Atlantic Sunrise Pipeline. The Williams Transco system is already quite extensive, as is the Columbia Gas Transmission system. How each of these has been considered in providing fuel supplies and the extent to which any of them are counted as drivers of load growth, but not sources of fuel, should be explained.

## Future Load Growth, Demand Side Management and Energy Efficiency Resources

In determining alternatives for the Surry-Skiffes Creek-Whealton Project, Dominion and Stantec<sup>27</sup> examined Demand Side Management (DSM) as a component of alternatives. How exactly this was done is unclear. NPS requests clarification as to how DSM was considered and for which alternatives. Dominion and Stantec described their analysis as follows:

<sup>&</sup>lt;sup>25</sup> "Surry-Skiffes Creek-Whealton 500 kV Alternatives Analysis", prepared by Dominion Virginia Power and Stantec Consulting Services, Inc.; cc rpt\_sscw alt analysis\_20150105.docx; received by the USACE on January 8, 2015; page 3.13.

<sup>&</sup>lt;sup>26</sup> Data available from the EIA at <u>https://www.eia.gov/electricity/data/eia923/</u>. July 2016 is the most recent reported month. See Page 5 – Fuel Receipts and Costs.

<sup>&</sup>lt;sup>27</sup> "Surry-Skiffes Creek-Whealton 500 kV Alternatives Analysis", prepared by Dominion Virginia Power and Stantec Consulting Services, Inc.; cc rpt\_sscw alt analysis\_20150105.docx; received by the USACE on January 8, 2015; page 3.16.

Other Project alternatives examined included Demand-Side Management, or DSM. Rather than approaching power usage from the supply side, DSM resources include activities and programs undertaken to influence the amount and timing of electricity use, as well as market purchases from outside power generators to reduce overall demand. DSM resources are already included in the transmission planning process by both Dominion and PJM. ... There are practical problems with relying on DSM to solve reliability violation as they are not effective in an instantaneous event (Herling Rebuttal Testimony, Public Volume I of VI, filed March 14, 2013).<sup>28</sup>

DSM resources are included in the PJM planning process and base residual auctions. How Dominion has considered them in determining future load growth is not clear and remains undisclosed. NPS requests explanation of their use by Dominion.

While DSM may not be "effective in an instantaneous event" as described above, Energy Efficiency Resources are. PJM defines these resources:

An EE resource is a project that involves the installation of more efficient devices/equipment or the implementation of more efficient processes/systems exceeding then-current building codes, appliance standards, or other relevant standards at the time of installation as known at the time of commitment. The EE resource must achieve a permanent, continuous reduction in electric energy consumption (during the defined EE performance hours) that is not reflected in the peak load forecast used for the BRA for the Delivery Year for which the EE resource is proposed. The EE resource must be fully implemented at all times during the Delivery Year, without any requirement of notice, dispatch, or operator intervention.<sup>29</sup>

Results from the most recent PJM base residual auction (for 2019-2020) shows that in the Dominion zone, 729.7 MW of demand side resources and 152.0 MW of energy efficiency resources successfully competed in the auction. While the Dominion zone is bigger than the North Hampton Roads Load Area (NHRLA), and not all of these cleared resources are in the NHRLA, some of them likely are, and the extent to which these resources and previous years' resources were considered in determining future load growth should be disclosed. Dominion has often cited the needs of its military, commercial and industrial users in the NHRLA.

The NHRLA has a diverse mix of customers from government defense facilities, industrial sites, commercial sites and residential end users. Major facilities which would be impacted by local load shedding would include Joint Base Langley-Eustis, Yorktown Naval Weapons Station, NASA, Newport News Ship Building, Cannon, Anheuser-Busch Brewery, Thomas Jefferson National Accelerator Facility, College of William and Mary, Christopher Newport University, Busch Gardens, Water Country USA, Distribution

<sup>&</sup>lt;sup>28</sup> Ibid.

<sup>&</sup>lt;sup>29</sup> PJM, 2019/2020 RPM Base Residual Auction Results, pages 10-11, available at <u>http://pjm.com/~/media/markets-ops/rpm/rpm-auction-info/2019-2020-base-residual-auction-report.ashx</u>

Centers (like Wal-Mart, Food Lion) and the Historic Jamestown-Colonial Williamsburg Complex.<sup>30</sup>

These same facilities are also the ones most likely to install Energy Efficiency Resources that Dominion can then bid into the PJM base residual auctions. NPS requests information on Energy Efficiency Resources within the NHRLA that have been successfully bid into any of the PJM base residual auctions, and how specifically they were included in assessing future load growth for the project.

### **Future Load Growth and Natural Gas Supplies**

The USACE has commented in the past that it cannot consider the effect Dominion's Atlantic Coast Pipeline (ACP) would have on natural gas fired generation and natural gas supplies in the Hampton Roads area because the project has not been approved. NPS would appreciate clarification on this issue from the Council on Environmental Quality because it is our understanding that the ACP would likely qualify as a "reasonably foreseeable future action" under NEPA. Moreover, it appears Dominion is considering the ACP pipeline in its load growth calculations as a driver of future load growth: "Further, after the Atlantic Coast Pipeline ("ACP") is completed, <u>new industrial, commercial and residential load growth is expected to materialize</u> as additional low-cost natural gas is made available to the geographical region."<sup>31</sup> (Emphasis added.) A significant portion of that geographic demand would likely occur in the Hampton Roads area given the major lateral pipeline that is a prominent feature of the proposed ACP pipeline. Dominion is both the proponent of the ACP pipeline, a customer as 20% of the volume is calculated to go to Dominion Virginia Power, and likely the seller, from another Dominion subsidiary, Virginia Power Services.

NPS requests that the USACE explain why it will not consider the pipeline on the supply side, but simultaneously is considering the pipeline as driving demand and load growth. If future load growth is driving the need for and size of Dominion's proposed transmission line, and that load growth and line size is a function of the demand to be created by the construction and operation of Dominion's proposed natural gas pipeline, then it would seem to be that either: (1) the ACP pipeline must be considered as a source of natural gas to Dominion Virginia Power and a possible option to reduce the need and / or size of the transmission line due to the options for natural gas fired electricity generation, both at Yorktown and at other potential locations in the NHRLA; or (2) the ACP pipeline cannot be assumed to be built, future load growth and demand will not occur, demand as a driver of the transmission line should be appropriately reduced, and the line itself, or at minimum the size proposed, should be adjusted downward as well.

<sup>&</sup>lt;sup>30</sup> "Surry-Skiffes Creek-Whealton 500 kV Alternatives Analysis", prepared by Dominion Virginia Power and Stantec Consulting Services, Inc.; cc rpt\_sscw alt analysis\_20150105.docx; received by the USACE on January 8, 2015; page 3.10.

<sup>&</sup>lt;sup>31</sup> Dominion Virginia Power's and Dominion North Carolina Power's Report of Its Integrated Resource Plan, Public Version, Case No. PUE-2016-00049; Docket No. E-100, Sub 147, Filed: April 29, 2016; page 26. Available at: https://www.dom.com/corporate/what-we-do/electricity/generation/2016-integrated-resource-planning.

This then opens up a wider range of alternatives to consider as the USACE seeks the least environmentally damaging practicable alternative. NPS requests USACE ensure consistency in how natural gas supplies are considered in the context of this project, its purpose and need, range of alternatives and calculation of load growth.

Overall, NPS has detailed a number of elements above that call into question the exact nature of the need for the project. They also point to a much more extensive range of alternatives that are almost certainly likely to be less damaging to the important historic resources and units NPS is entrusted to protect. NPS would like to meet with the USACE to discuss these topics in more detail.

We appreciate efforts to consider and address NPS concerns regarding the proposed Dominion Surry-Skiffes Creek Whealton Project. NPS looks forward to continued discussions with the USACE and Dominion. If you have any questions or need additional information, please contact Mary Krueger, Energy Specialist for the Northeast Region at <u>Mary\_C\_Krueger@nps.gov</u> or 617-223-5066.

Sincerely,

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cc:

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