

## WHEREAS,

The latest report from the Intergovernmental Panel on Climate Change affirms that atmospheric greenhouse gas concentrations are the highest in 800,000 years, and a National Academy of Sciences report has warned “each additional ton of greenhouse gases emitted commits us to further [climate] change and greater risks”;

Dominion is increasing its biopower holdings with conversion of the Hopewell, Altavista, and Southampton coal plants to biomass (~153 MW) and up to 60 MW co-firing wood at the Virginia Hybrid Energy Center, alongside the existing 83 MW Pittsylvania plant. Greenhouse gas emissions from wood burned at these facilities will be millions of tons per year. Dominion projects that in 2020, wood-burning in power plants will provide about 75% of the renewable power generated by the Company, while wind will provide 0% and solar 3%;<sup>1</sup>

Dominion has acknowledged in testimony before the Virginia State Corporation Commission (SCC) that biomass power plants actually emit more carbon dioxide (CO<sub>2</sub>) per megawatt-hour than coal-fired power plants, on a day-to-day basis;<sup>2</sup>

Economic viability for the three coal-to-biomass conversions depends on a regulatory assumption of carbon neutrality, without which Dominion has stated that the net present value of operation is less than if the plants continued to burn coal;<sup>3</sup>

The Environmental Protection Agency (EPA) panel convened to advise on regulation of biogenic CO<sub>2</sub> under the Clean Air Act concluded that biomass, including forest residues (the purported fuel for Altavista, Hopewell, and Southampton), cannot be presumed automatically carbon neutral,<sup>4</sup> and

Public policies and regulations addressing climate change may negatively affect Dominion’s biopower investments. A Federal Court found EPA’s deferral of biogenic CO<sub>2</sub> regulation under the Clean Air Act illegal, and EPA’s deferral of regulation in any case lapses in 2014. New policy developments may threaten continued subsidies for biopower as renewable energy; legislation has been introduced in Maryland and Washington, DC that would eliminate certain renewable energy subsidies for Dominion’s bioenergy holdings.

***RESOLVED:*** *Shareholders request that the Board of Directors prepare a report by November 1, 2014, at reasonable cost and excluding proprietary information, evaluating the environmental and climate change impacts of the company using biomass as a key renewable energy and climate mitigation strategy, including an assessment of risks to the company's finances and operations posed by emerging public policies on biomass energy and climate change.*

***Supporting Statement:*** *Among other things, the report should consider the impact that potential State or federal rejection of “carbon neutral” status for particular biomass energy facilities, fuel sources or categories of operations could have on subsidies, permitting processes, or existing facilities.*

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<sup>1</sup> Dominion Virginia Power Annual Report to SCC on Renewable Energy, Nov. 1, 2012.

<sup>2</sup> SCC Case No. PUE-2011-00073. Vol. III 01-12-2011.

<sup>3</sup> *Id.* Direct Testimony of Glenn A. Kelly, Director of Generation System Planning for Dominion. Vol. II 06-27-2011, p. 13, Figure 7.

<sup>4</sup> “Science Advisory Board Review of EPA’s Accounting Framework for Biogenic CO<sub>2</sub> Emissions from Stationary Sources”, September 2011.