



## FOR IMMEDIATE RELEASE

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### **DOMINION VIRGINIA POWER CUSTOMERS PROJECTED TO SAVE \$1.2 BILLION OVER 15 YEARS UNDER ENERGY EFFICIENCY PLAN**

- *Company seeks state approval of 12 energy-saving and demand-reducing programs*
- *Dominion commits to meeting state's increased voluntary renewable energy goal*

RICHMOND, Va. – Dominion Virginia Power today asked the State Corporation Commission (SCC) to approve a broad offering of programs that will enable customers to reduce their energy usage and save an estimated \$1.2 billion over 15 years.

“This plan provides a portfolio of 12 energy-saving and demand-reducing programs designed to meet the needs of our customers and move us toward meeting the 10 percent voluntary energy conservation goal enacted by the Virginia General Assembly and the governor,” said Paul D. Koonce, chief executive officer of Dominion Virginia Power. “It will provide environmental benefits in a cost-effective manner that will also translate into very real financial savings to customers.”

Savings would come from reduced customer energy usage and company fuel purchases. Moreover, the company expects its portfolio of programs to reduce the peak demand for electricity for Virginia customers by about 650 megawatts over a 15-year period, which is comparable to the output of a large generating unit. The programs are also expected to reduce the total consumption of electricity in Dominion’s service area by about 2.4 million megawatt-hours per year by 2024.

In addition to the savings for customers, the proposed programs are projected to protect the environment by reducing carbon dioxide emissions by a total of more than 15 million tons by 2024, the equivalent of removing approximately 165,000 cars from the road for a 15-year period, according to a U.S. Environmental Protection Agency estimate.

As part of its filings, Dominion Virginia Power requested that the SCC approve a pair of rate adjustment clauses to cover initial costs of the programs. If approved, a typical residential customer using 1,000 kilowatt-hours of electricity each month would see a rate increase of about \$0.95 or 0.9 percent, beginning in April 2010. However, this initial investment will ultimately reduce fuel costs for all customers by \$1.2 billion net of the expected costs of the programs.

A major portion of the energy, demand and cost savings will be achieved by digital “smart” meter technology being deployed throughout the company’s service area. The installation by 2013 of approximately 2.4 million “smart” meters will enable the company to save energy by

delivering it more efficiently to customers. The company's first major smart meter project is now under way in the Charlottesville area, making that region the first in the state – and one of the first in the nation – to benefit from the new technology.

The plan must be approved by the SCC before the programs can be implemented. If approved, most of the programs would be available to customers by April 1, 2010.

“The combination of technology, customer-friendly energy efficiency programs, rate incentives and renewable power are important steps we must take as part of Dominion's ‘Powering Virginia’ strategy,” Koonce said. “These programs complement the full range of investments we are making to ensure reliable and affordable energy for the Commonwealth.

“These plans will launch a new era of energy efficiency. They will empower our customers to save energy and money in a way that will maintain their comfort and convenience.”

Some of the steps already taken by Dominion include:

- Making “green power” – energy produced from renewable sources such as sunlight, wind and other sources – available to its Virginia customers through the purchase of renewable energy certificates.
- Having approximately 1,500 megawatts of renewable generation – enough to power 375,000 homes -- in production or under development. This includes Dominion's co-ownership of the 264-megawatt, 132-turbine NedPower Mount Storm wind project in West Virginia -- the largest operating wind farm in the eastern United States. Of the 1,500 megawatts of renewable generation, approximately 778 megawatts are owned by Dominion Virginia Power and Dominion North Carolina Power.
- Providing discounts on more than 3.4 million energy-saving compact fluorescent light (CFL) bulbs in partnership with The Home Depot.
- Creating the Alternative Energy Solutions group to provide technology research and identify business opportunities on conservation and load management and renewables.

Koonce also said the company is committed to meeting Virginia's new and more ambitious voluntary renewable power goal.

“The previous goal of achieving 12 percent renewable power by 2022 was upgraded by the General Assembly earlier this year to 15 percent by 2025,” Koonce said. “We believe we are on track to accomplish this.” The company filed its renewable portfolio standard plan with the SCC today.

The new programs announced today offer residential, commercial and industrial customers a variety of opportunities to reduce energy consumption and demand, better manage their usage and save money. The programs include:

- **Residential Air Conditioner Cycling Program:** Residential participants allow the company to cycle their central air-conditioner or heat pumps off and on for short periods of time during peak periods in return for incentive payments.
- **Residential Low-Income Program:** Provides energy audits and improvements for low-income residential customers.

- **Residential Lighting Program:** The company will provide instant rebates on energy efficient lighting for residential customers. This is a continuation of Dominion's current CFL rebate program, which has resulted in the sale of more than 3.4 million bulbs.
- **Residential ENERGY STAR® New Homes Program:** Home builders will receive an incentive for building homes that meet ENERGY STAR® standards, which include being at least 15 percent more energy efficient than those built to regular standards.
- **Residential Heat Pump Tune-Up Program:** Participants have their existing heat pumps maintained or "tuned-up" by professional HVAC service technicians to optimize performance and run more efficiently. Dominion Virginia Power provides an incentive to assist with the cost of the tune-up.
- **Residential Refrigerator Turn-In Program:** Participants can have a second inefficient refrigerator or freezer at least 20 years old hauled away and disposed of at no charge in exchange for an incentive payment.
- **Residential Heat Pump Upgrade Program:** Participants may upgrade a less-efficient heat pump to a more energy-efficient heat pump in exchange for an incentive.
- **Commercial Distributed Generation Program:** Commercial and industrial participants own or lease a generator that the company can use to offset demand during peak periods in exchange for an incentive payment.
- **Commercial Curtailment Service Program:** Participants allow the company to manage backup generation, reduce HVAC loads, reduce lighting loads, and/or reduce hot water heating loads at a participant's facility during peak periods in exchange for an incentive payment. This program is designed for commercial and industrial business customers.
- **Commercial HVAC Upgrade Program:** Provides HVAC system upgrades to more efficient systems for the commercial sector in exchange for an incentive.
- **Commercial Lighting Program:** Provides commercial participants with the opportunity to retrofit existing inefficient lighting with more energy efficient lighting in exchange for an incentive.
- **Voltage Conservation Program:** Uses advanced metering infrastructure (AMI) technology, commonly known as "smart meter" technology, to lower voltage on Dominion's distribution circuits by 5 percent during non-peak hours. This will result in energy savings for all customers but will not affect their electric service.

If the SCC approves the plan by Feb. 1, 2010, the company plans to phase in the voltage conservation program beginning Feb. 1 and all the other programs by April 1, 2010.

"This is a significant step toward meeting Virginia's energy conservation goal in a way that will deliver real and measurable benefits," Koonce said. "We plan to develop additional programs and initiatives and are committed to continue supporting the energy conservation goals in Virginia."

Dominion is one of the nation's largest producers of energy, with a portfolio of more than 27,400 megawatts of generation. Dominion serves retail energy customers in 12 states. For more information about Dominion, visit the company's Web site at [www.dom.com](http://www.dom.com).

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