

# **Meeting the Climate Challenge**

**David Heacock, President of Dominion  
Virginia Power**

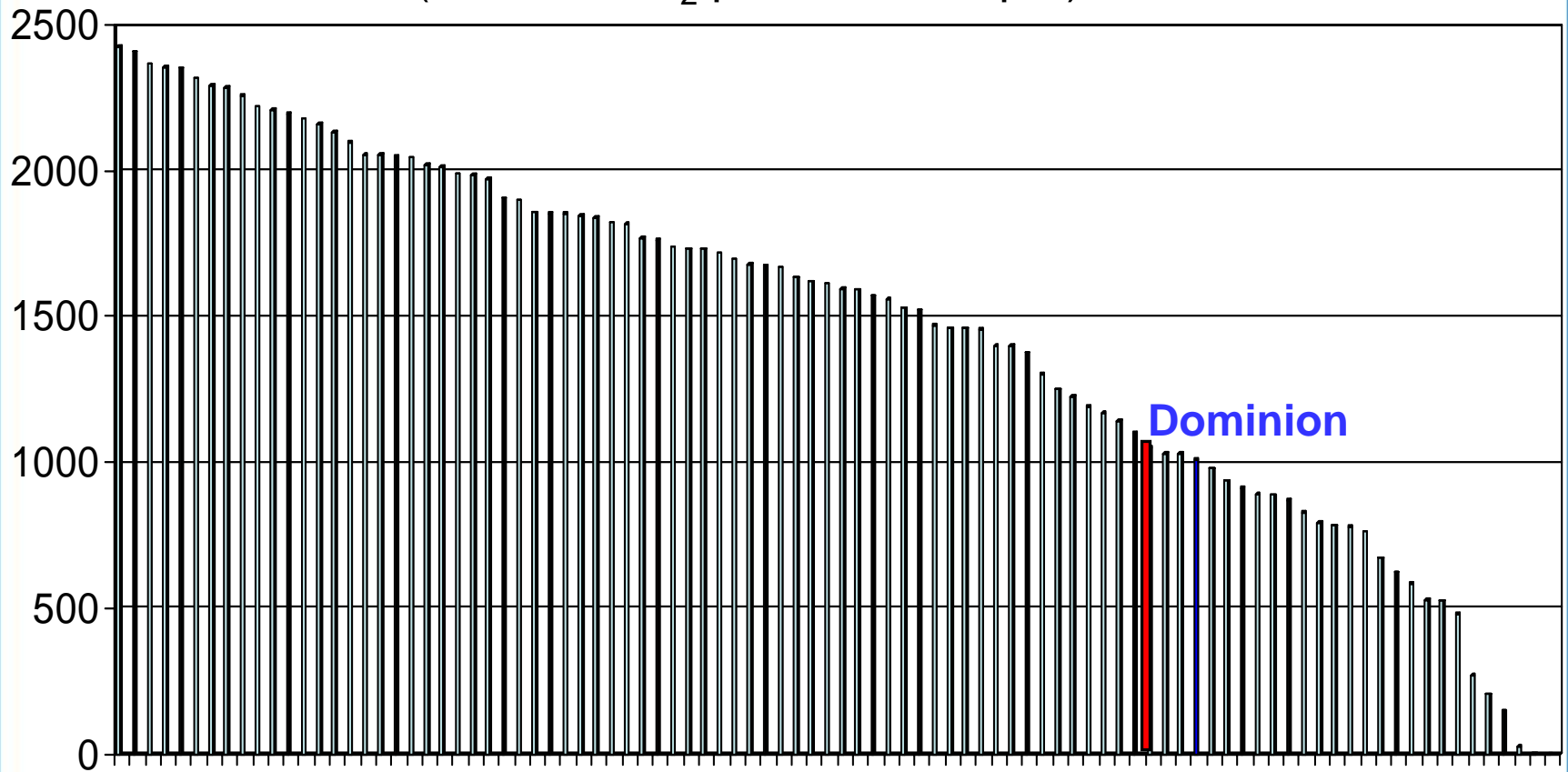
**Commonwealth of Virginia Energy and  
Sustainability Conference**

**September 19, 2008**

# Dominion's Low Carbon Intensity



100 Largest U.S. Power Producers  
(Pounds CO<sub>2</sub> per MWh Output)



Source: Natural Resources Defense Council, 2008 Study

# Need for a Diversified Strategy



## *Dominion's objective:*

- Providing reliable, affordable energy for our customers while being environmentally responsible

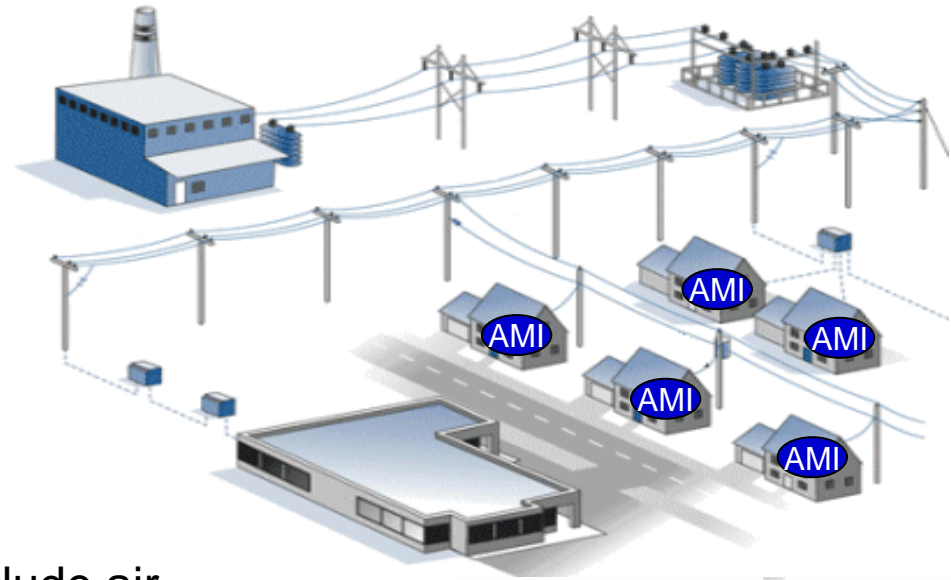
## *Dominion's integrated strategy:*

- Meeting the need with three major tools:
  - Conservation and energy efficiency
  - Renewable generation
  - Infrastructure development
    - Virginia City Hybrid Energy Center
    - Advanced nuclear power
    - Natural gas
    - Transmission

# An Increased Push For Conservation



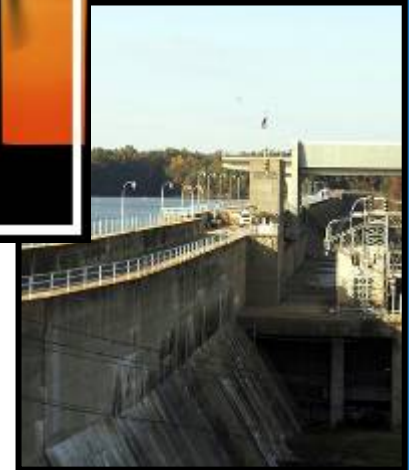
- Supports Virginia's 10 percent electricity conservation goal
- Conservation initiative includes a \$600 million investment in smart metering technology
- Programs in the plan also include air conditioner control, power cost monitors
- The initiative will save customers \$1 billion over the next 15 years



*Power Cost Monitor*

# Renewable Generation

- Supports Virginia's goal of 12 percent renewable energy by 2022
- More than 750 MW of wind power
- Bath County pumped storage facility helps make renewable energy dispatchable
- Biomass at two VA power stations



# Clean Coal & Carbon Capture and Storage

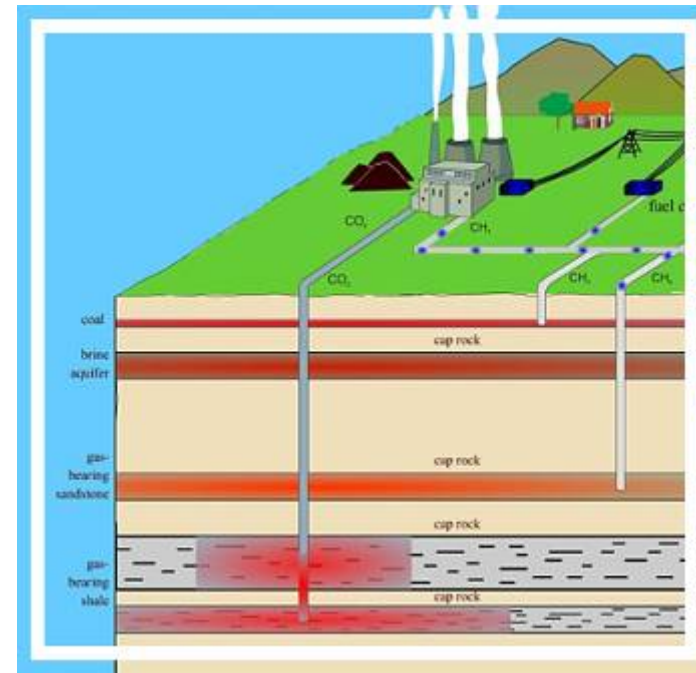
## Virginia City Hybrid Energy Center:

- Project meets baseload energy needs and presents a strong environmental package



## Carbon Capture and Storage:

- \$500,000 to Virginia Tech to study promising carbon storage in coal seams



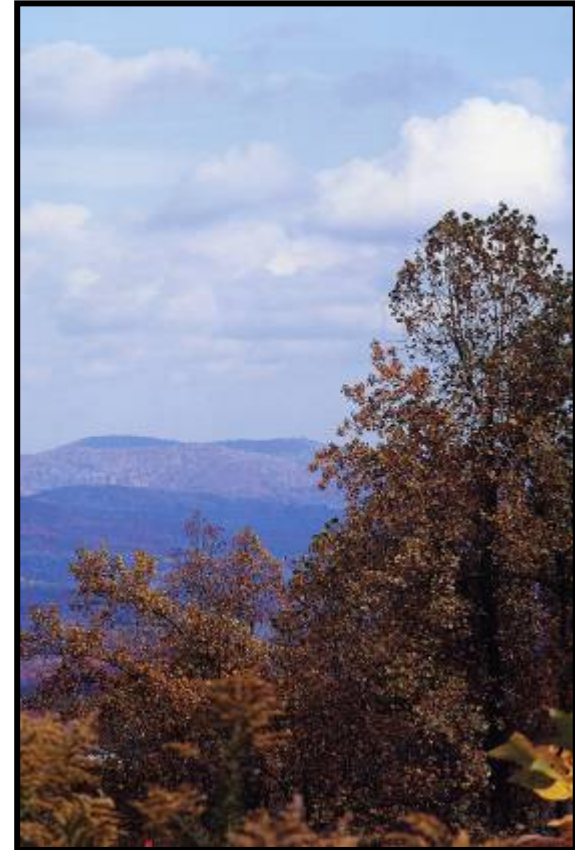
# Emissions-Free Nuclear:

- Advanced nuclear must play a role in a carbon-reduced economy
- Potential third reactor at North Anna
- Filed application with NRC in November 2007 to build and operate
- 1500 megawatts would serve 375,000 homes



# Climate Change Regulation

- Both Presidential candidates support climate change legislation.
  - Probable within the next four years.
- Dominion criteria for climate change legislation:
  - Economy-wide
  - Cap and trade legislation
  - Adequate R & D funding
- Legislation will add significantly to consumer costs.
  - Permitting new infrastructure will be challenging.





**Dominion**<sup>®</sup>  
It all starts here.<sup>®</sup>