



Department of Energy
Washington, DC 20585

Order No. 202-17-2

Pursuant to the authority vested in me by section 202(c) of the Federal Power Act (FPA), 16 U.S.C. § 824a(c), and section 301(b) of the Department of Energy Organization Act, 42 U.S.C. § 7151(b), and for the reasons set forth below, I hereby determine that an emergency exists in the Commonwealth of Virginia due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes, and that issuance of this Order will meet the emergency and serve the public interest.

On June 13, 2017, PJM Interconnection, L.L.C. (PJM), the Regional Transmission Organization (RTO) whose service territory includes the North Hampton Roads area east of Richmond, Virginia, filed a *Request for Emergency Order Pursuant to Section 202(c) of the Federal Power Act* with the United States Department of Energy (Department) “to preserve the reliability of [the] bulk power transmission system in the North Hampton Roads area.” Virginia Electric and Power Company (Dominion Energy Virginia), the electric utility serving the area, owns two coal-fired units at its Yorktown Power Station (Yorktown Unit 1 and Yorktown Unit 2). In November 2011, and again in October 2012, Dominion Energy Virginia notified PJM of its plan to deactivate both units, effective December 31, 2014, because the units were not equipped to comply with the Environmental Protection Agency’s (EPA) Mercury and Air Toxics Standards (MATS), 40 C.F.R. part 63 subpart UUUUU. On June 24, 2014, pursuant to 40 C.F.R. 63.6(i)(4)(i)(A), the Virginia Department of Environmental Quality granted Dominion Energy Virginia a one-year MATS compliance extension for Yorktown Units 1 and 2. On April 16, 2016, pursuant to section 113(a) of the Clean Air Act, 42 U.S.C. § 7413(a)(3) and (4), EPA issued an Administrative Compliance Order (ACO) through April 15, 2017. Since the ACO expired, Dominion Energy Virginia has not achieved full compliance with the MATS for Yorktown Units 1 and 2. Section 113(a) of the Clean Air Act bars further compliance extensions.

Due to anticipated heightened electricity demand or peak load conditions associated with hot summer weather, PJM load flow studies indicate that generation from Yorktown Units 1 and 2 will likely be needed to prevent the possibility of uncontrolled power disruptions and shedding of critical loads in the North Hampton Roads area. The application refers to the need to run Yorktown Units 1 and 2 in this situation as “Scenario One.” The application also introduces a “Scenario Two,” which concerns the need for Yorktown Units 1 and 2 during transmission outages to support construction of system upgrades previously ordered by PJM through its Regional Transmission Expansion Planning Process (RTEPP). Scenario Two will not be applicable until Dominion Energy Virginia obtains permitting approval for the RTEPP upgrade, which the application indicates has not yet occurred.

On June 12, 2017, Dominion Energy Virginia wrote to the Department of Energy that it “agrees with [PJM’s] Emergency Request and will operate in accordance with its provisions.”

Electric system reliability is at risk during the next ninety days absent the availability of Yorktown Units 1 and 2 during peak load conditions and contingency events detailed in the application. The Federal Energy Regulatory Commission, through the North American Electric Reliability Corporation, regulates grid reliability through mandatory reliability standards, several of which are implicated if Yorktown Units 1 and 2 are unavailable to PJM, including Reliability Standard TPL-001-4 (Transmission System Planning Performance Requirements).

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the “hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable,” be consistent with any applicable environmental law or regulation and minimize any adverse environmental impacts. Anticipated load conditions may necessitate operation of Yorktown Units 1 and 2. To minimize adverse environmental impacts and remain consistent with the approach taken by the EPA, this Order authorizes operation of Yorktown Units 1 and 2 only when called upon by PJM for reliability purposes. The Department has consulted with the EPA and authorities in York County, Virginia and has reviewed estimated emissions and water usage data provided by PJM. This Order will continue the operational limitations described in EPA’s above-referenced ACO, AED-CAA-113(a)-2016-0005.

Based on my determination set forth above, I hereby order:

From June 16, 2017 to September 14, 2017, in the event that PJM determines that generation from Yorktown Units 1 and 2 is needed to maintain grid reliability, I order Dominion Energy Virginia to operate Units 1 and 2 of the Yorktown Power Station as directed by PJM only as needed to address reliability issues. PJM and Dominion Energy Virginia must develop and implement a dispatch methodology to operate Yorktown Units 1 and 2 only when called upon to address reliability needs. PJM and Dominion Energy Virginia are directed to provide the dispatch methodology to the Department upon implementation, and to report all dates on which Yorktown Units 1 and 2 are operated as well as the estimated emissions and water usage data associated with their operation by September 14, 2017, or the date upon which a renewal request is submitted, whichever occurs first.

Renewal of this Order, should it be needed, must be requested prior to its expiration. If the conditions creating the emergency remain substantially unchanged, a renewal request should be submitted at least 14 calendar days before this Order expires. If the conditions change—for example, if Dominion Energy Virginia obtains all permitting approvals for the RTEPP upgrade and identifies the date on which construction would begin—a renewal request should be submitted a minimum of 21 calendar days in advance of the expiration of this Order.

Issued in Washington, D.C. at 5:14 pm this 16th day of June, 2017.

RICK PERRY

Rick Perry
Secretary of Energy