



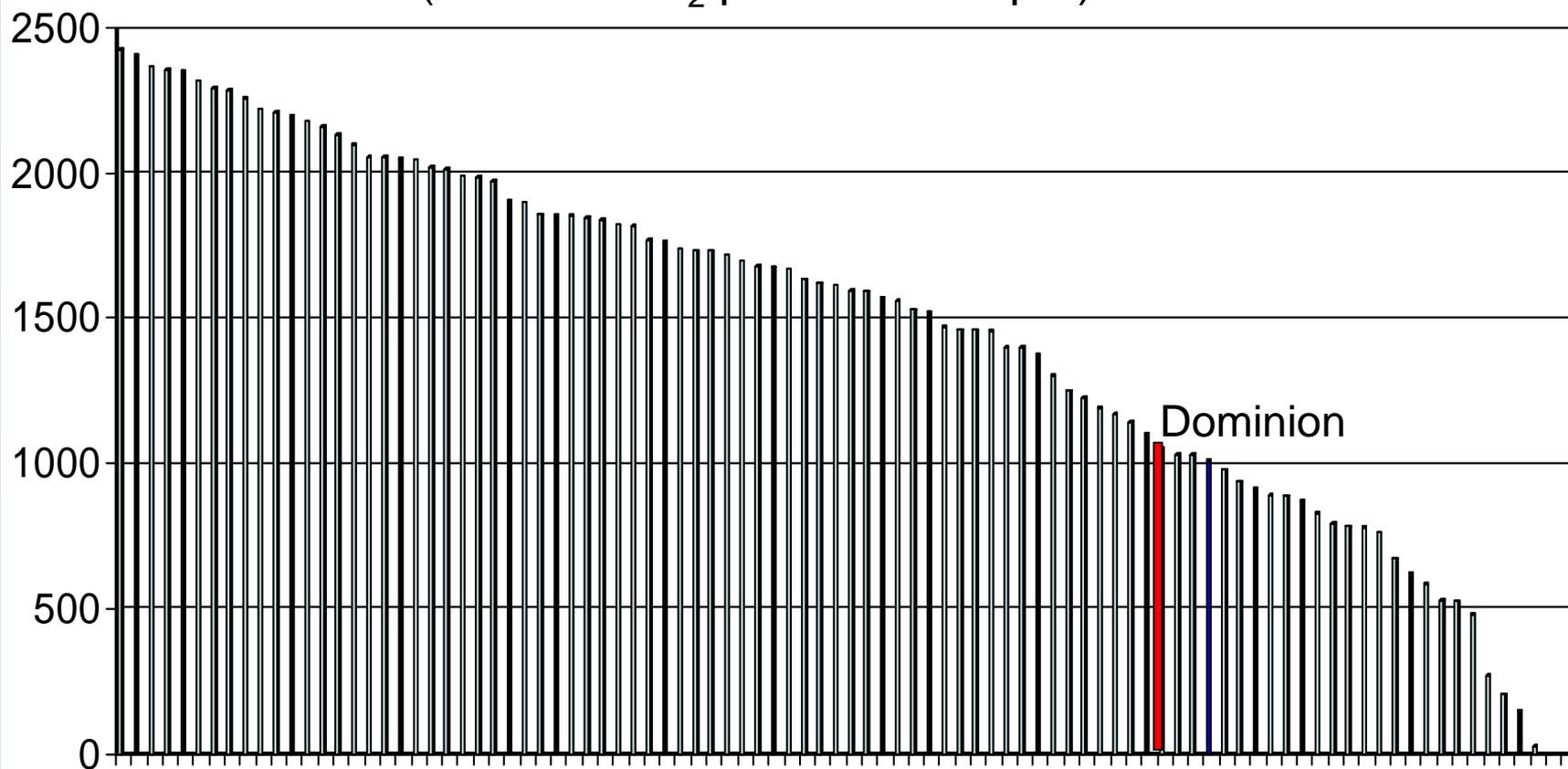
Dominion Briefing: Clean, Reliable Energy for Virginia's Future

October 2008

Dominion's Low Carbon Intensity



100 Largest U.S. Power Producers (Pounds CO₂ per MWh Output)



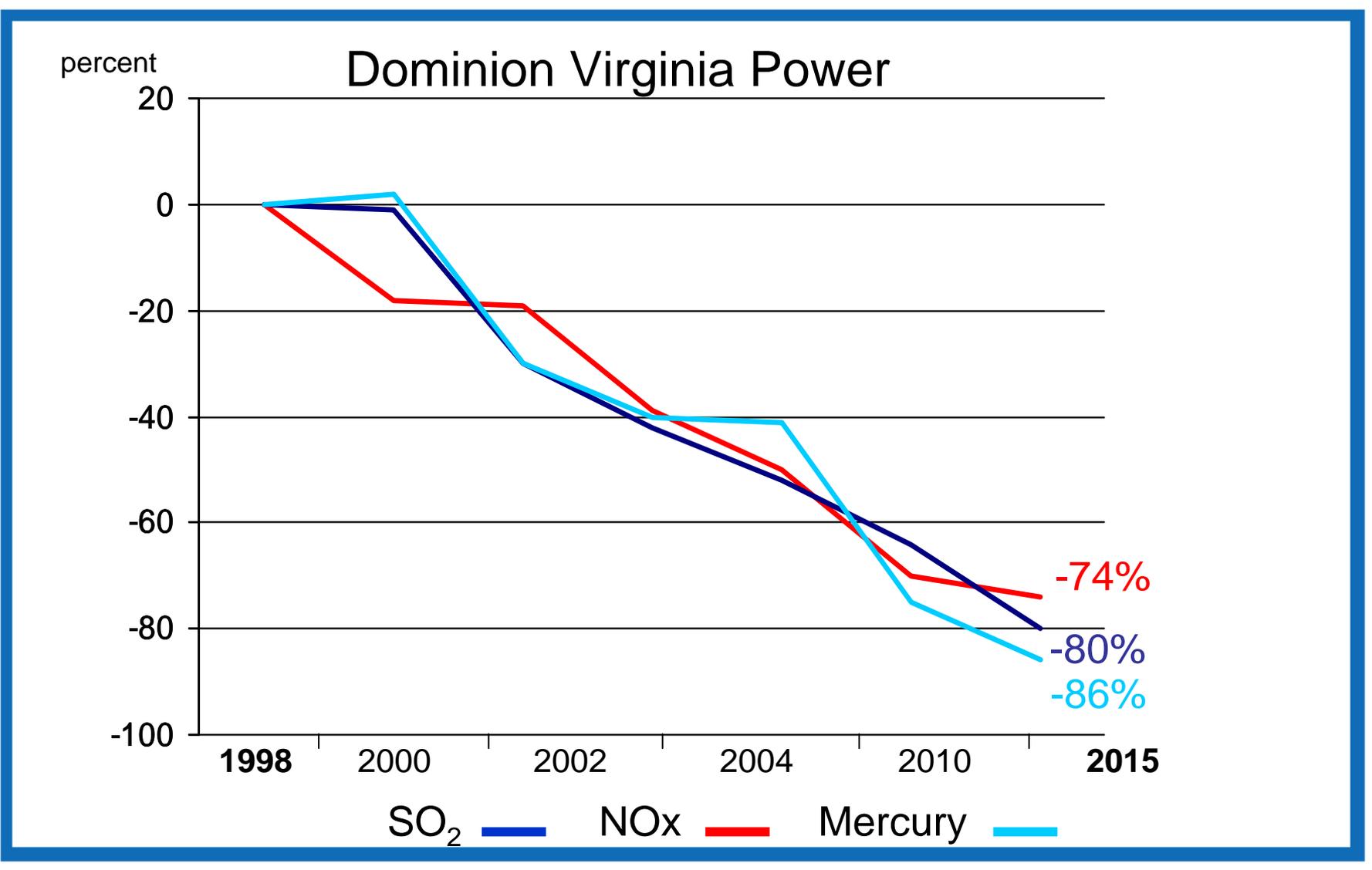
Source: Natural Resources Defense Council, 2008 Study

Protecting the Environment:

- By 2015, Dominion will have spent **\$2.6 billion** on environmental projects at stations serving Virginia.
- Funds invested in advanced emissions controls such as:
 - Scrubbers on coal stations serving Virginia.
 - Systems to reduce smog and ozone pollution.
 - Converting some coal-powered generating units to cleaner-burning natural gas.



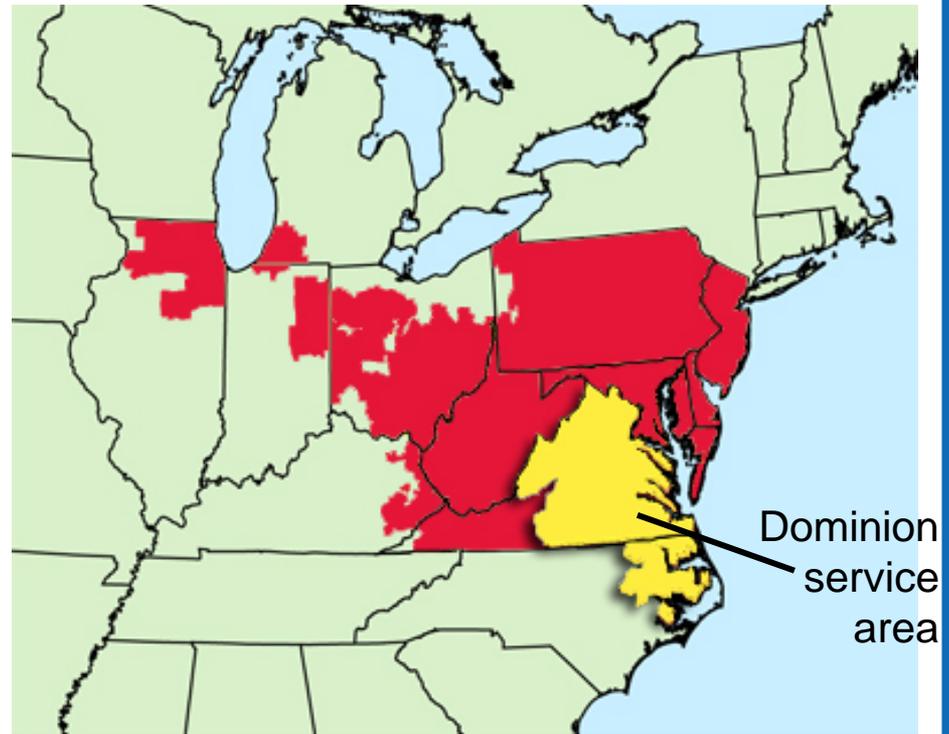
Bottom Line: Big Reductions 1998 – 2015



Virginia's Rising Energy Demand



- Demand for power rising faster in Dominion service area than anywhere else in the 13-state PJM region
- Dominion will need to add more than 4,000 megawatts of new capacity by 2017
- Virginia is the second largest importer of electricity in U.S.



Meeting Demand Requires 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 efficiency
 - Renewable generation
 - Infrastructure development
 - Virginia City Hybrid Energy Center
 - Advanced nuclear power
 - Natural gas
 - Transmission upgrades

An Increased Push For Conservation



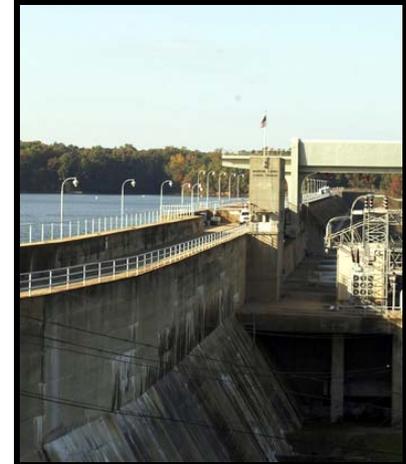
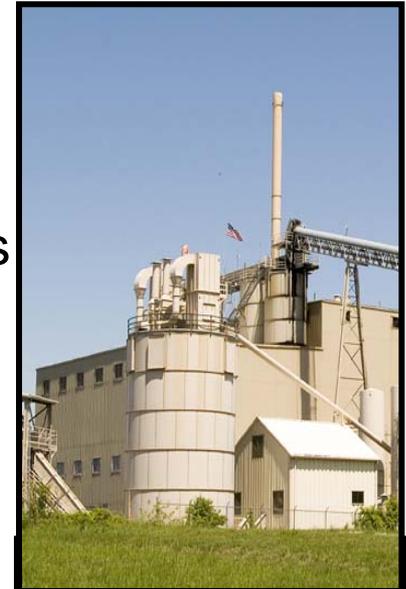
- Supports Virginia's 10 percent electricity conservation goal
- Just announced a major conservation initiative to get more than a third of the way to the goal within five years
- The initiative includes a \$600 million investment in smart metering technology
- Programs in the plan also include air conditioner control, power cost monitors
- The initiative will save customers \$1 billion over the next 15 years



Power Cost Monitor

Renewable Generation

- Supports Virginia goal of having 12 percent of power supply come from renewable resources by 2022.
- Approximately 2 percent of Dominion Virginia Power's current generation comes from renewable sources.
- Wood waste at two VA power stations.
 - Pittsylvania Power Station
 - Altavista Power Station
- Existing hydroelectric in VA and NC.
- Bath County pumped storage facility (10% of U.S. pumped storage capacity) helps make renewable energy dispatchable.



More Than 750 Megawatts Of Wind Power



- Grant County:
132 megawatts in West Virginia
- Fowler Ridge:
325 megawatts in Indiana
- Prairie Fork:
300 megawatts in Illinois
- Joint development agreement
in Virginia

Virginia City Hybrid Energy Center



“What Dominion has proposed is the full up suite of controls. It is the best there is.” Bruce Buckheit, State Air Pollution Control Board member - June 25, 2008.

- Project meets baseload energy needs and presents a strong environmental package.
- Complete environmental package:
 - Protects air quality
 - Uses waste coal and carbon neutral biomass
 - Minimizes water use



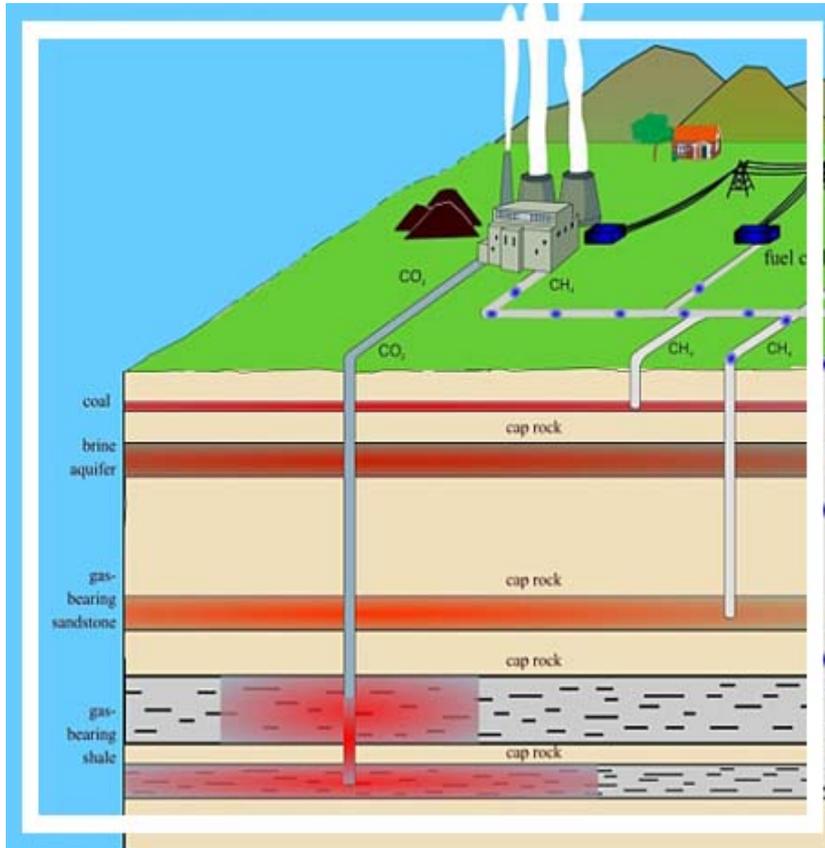
Virginia City Hybrid Energy Center New Source Performance Standards



Emission Rate Comparison			
Pollutant	Units	NSPS Limits	VCHEC Limits
Sulfur Dioxide	lb/MMBtu	0.15	0.022
Nitrogen Oxides	lb/MMBtu	0.11	0.07
Particulate Matter	lb/MMBtu	0.03	0.009
Mercury	lb/TBtu	2.05*	0.09

* NSPS for mercury vacated by federal court.

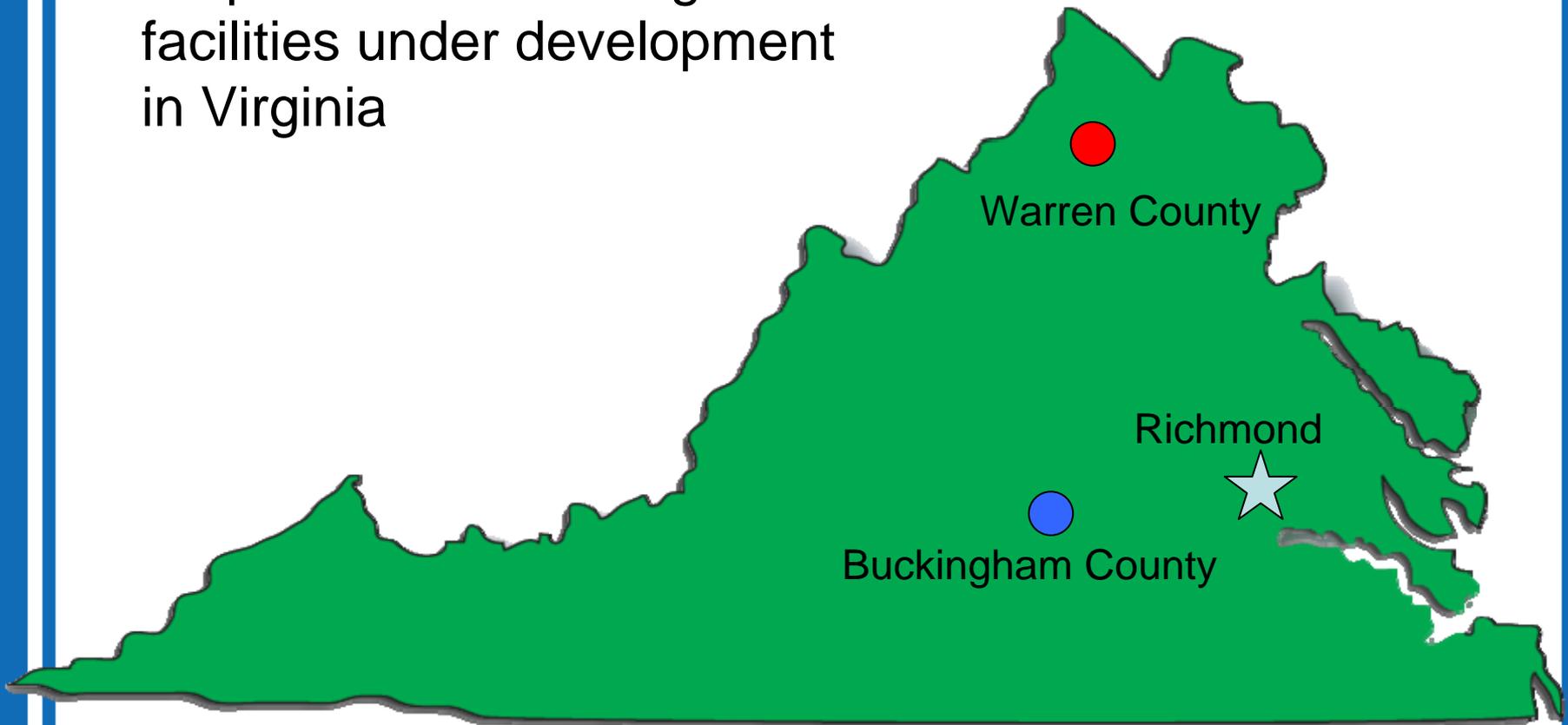
Carbon Storage: Seeking a Solution



- \$500,000 to Virginia Tech to study carbon storage in coal seams
- Hosting study at Brayton Point station in Massachusetts
 - Goal: convert biomass, coal and petroleum coke into separate streams of natural gas and storage-ready CO₂

Natural Gas

Acquired two 600-megawatt facilities under development in Virginia



Emissions-Free Nuclear: North Anna Unit 3



- Potential third reactor at North Anna
- Filed application with NRC to build and operate
- 1500 megawatts* would serve 375,000 homes



* Dominion's ownership expected to be 1,300 megawatts

North Anna Unit 3: Timeline



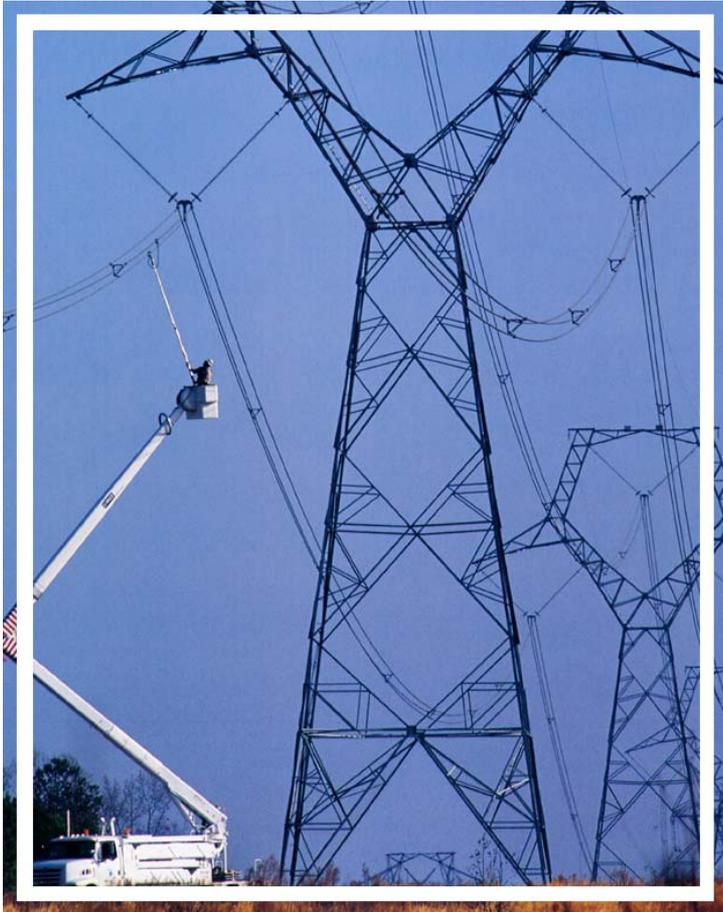
Milestones

- Filed Early Site Permit 2003
- NRC approved ESP 2007
- Filed Combined Operating License 2007
 - First utility to file a complete application
- Potential third reactor on line as early as 2016

Future steps

- Final contract negotiations with GE Energy for the ESBWR reactor
- SCC Certificate of Public Convenience and Necessity

Upgrading the Power Grid



- High growth areas:
Hampton Roads, Central
and Northern Virginia
- Urgent need:
230 kV and 500 kV lines
to ensure reliability
- Blackouts could occur
by 2011 in portions of Virginia
- 13 projects planned or under way
in VA and NC



Dominion[®]
It all starts here.[®]