CEUR
Commission on
Electric Utility Regulation

Energy Commission of Virginia

(*Formerly the Commission on Electric Utility Regulation*)

Subcommittee 1

August 18, 2026

Carrie Hearne, Executive Director

Agenda

August 18, 2026

- Welcome and Call to Order
- Staff Presentation on Proposed Utility Transfer
- Guest Presentations
- Public Comment
- Next Steps
- Adjourn

Members of the Energy Commission Subcommittee 1 (§ 30-202: 14 members)

Senate Members:
The Honorable Scott A. Surovell, Co-Chair
The Honorable Mark D. Obenshain
The Honorable R. Creigh Deeds

House of Delegates Members:
The Honorable Irene Shin, Co-Chair
The Honorable Richard C. (Rip) Sullivan Jr.
The Honorable Michael J. Webert

Citizen Members:
Meade Browder (Senate appointment)
Angela Navarro (House appointment)

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State Oversight of Utility Mergers & the Proposed NextEra Acquisition of Dominion Energy

Energy Commission work plan objectives:

- Explore policy responses the General Assembly should take to ensure the proposed acquisition does not harm ratepayers, regulatory independence, or clean energy commitments.
- Determine if Virginia's policy and regulatory construct is sufficient to ensure ratepayers, the grid, and clean energy goals are adequately considered in the review process.
- Determine if the SCC and the OAG have sufficient time, resources and broad authority to ensure sufficient review. *See: Ch. 5 of Title 56: Virginia's Utility Transfers Act (§56-88 et. seq.)*

Figures in Proposed Merger (NextEra – Dominion)

Financial value: All-stock transaction has a worth of approximately $66.8 Billion.
Dominion shareholders would receive 0.8138 shares of NextEra for each Dominion share they own at the transaction's close. Dominion shareholders would own approximately 25.5% of the merged company.

Customers: Combined company would serve 10 million utility customer accounts across Florida, Virginia, North Carolina, and South Carolina.
(Dominion provides electricity to approximately 2.7 million customers in Virginia)

Power: Combined company would own 110 gigawatts (GW) of generation.

Renewable energy: Combined company would be the largest renewable and energy storage operator in the world.

Scale: Combined company would be world's largest regulated utility business.



Figure: Dominion stock up 15.2% from May 15 ($61.73) to July 24 close ($71.10)

Voluntary Merger Commitments by NextEra & Dominion

not comprehensive

- Customer bill credits: approximately $1.78 billion allocated to Virginia customers over 24-month period following closing; worth approximately $10 per month for the “typical” residential customer with usage of 1,000 kWh per month
- No merger-related costs will be borne by customers (paid for by shareholders)
- Dual headquarters established, keeping Richmond, VA, alongside Juno Beach, FL
- Continuation of Dominion Energy Virginia existing management team, including President Ed Baine
- Commitments to maintain separate books and records, preserve strong investment-grade credit metrics, and maintain local operational decision-making
- Employee protections, including 18 months of job protection following closing and two years of compensation and benefits protection for non-union employees
- Increase of $10 million annually in shareholder-funded charitable contributions for five years following closing, allocated among Virginia, North Carolina, and South Carolina

Key Milestones in SCC Review of Proposed Merger

Date	Milestone
May 15, 2026	Dominion Energy and NextEra signed agreement and plan of merger.
May 18, 2026	Public announcement of merger.
July 15, 2026	Joint petition filed with Virginia SCC (Case No. PUR-2026-00112).
Nov. 5 & 9-10, 2026	Telephonic hearings for public witness testimony.
November 17, 2026	Evidentiary portion of hearing convenes.
January 11, 2027	Virginia SCC presumed deadline for final order ruling on petition.**

- Procedural milestones in advance of final order are subject to change.

***Per Williams Mullen: "Assuming the Commission determines that a complete application was filed on July 15, 2026, the 60-day deadline occurs on September 13, 2026, and if the Commission extends the review period by an additional 120 days, the 180-day deadline occurs on January 11, 2027."*

Public Comment is open for SCC Case No. PUR-2026-00112

Case title: Joint Petition of Dominion Energy, Inc., Virginia Electric and Power Company, OSW Project LLC, CS HoldCo, LLC, and NextEra Energy, Inc. - for a disposition and acquisition of control of public utility

Public Participation in SCC Cases

- SCC.Virginia.gov >> Cases >> Participating in SCC Cases

  Or, click here:
  https://www.scc.virginia.gov/case-information/participating-in-scc-cases/

- Written comments
- Oral testimony (options for both in-person and remote participation)
- Observation in-person during evidentiary hearing (downtown Richmond)
- Webcasting (audio only)
- Case materials accessible via SCC Docket Search feature. Must include case number (in this instance, PUR-2026-00112)

How to Submit Written Public Comments

- SCC.Virginia.gov >> Cases >> Submit Public Comments

  Or, click here: https://www.scc.virginia.gov/case-information/submit-public-comments/cases/pur-2026-00112.html

  File may be uploaded for electronic documentation (e.g. signed letter)

  Remember! Comments are part of the PUBLIC RECORD and viewable by all parties and members of the public on the case docket. They are *NOT anonymous.*



Case Comments for PUR-2026-00112

Case title: Joint Petition of Dominion Energy, Inc., Virginia Electric and Power Company, OSW Project LLC, CS HoldCo, LLC, and NextEra Energy, Inc. - for a disposition and acquisition of control of public utility

* Required Fields

First Name *

Last Name *

Group or Organization (if applicable)

Address Line 1 *

Address Line 2

City *

State *

VIRGINIA

Zip Code *

Phone Number *

(___) ___-____

Email

e.g. joe.bloggs@example.com

Electronic Documentation

Choose File No file chosen

The maximum file upload size is 10 MB

Comments *

Numerous Parties Are Intervening in SCC Review of Proposed Merger

- Apartment and Office Building Association of Metropolitan Washington
- Appalachian Voices
- Clean Virginia
- ECA Power
- Google, LLC
- Office of the Attorney General of Virginia, Division of Consumer Counsel
- Office of the Governor of Virginia
- New Virginia Majority
- Piedmont Environmental Council
- Sierra Club
- Solar United Neighbors
- Southern Environmental Law Center
- Virginia Committee for Fair Utility Rates
- Virginia Distributed Solar Alliance
- Virginia Poverty Law Center
- Vote Solar

Regulation of Relations with Affiliated Interests and the Utility Transfers Act

Ch. 4 and 5 of Title 56
(§56-76 et. seq.)

UTILITY TRANSFERS ACT: REVIEW STANDARD

- If the SCC determines that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition, the SCC shall make such order as it may deem proper and the circumstances require. § 56-90.

- As part of such order, the SCC may impose conditions on the acquisition or disposition to ensure that such standard will be achieved.

- SCC orders are appealable to the Supreme Court of Virginia. Va. Const. Art. IX § 4.

Statute Authorizes SCC to Regulate Affiliate Transactions with Public Service Companies (§ 56-76 et. seq.)

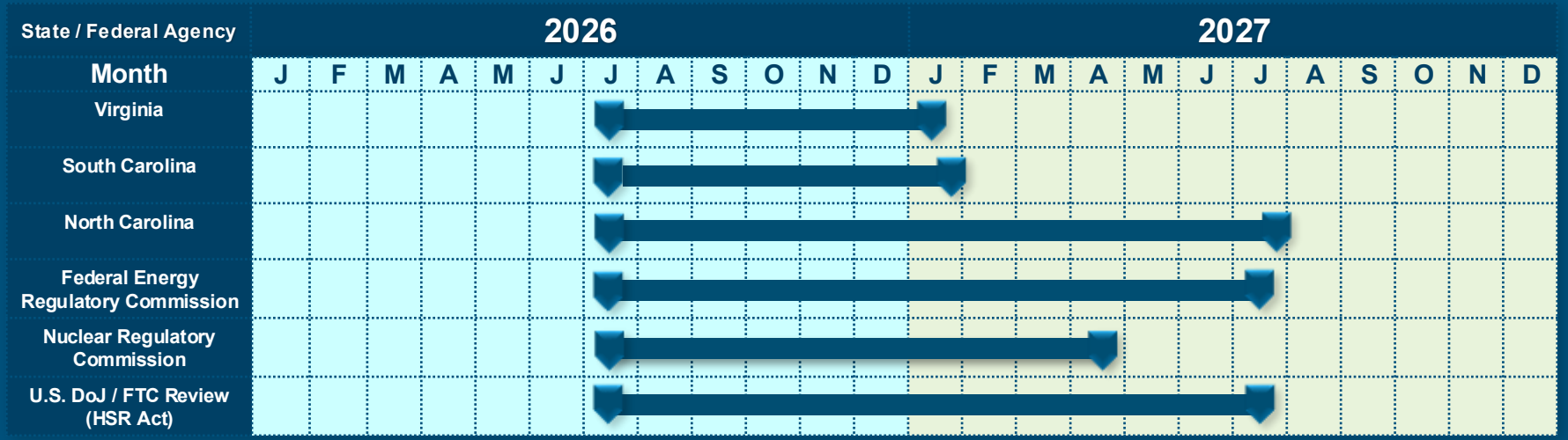
- SCC regulates ongoing financial and contractual arrangements between a Virginia public service company (e.g., regulated public utility) and its affiliates (e.g., sister affiliates under same parent company)
  - Intended to ensure affiliate transactions are in the public interest and prevent ratepayers from being overcharged
- Contracts or arrangements between a public service company and affiliated interests must be filed with and approved by the SCC
- SCC can exclude from a utility's rates the recovery of affiliate payments it finds "not consistent with the public interest"
- Loans by a public service company to an affiliated interest, or their assumption of affiliate debt, must be approved by SCC
- SCC can issue order prohibiting a public service company from paying dividends to affiliates if it hinders the utility's ability to adequately perform its public duties or gives the affiliate unjust advantage or profit

Timeframes for Regulatory Reviews of Proposed Merger

State / Federal Agency (Docket #)	Dominion Energy Customers	Expected Date for Final Order
Virginia (PUR-2026-00112)	2,700,000	January 11, 2027
South Carolina (2026-186-EG)	750,000	January 29, 2027
North Carolina (E-22 Sub 791)	130,000	*Unknown – Est. March-July 2027***
Federal Energy Regulatory Commission (EC26-131-000)	NA	No later than July 10, 2027
Nuclear Regulatory Commission (not assigned)	NA	*Unknown – Est. February-April 2027***
U.S. Department of Justice / Federal Trade Commission (not assigned)	NA	*Unknown*

** Estimated dates based on past cases and statutory process.

Timeframes for Regulatory Reviews of Proposed Merger



** Timeframes are estimates for illustrative purposes. See previous slide for details.

Hawaii Public Utilities Commission Rejected NextEra Acquisition of Hawaiian Electric Utilities in 2016

- NextEra was seeking approval to acquire the Hawaiian Electric Companies* (HECO) as a wholly-owned subsidiary
- Commission found the acquisition not in the public interest, citing 5 areas of concern
  - Benefits to Ratepayers: proposed $60 million in rate credits not guaranteed and of minimal impact on monthly bills; credit upgrade for HECO companies not guaranteed
  - Risks to Ratepayers from NextEra Corporate Structure: insufficient “ring fencing” to protect HECO companies (e.g., risk of bankruptcy by NextEra or its affiliates)
  - Clean Energy Commitments: lack of detail regarding NextEra plans to meet state’s clean energy goals
  - Effect on Local Governance: uncertainty regarding the effects on local governance, including the loss of local control over decision-making for HECO companies
  - Effect on Competition in Local Energy Markets: concerns regarding diminished competition not adequately addressed

* Hawaiian Electric Companies = Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.

Texas Public Utilities Commission Rejected NextEra Acquisition of Texas Electric Utility in 2017

- NextEra attempted to acquire 100% ownership of Texas utility Oncor
- Commission found the proposed acquisition not in the public interest and denied the application, citing 3 primary factors
  - Increased Financial Risks to Oncor Ratepayers: acquisition exposes ratepayers to substantial amounts of debt at NextEra and risks associated with the company's unregulated businesses
  - Lack of Tangible Benefits for Ratepayers: tangible benefits from the acquisition were minimal (e.g., ~$3.2M in annual bill credits over 4 years from refinancing Oncor debt) or not quantified (e.g., no material involuntary workforce reductions for 2 years)
  - Elimination of Existing Ring-Fencing Protections: removing existing restrictions on a holding company's ability to appoint, remove, and replace Oncor board members

Hawaii Review of Attempted NextEra Acquisition Included Extensive Evidentiary and Public Hearings

- Overall proceeding before Hawaii Public Utilities Commission lasted nearly 18 months (January 2015 – July 2016)
- Commission conducted two rounds of evidentiary hearings
  - First portion lasted 2½ weeks
  - Second portion: 1½ weeks
- Prior to the evidentiary hearings, the Commission conducted 7 in-person public listening sessions around the state

Additional Research Objectives and Questions

- What effects could the proposed merger have on the level of competition within Virginia and across the PJM region?
- To the extent that the proposed merger reduces competition, what policy options could promote competition in the generation and transmission sectors?
- To what extent does this proposed merger pose cost or anti-competitiveness risks through affiliate relationships, e.g., cross-affiliate contracts, or VCEA procurement?
- Should the Utility Transfers Act statutory review language be amended to incorporate additional criteria, such as conditions relating to what serves the Commonwealth's best interest, at minimum, as well as a longer review period?

Guest Presenters

Joshua Macey, Professor of Law,
Yale Law School

Ben Weintraut, Ph.D. Candidate, Duke University, Nicholas School of the Environment

David S. Lapp, People's Counsel
Maryland Office of the People's Counsel

Kent Chandler, R Street Institute

PUBLIC COMMENT

LIMITED TO 2 MINUTES PER PERSON
VIDEO REQUIRED

NEXT STEPS & ADJOURN

Please see DLS-CEUR website for future 2026 meeting dates*

*subject to change

Thank You!

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Appendix