Dominion Energy: Pollute to Profit

- Dominion makes money by exaggerating future energy demand, gaming the regulatory system, building unnecessary gas pipelines and power plants, then charging customers for unneeded infrastructure.

- Dominion claims to provide affordable, safe, and clean energy. Its history of predatory rate hikes, accidents, environmental disasters, and insistence on investing in dirty fossil fuels like coal and gas suggest otherwise.

Executive Summary

Dominion’s fracked gas pipelines, toxic coal ash dumps, and corrosive influence on politics are jeopardizing the health of people, communities, and landscapes.

Dominion imposes predatory rate hikes on its customers to pay for the costs of building unnecessary, dangerous pipelines. The Atlantic Coast Pipeline (ACP), a prime example of unnecessary development, was guaranteed to earn a 14% rate of return on its $6.5 billion investment — costing Virginia ratepayers alone an estimated $200 million annually.¹ ²

Dominion uses self-dealing to convince federal and state regulators that projects like the ACP are in the public’s interest. Dominion uses affiliate contracts as proof to federal regulators that new pipelines are needed to meet energy demand. Affiliate contracts account for 89% of the ACP’s total capacity. In other words, the entire justification for building the ACP is based on an agreement struck between separate branches of the same companies, rather than actual energy needs.³ With these affiliate contracts in hand, utilities like Dominion then ask state regulators to add a fuel surcharge to customer bills to pay for the pipeline transportation cost. Once approved, utility customers are on the hook for gas transportation costs, often for 10 to 20 years, whether or not the pipeline is used to meet demand in their community or even state.
Overall, these and other surcharges on customers' bills, known as rate adjustment clauses, accounted for 42% of Dominion's bill increases between 2007 and 2012. At the same time, Dominion acquires other utilities to increase its control over the entire energy supply chain across the Southeast — as demonstrated by its pursuit of a merger with SCANA Corporation, the South Carolina utility embroiled in controversy for it’s failed V.C. Summer nuclear plant.

While Dominion focuses on building fossil fuel infrastructure to meet nonexistent demand, they lag behind in implementing cost-saving energy efficiency measures for existing customers. In 2015, Dominion’s potential energy savings from energy efficiency upgrades in rental homes alone could have reduced energy bills in Virginia by over $10 million. Virginia, one of Dominion’s main markets, had the 8th highest average residential electricity bills by state in 2016. In 2017, Dominion ranked at the bottom of the pack at 50 out of 51 of the nation’s largest utilities for energy efficiency programs and policies.

By spending heavily on fossil fuel infrastructure today, Dominion is wasting precious time that should be spent investing in the clean, renewable energy sources that are affordable and abundant now. Dominion's current operating capacity is less than 6% wind and solar energy. The lack of investment in safe, renewable energy comes at a heavy price. For example, Dominion gas explosions in Ohio in 2011 destroyed 11 homes and damaged 150 others.

Dominion's mismanagement of coal ash dumps are as devastating as its gas operations. Dominion currently has 11 coal ash dumps and six coal ash landfills, many of which are leaking toxic chemicals like radium and arsenic into the surrounding communities' groundwater. Some families in these areas were forced to cook, clean, and bathe with bottled or filtered water to avoid the contaminated groundwater.

For its various misdeeds, Dominion has racked up the seventh most environmental violation penalties out of all companies in the United States (by total amount paid) since 2000. To avoid the cost of its own pollution and protect its profit margins, Dominion spends heavily to influence politics. Since 1996, Dominion spent almost twice as much money on political campaigns and causes as the next leading corporation in Virginia.

Dominion Energy isDoubling Down on Devastating Fracked Gas

Dominion Energy and Duke Energy are building the $6.5 billion, 600-mile Atlantic Coast Pipeline (ACP) from West Virginia through Virginia and North Carolina and into South Carolina. Residents should know: past decisions by both companies have devastated communities up and down the Eastern seaboard.

Dominion Energy is the largest stakeholder in the ACP, owning 48%. Dominion is the 12th largest fossil fuel electricity generator among all electric power producers in the U.S. With a monopoly on the sale and distribution of electricity in most of Virginia and energy sales in four other states, Dominion made nearly $3 billion in profits in 2017.

Dominion is investing in fracked gas plants and pipelines instead of renewable energy. In 2017, less than 6% of Dominion's electric generation capacity was renewable wind and solar. The total operating capacity of Dominion's fleet was just under 27 gigawatts (GW) while wind and solar combined had an operating capacity of only 1.5 GW. Dominion fails to generate solar and wind energy while it consistently prioritizes fossil fuel investments, most recently in fracked gas. Since 2013, Dominion has brought four gas plants into service, adding a total of almost 3.2 GW in operating capacity. In the same time frame, Dominion installed only 38% as much solar capacity.

Dominion’s plans for the future, if enacted, will deliver even more gas. Dominion’s 2018 Integrated Resource Plan, a non-binding planning document submitted to state regulatory authorities, reveals their intention to build at least eight additional combustion turbine gas units totaling approximately 3.7 GW by 2033. The addition of the behemoth 1.6 GW Greensville County Power Station, scheduled to come online by the end of 2018, will further lock Dominion into a fossil fuel dominated energy supply chain.
of the year, means Dominion will increase its already sizeable gas generation capacity by at least 5.2 GW by 2033, and many of the company's proposed alternatives include new gas capacity.21

Though Dominion advertises otherwise, the damage that gas has done to communities across the country tells the story of gas as a dirty and dangerous fossil fuel. From 1998-2017, gas and hazardous liquids pipeline incidents across the country caused 1,292 injuries and killed 331 people.22 In recent years, from 2010 to 2016, there was an average 1.5 to 2 pipeline incidents per day, including 208 explosions; these pipeline incidents cost over $550 million per year on average.23 In Dominion's top market of Virginia, from 1998-2017, gas incidents caused over $62 million in damages.24 Emissions from gas infrastructure are also linked to increased rates of cancer and poor air quality. To make matters worse, the majority of these negative consequences fall hardest on low-income and people of color.25

The industry line that gas is clean is simply untrue. When methane leaks from fracking wells and along transport lines are accounted for, fracked gas has climate impacts similar to those of coal. Dominion's proposed ACP would generate the equivalent of an estimated 68 million metric tons (MMT) of carbon dioxide equivalent per year. This is roughly equivalent to the annual emissions from 17 coal plants.26

Dominion has a particularly poor track record with gas. At every stage — from building pipelines to processing to consumption in residential neighborhoods — Dominion's gas hurts ecosystems and communities. The construction of Dominion pipelines devastates ecosystems and waterways. In West Virginia, between 2012-2014, Dominion was cited for 13 water pollution violations along pipelines that impacted 17 waterways. For these violations, Dominion was fined only $55,470 - a small price to pay for a $52 billion corporation profiting off polluting America's waterways.27

In Augusta County, Virginia, 27 miles of ground underneath the proposed ACP route is unstable.28 Dominion has reassured concerned residents, advocacy organizations, and government officials that they are prepared to respond if a sinkhole emerges above the 42-inch ACP. But in 2015, when a thirty foot wide sinkhole exposed Dominion-owned high voltage power lines, Dominion took more than two weeks to erect plastic fencing around the site. Dominion then forced nearby residents to deal with the remaining hazards of the sinkhole.29

Communities are also exposed to the danger of Dominion's gas processing plants. In 2013, Dominion's Natrium gas processing facility exploded in West Virginia. Resident Lorri Davisson described the ordeal as “a terrifying experience. It looked like the whole valley was exploding. The whole sky was orange and it sounded like landing airplanes.”30

Resident Delbert Wade described the consequences of the explosion: “We are a relaxed community and we’ve lived here for 50 years and it’s been home to us. We are afraid to go to bed at night and everybody I talk to wants to sell out and relocate. Our safety doesn’t seem to be a concern.”31

Dominion's claim that the Natrium facility is a “world class facility” reveals that ‘world class’ gas plants endanger lives, homes, and communities.32

Additionally, there are massive risks to communities that depend on gas. In 2010 and 2011, leaks and explosions of gas lines managed by Dominion East Ohio Gas Company in Cleveland destroyed 11 homes and damaged more than 200 others. At least 15 families were left homeless after a single explosion.33,34 An investigation of the 2011 explosion, conducted by the Public Utilities Commission of Ohio, revealed that Dominion knew for more than a year that the station had safety issues. The Public Utilities Commission of Ohio eventually fined Dominion $500,000 - less than half the amount of estimated damages.35

Dominion’s recent performance gives no indication that they are improving. The Virginia Department of Environmental Quality issued a Notice of Violation to Dominion’s Atlantic Coast Pipeline LLC in March 2018, citing violations for tree felling operations on 15 separate sites affecting multiple streams and wetlands.36 In the same month, the South Carolina Department of Health and Environmental Control determined that Dominion failed to control sediment near a 55-mile pipeline it built. This failure led to the temporary shut down of a public water system serving 10,000 customers south of Spartanburg, South Carolina.37 These accidents are the inevitable result of carelessly building hundreds of miles of gas pipelines.
Dominion’s Business Model: Bad for Your Wallet

Dominion imposes predatory rate hikes on its customers to pay for the costs of building unnecessary, dangerous fossil fuel infrastructure. The ACP, a prime example of unnecessary development, is guaranteed to earn a 14% rate of return on its $6.5 billion investment — costing Virginia ratepayers alone an estimated $200 million annually. Estimates indicate that Dominion’s customers will pay $1.61 to $2.36 billion more with the ACP than without the ACP over the next 20 years.

Dominion convinces federal and state regulators that projects like the ACP are in the public interest using affiliate contracts. This is where a branch of Dominion (called an affiliate or subsidiary) agrees in advance to reserve gas capacity on a pipeline like the ACP. These self-dealing agreements are currently accepted by federal regulators as proof that new pipelines are needed to meet energy demand. Affiliate contracts account for 89% of the ACP’s total capacity. In other words, nearly the entire justification for building the ACP is based on an agreement struck between separate branches of the same companies, rather than proven energy needs in the region. In fact a report found that existing infrastructure could meet the needs of the Virginia and Carolina’s region without the ACP or the similar proposed Mountain Valley Pipeline (MVP).

With these affiliate contracts in hand, utilities like Dominion then ask state regulators to add additional charges to customers’ bills to pay for the pipeline transportation cost. Once approved, utility customers are on the hook for gas transportation costs whether or not the pipeline is used.

Because pipelines are dangerous and can disrupt land use activities, many landowners refuse to allow Dominion to build on their land. However landowners have little choice since eminent domain laws force landowners to sell their property once a pipeline is permitted by the Federal Energy Regulatory Commission (FERC). Eminent domain typically allows the government to take private land if it is in the public’s interest, but Dominion is using these laws to force sales and make money while jeopardizing public health and safety. C’ta DeLaurier, one of more than 200 people fighting to keep their homes sums up Dominion’s actions: “… this is not in service of any citizen or homeowner along its path. This is just a land grab for a privately owned utility.

Dominion’s Insatiable Greed

Dominion is attempting to extend its reach even further, attempting to acquire even more captive rate payers and opportunities for self dealing by vying to buy beleaguered South Carolina utility SCANA’s subsidiary, South Carolina Electric and Gas (SCE&G). The proposed merger itself, of which the complete details are not included here, is riddled with controversy, playing out in the state’s media, legislature, and courts. A summary of Dominion’s role is as follows.

In 2017, SCE&G halted construction on the V.C. Summer nuclear plant, with final costs totalling $7.7 billion. SCE&G came under even more scrutiny when it sought regulatory approval to recover about $5 billion of the cost of Summer from ratepayers.

Dominion is attempting to woo South Carolinians with a one time rebate of $1,000, while simultaneously planning to hike customer rates for the next 20 years to pay for the failed V.C. Summer plant. The average customer would pay approximately $4,000 over the next 20 years for a project that will never be complete.

Many believe that a major driving force for Dominion’s interest in SCE&G and SCANA is that owning a South Carolina based utility would pave the way for further southward expansion of the Atlantic Coast Pipeline. These suspicions are furthered by assertions on a conference call with reporters where Tom Farrell, Dominion chief executive officer, called the SCANA purchase a natural fit for his company and went on to say “This combination can open new expansion opportunities, including the Atlantic Coast Pipeline that is now under development, bringing lower-cost natural gas to the region.”

The suspicion that Dominion’s strategy is to run gas pipelines southward toward Atlantic ports continues to gain traction. Just recently, another subsidiary of SCANA, PSNC (based in North Carolina) purchased a 30% share in a proposed extension of the Mountain Valley Pipeline.

Clearly, Dominion is seeking more opportunities to use the art of self-dealing to profit off of building more unnecessary pipelines.
Environmental Destruction

Dominion’s claims that it works hard to protect the environment are not reflected by the facts. Since 2000, Dominion has racked up the seventh most environmental violation penalties out of all companies in the United States by total amount paid; Dominion’s building partner on the Atlantic Coast Pipeline, Duke Energy, comes in fifth place.49 Dominion’s toxic coal ash pollutes waterways and harms communities across the country. Although coal ash contains toxic elements, up to now it has been regulated like common household garbage.50 It is stored in open, leaking dumps all across the United States and contains a toxic mix of pollutants that can cause cancer and other negative health effects after leaking into local groundwater.51 In 2010, the cancer risk from coal ash was 2,000 times greater than EPA regulatory goals.52 Currently, Dominion is responsible for 11 coal ash dumps at four different facilities that have been announced for retirement.53 The poor management of coal ash at these four facilities exposes communities to numerous environmental and health hazards.

Bremo Bluff, Virginia: 6.2 million tons (2,419 olympic swimming pools54)

Arsenic in nearby groundwater was 20 times the allowable level. Dominion’s own tests showed elevated levels of lithium, mercury, and radium. A nearby drinking well also had high levels of cancer-causing hexavalent chromium.55,56

Possum Point, Virginia: 4 million tons (1,561 olympic swimming pools57)

Dominion dumped 33 million gallons of coal ash wastewater into Quantico Creek, a tributary of the Potomac. High levels of toxic chemicals in tests of nearby wells indicate that groundwater pollution is not contained.58,59 Later, it was discovered that VA Department of Environmental Quality (DEQ) Director David Paylor, who is tasked with regulating Dominion, accepted gifts from Dominion — including a $2,300 trip to the Masters Golf Tournament.60

Chesterfield, Virginia: 14.9 million tons (5,813 olympic swimming pools61)

At Dominion’s Chesterfield plant, 14.9 million tons of coal ash is stored in a dump built directly into the James River. Testing revealed that arsenic levels in a nearby public park are higher than at EPA superfund sites. At the site itself, 10 wells exceed limits for arsenic.62,63

Chesapeake, Virginia: 3.4 million tons (1,327 olympic swimming pools64)

At Dominion’s Chesapeake Energy Center, unlined coal ash dumps have been leaking arsenic for more than a decade. The Virginia Department of Environmental Quality measured arsenic at one well 30 times higher than safety standards.66 A federal judge recently ruled that coal ash leaking into groundwater at Chesapeake violates the Clean Water Act.67 The dumps themselves are highly vulnerable to coastal hazards, including flooding, storm surge, and sea-level rise.68 Rather than truly fix the problem, Dominion initially attempted to dispose of the toxic ash under the guise of building a golf course. According to the sworn statement of an employee involved in the project, “It was clear that a golf course wasn’t being built. It was a coal ash dump. All Dominion ever cared about was tonnage and how much more they could dump.”69 For the community next door, Dominion’s negligence meant that coal ash escaped into the air, coating their homes, cars, and play equipment with coal ash as the ‘golf course’ was built.
Political Influence

Dominion uses its outsized influence over the political process to ensure that its pollute-and-profit business model goes unchallenged. Since 1996, Dominion has donated $10.8 million to campaigns and political causes in Virginia — almost twice as much as the next leading corporation. The political spending appears to pay off: Dominion has received over $639 million in government subsidies since 2000.

The corrosive influence of Dominion’s political power was at play in 2015, as Dominion successfully pushed for a Virginia bill (SB 1349) that stripped the State Corporation Commission of its authority to review base rates and order refunds to customers until 2022. Judge James C. Dimitri estimated that the law would allow the company to keep more than $1 billion in profits that would have otherwise been returned to its customers. Since the 2015 rate freeze scandal, Democratic Party candidates began refusing political contributions from Dominion. In 2017, 13 candidates who signed a pledge refusing Dominion campaign contributions won elections to the Virginia House of Delegates.

Dominion has shown time and again that it will continue to build dangerous, dirty fossil fuel infrastructure, disregarding the health and safety of the communities and ecosystems in its way. As Dominion plans more projects, it is crucial that state regulators, decision makers, and the public understand Dominion’s history.


32 Factsheet Dominion WVA explosion. 2013.


35 Funk, 2012.


38 Rachel Carson Council, n.d.


43 Virginia Poverty Law Center, 2017.


49 Violation Tracker, 2018.


55 Southern Environmental Law Center, 2018.

56 “Are the Atlantic Coast Pipeline and the Mountain Valley Pipeline Necessary?” Southern Environmental Law Center. 2018.

57 Based on the equivalency 82,000 tons coal ash = 32 olympic size swimming pool; 2,563 tons coal ash = 1 olympic size swimming pool. CNN, 2014.

58 Southern Environmental Law Center, 2018.

59 “Dominion Putting Virginia at Risk.” Southern Environmental Law Center.


61 Based on the equivalency 82,000 tons coal ash = 32 olympic size swimming pool; 2,563 tons coal ash = 1 olympic size swimming pool. CNN, 2014.


63 “Dominion Putting Virginia at Risk.” Southern Environmental Law Center.

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65 Based on the equivalency 82,000 tons coal ash = 32 olympic size swimming pool; 2,563 tons coal ash = 1 olympic size swimming pool. CNN, 2014.


70 Richmond Times-Dispatch, 2018.


73 Madden, Patrick. “Has Dominion’s Political Power Clouded the Fight Over Coal Ash?” WAMU. 14 March 2016. https://wamu.org/story/16/03/14/has_dominions_political_power_clouded_the_fight_over_coal_ash/.
