

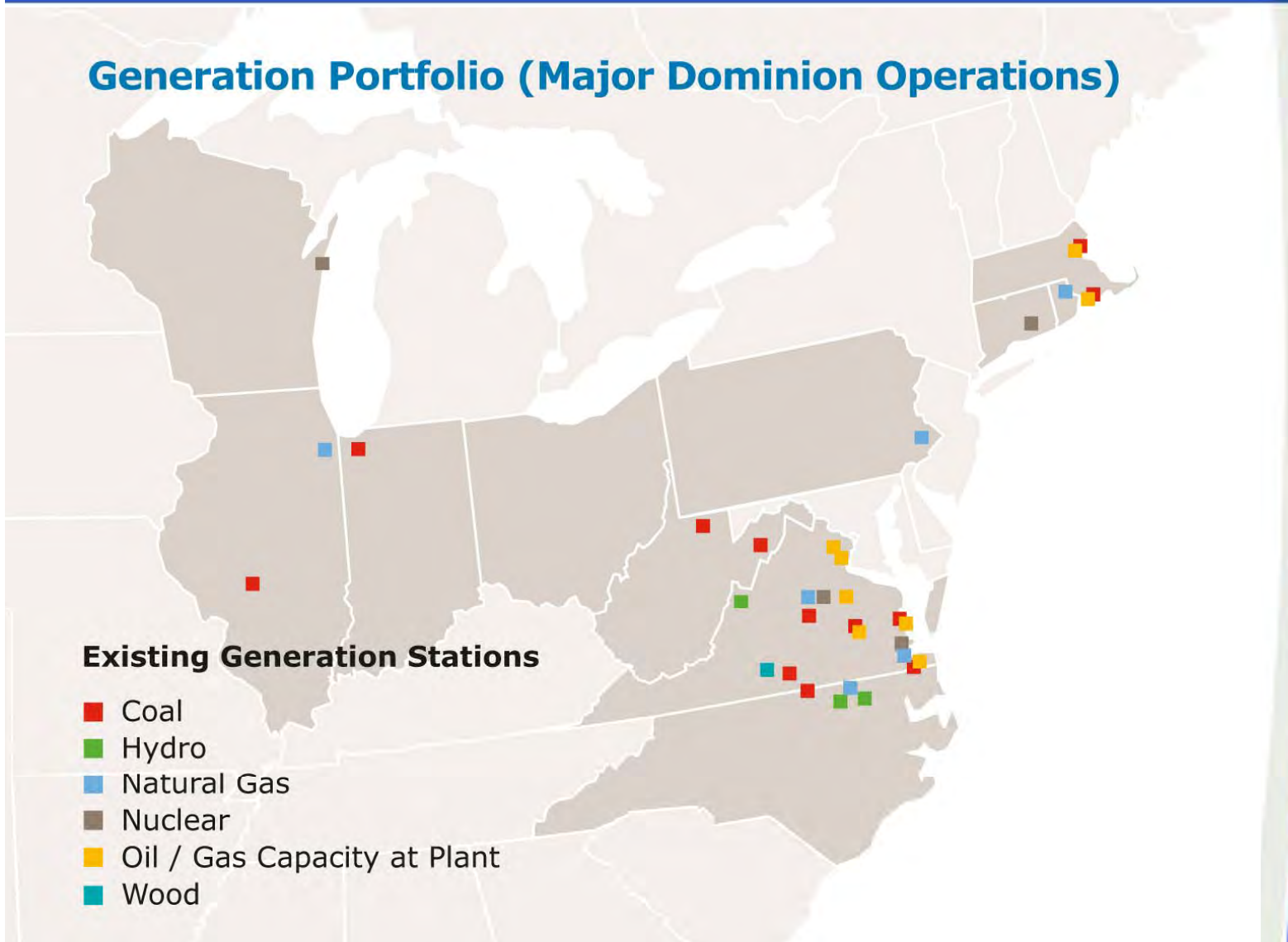


***Dominion:
Meeting the Carbon Challenge While
Serving Our Customers***

Presentation to West Virginia Energy Summit
December 4, 2007
J. David Rives
Senior Vice President, Fossil and Hydro
Dominion

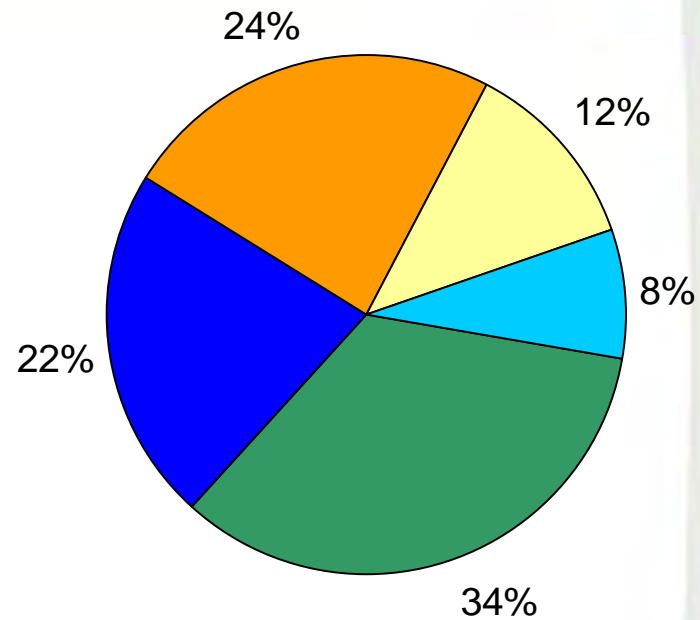
Dominion's Generation Portfolio: More than 26,500 MW of Capacity

Generation Portfolio (Major Dominion Operations)



Dominion's Diverse Generation Fleet: A Diverse Mix of Fuel Sources

- Diverse power generation fleet: a solid foundation for meeting growing energy needs - in environmentally responsible ways.
- Dominion in top 1/3rd of U.S. utilities in minimizing carbon intensity per megawatt-hour.



■ Coal ■ Nuclear ■ Gas ■ Oil ■ Hydro/Other

**Dominion
Electric Production Capacity
By Fuel Source**



Dominion: Major Presence in West Virginia

- Major operations in West Virginia include
 - Dominion Exploration & Production – Jane Lew
 - Morgantown Energy Associates – Morgantown
 - North Branch Power Station – Grant County
 - Mt. Storm Power Station – Grant County
 - Dominion Transmission – Clarksburg
 - Dominion Hope – Clarksburg
- More than 1,400 employees in West Virginia
 - Payroll more than \$100 million
- Taxes to state and local government more than \$50 million annually
- Community focused through Foundation donations and volunteerism
 - Foundation giving of approximately \$500,000 annually
 - 477 acres at Bear Rocks (Dolly Sods) donated to Nature Conservancy of WV \$1.5 million

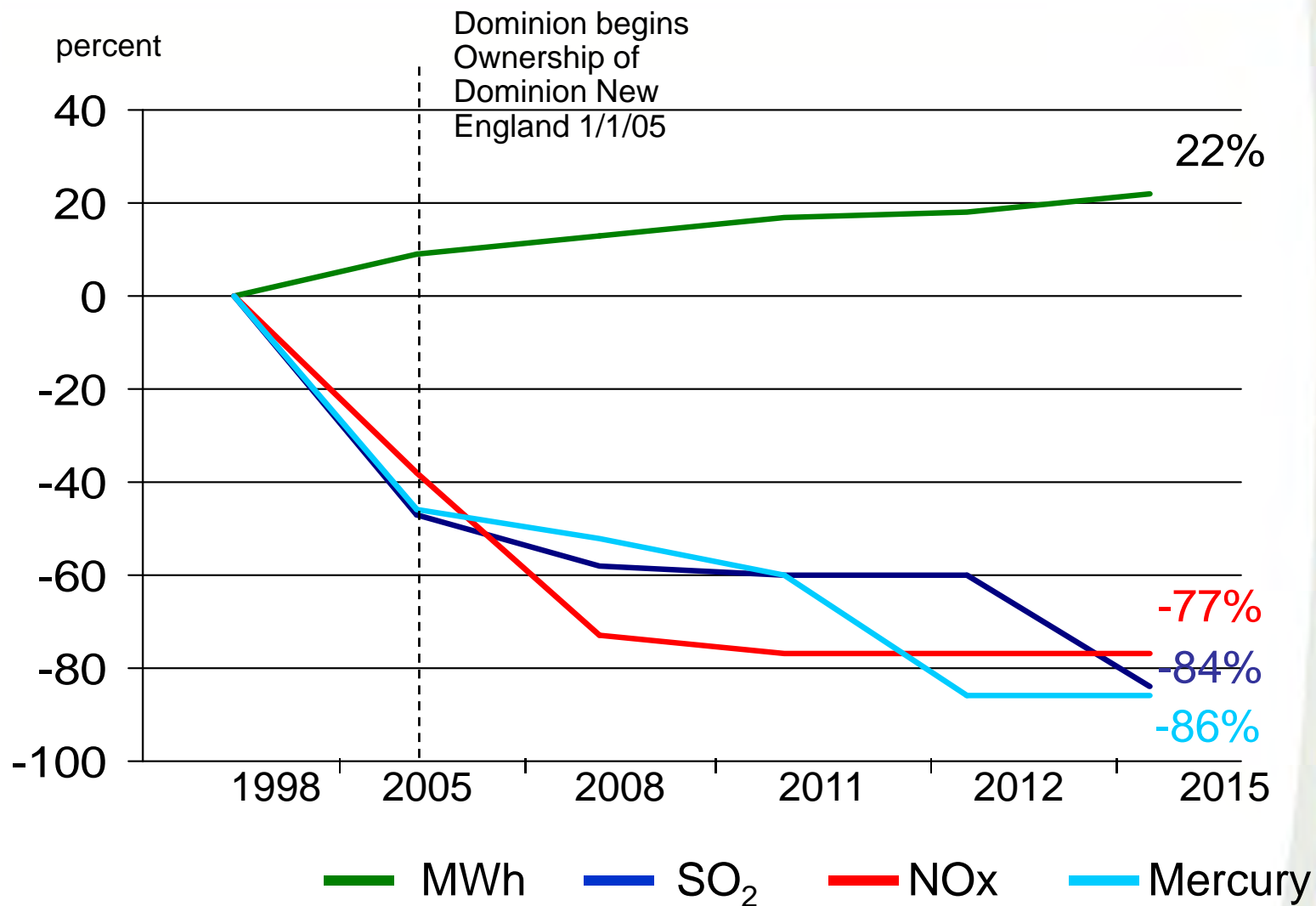


Dominion's Environmental Commitment

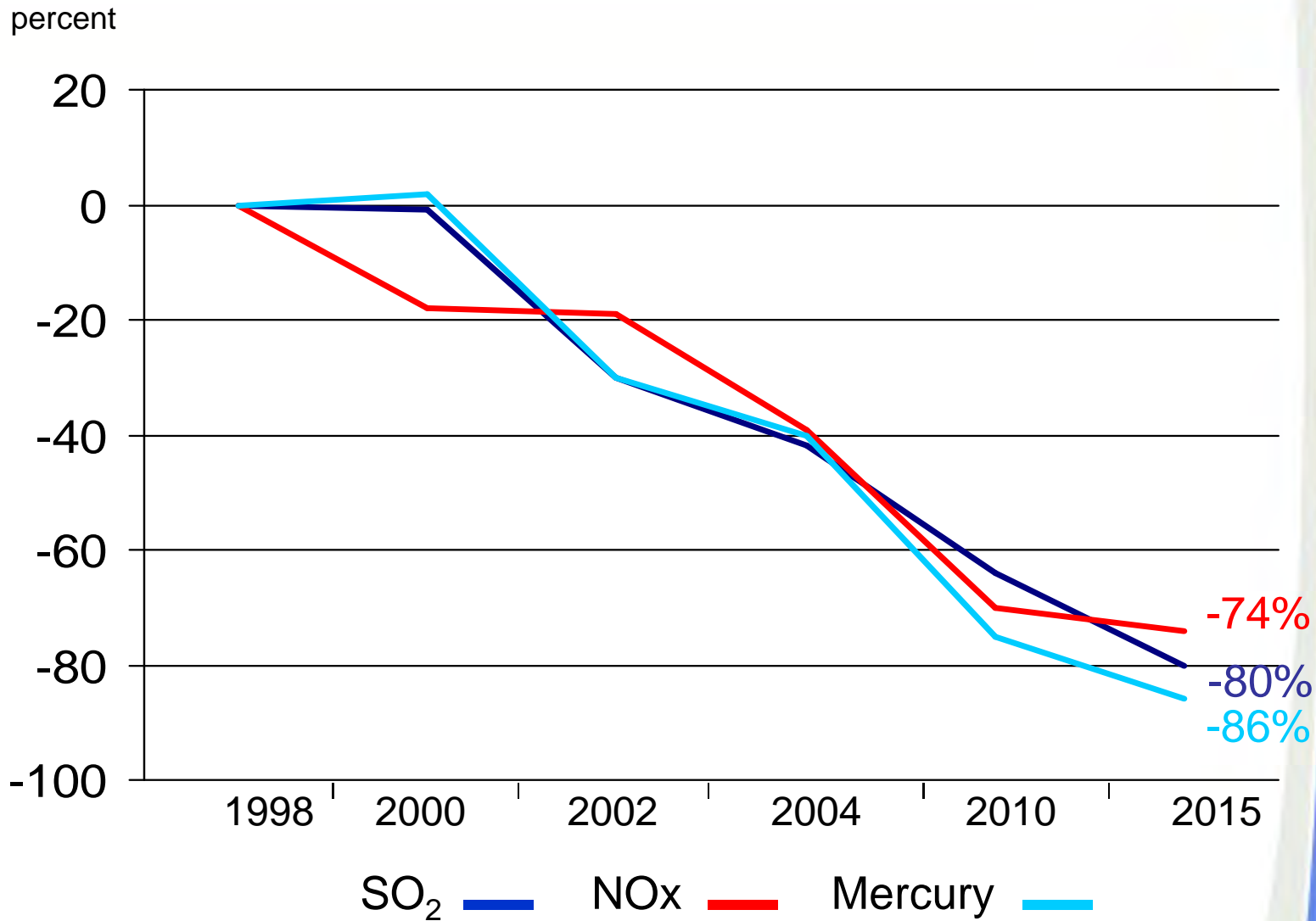
- By 2015, Dominion will have spent **\$3.4 billion** on environmental projects company wide.
- Improvements include:
 - Scrubbers on coal stations.
 - Systems to reduce smog and ozone pollution.
 - Converting some generating units from coal to cleaner-burning natural gas.



Cleaner Air in New England



Dramatic Improvements in Virginia Air Quality



Rising Demand Creates New Challenge

Dominion's challenge:

- Providing reliable, affordable energy for our customers - while curtailing greenhouse gas emissions.

Dominion's integrated strategy:

- Meeting the need with three major tools
 - Conservation and efficiency
 - Renewable generation
 - Traditional generation development (nuclear, gas, clean coal)



Conservation: Critical to Our Future

New programs include:

- **Energy efficient lighting promotion**
 - Discounts on 1.4 million CFLs
 - Will save customers up to \$75 million
 - Energy savings equal to demand of 15,000 homes
- **Pilot programs, including**
 - Air conditioner control
 - Energy audits
 - Efficiency kits
 - Programmable thermostats



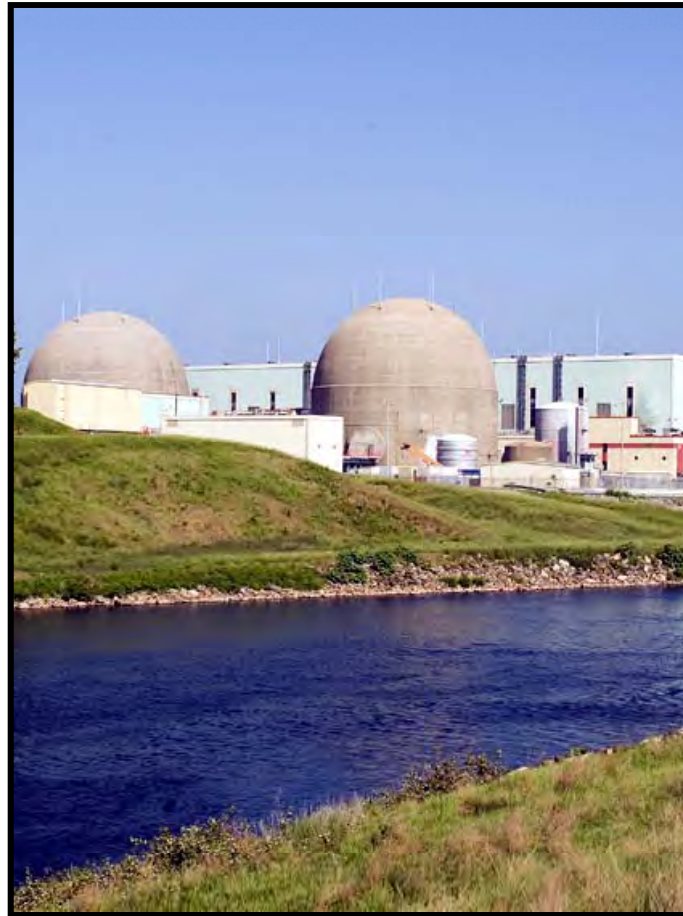
Renewable Green Energy – Wind, Biomass and Water

- West Virginia wind farms.
 - 132 megawatts
- Wood waste at two VA power stations.
- Existing hydroelectric in Virginia and North Carolina.
 - Uprate of the Bath County Pumped Storage facility, Dominion owns 10% of U.S. pumped storage, critical to making renewable energy available 24/7.
- Green power option for all Virginia customers in 2008.
- Dominion committed to meeting Virginia's aggressive goal of 12% renewable power by 2022.



Advanced Emissions-Free Nuclear Power

- Considering 3rd unit at North Anna.
- Advanced design.
- Could serve 375,000 homes.
- No air emissions, including carbon.
- NRC approval of early site permit and COL filed November 2007.



Clean Coal Technology: Virginia City Hybrid Energy Center

- Electricity to serve 146,000 homes.
- Will use advanced clean-coal technology to control emissions.
- Plans for biomass as fuel source.
- Low, stable fuel costs based on local supply.
- Carbon capture compatible
- Partnering with Virginia Tech on carbon storage technology.



*Artist's rendering



Carbon Capture and Transport

- Dominion is actively pursuing carbon capture technology.
- Dominion provided test site for pilot research at its Brayton Point Power Station related to carbon capture.
- Dominion is one of the leading natural gas transport companies in the world.



Carbon Storage

- Dominion is a major sponsor (\$500,000) of research at the Virginia Center for Coal and Energy Research at Virginia Tech focused on the viability of regional carbon sequestration in unmineable coal seams.
- Dominion's support makes it possible for Virginia Tech to qualify for funding from the U.S. Department of Energy.
- The Virginia Center for Coal and Energy Research at Virginia Tech is planning a large-scale demonstration of carbon storage.
- Dominion is a member of Southeast Regional Carbon Sequestration Partnership and is also supporting the Midwest Carbon Sequestration Partnership.



Federal Climate Change Legislation

- Numerous proposals (more than 100 bills in Congress).
 - At last count, 75 House bills
 - 39 Senate bills
- Most bills establish some type of cap and trade system.



Dominion's Position

- Dominion supports federal legislation that:
 - Regulates greenhouse gas emissions economy-wide
 - Establishes a system of tradable allowances
 - Slows the growth of GHG emissions in the near term and reduces GHG emissions in the long term
 - Sets a realistic baseline year and schedule of compliance
 - Promotes technology development
 - Includes a safety valve to protect customers from dramatic rate increases
- Dominion supports the Bingaman/Specter legislation as best embodying these principles



Bingaman/Specter Bill

- Economy wide cap-and-trade approach
- Emissions-based allowance allocations
- Targets
 - Beginning in 2012, reduce greenhouse gas emissions to 2006 levels by 2020
 - Reduce to 1990 levels by 2030
 - Reduce to 60% below 2006 levels by 2050
- Safety valve mechanism
 - Starting at \$12/metric ton in 2012 and increasing thereafter
- Significant support from labor (AFL-CIO, IBEW, UAW); utility companies (Allegheny, Duke, Exelon, NGR); and wildlife/conservation groups (Trout Unlimited, Ducks Unlimited, Association of Fish and Wildlife Agencies)





Dominion[®]
It all starts here.[®]

