# Dominion asks Va. regs to convert power plant

MICHAEL FELBERBAUM - AP Business Writer - Associated Press

Dominion Virginia Power said Wednesday it is asking Virginia regulators for permission to convert its oldest coal-fired power station in Fluvanna County to natural gas as part of previously announced plans to close or convert some of its power stations and open new ones to meet growing energy demands in the state.

The Richmond, Va.-based energy provider said it has filed an application with the Virginia State Corporation Commission for the conversion of its Bremo Power Station, a 227-megawatt, two-unit plant on the James River. If regulators approve the estimated $53.4 million conversion, the company said it would cease burning coal at the station in the fall of 2013.

Dominion, the state's largest utility with about 2.3 million customers, said it would be the ninth company-owned, coal-fired power station announced in recent years with units to be closed or converted to alternative fuels. The company said new environmental regulations and the low price and availability of natural gas have made operating smaller, older coal-fired stations uneconomical.

The company had agreed to stop using coal and convert the Bremo Power Station by spring 2014 as part of the air permit for the Virginia City Hybrid Energy Center in Wise County that went into service in July. Dominion also plans to close the Chesapeake Energy Center and two units at Yorktown Power Station in Virginia, as well as the North Branch Power Station in West Virginia by 2015. The three small Virginia stations in Altavista, Hopewell and Southampton County also will be converted to biomass by 2014.

The changes are part of Dominion's efforts to reduce emissions of sulfur dioxide, nitrogen oxides and mercury from existing stations by 75 percent to 85 percent by 2015, as well as meet anticipated increases in energy demands.

Along with those changes, the company said a mix of new generation facilities, energy conservation and management programs, as well as transmission line upgrades, would help meet reliability and environmental needs at the lowest cost. Dominion has said that PJM Interconnection, the group that oversees the electric grid for a 13-state region, expects customers will demand 4,000 more megawatts of electricity from the company during peak times by 2022.

The Bremo Power Station entered service in 1931, and the two units now in use were put into service in 1950 and 1958. Dominion said the conversion is projected to save about $32 million when compared with the cost of building new generation. The company also said the conversion will save $155 million when compared to continued operation on coal.

Additionally, Dominion said the conversion is expected to have a total economic

benefit to the state of about $7 million and create up to 42 jobs during construction. Once completed, the station will have a total annual economic impact of about $24 million.

Parent company Dominion Resources Inc. is one of the nation's largest producers and transporters of energy and has the nation's largest natural gas storage system. It serves retail customers in 15 states.

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