

Dominion Energy - Forests 2018

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Dominion Energy, Inc. (Dominion Energy) is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,000 megawatts of generation; 66,600 miles of natural gas transmission, gathering, storage and distribution pipelines; and 64,500 miles of electric transmission and distribution lines. As of December 2017, Dominion Energy operates one of the nation's largest natural gas storage systems with approximately one trillion cubic feet of storage capacity, and serves nearly six million utility and retail energy accounts. Dominion Energy remains focused on managing its carbon footprint and ongoing efforts to provide safe, reliable, affordable and clean energy to customers. Over the past two years, Dominion Energy has grown its solar fleet in Virginia and North Carolina from near zero to 1,333 megawatts in service, in construction, or under development. In 2017, the company brought online 466 megawatts of solar generating capacity, a total investment of more than \$900 million and is now the nation's sixth-largest utility owner-operator of solar power. Dominion Energy has partial ownership of two wind power facilities and is working to grow wind generation capacity with the Virginia Offshore Wind Project. The two existing facilities can generate 565 megawatts of electricity to power up to 156,000 homes. The Company employs traditional hydropower at two locations in Virginia and two locations in North Carolina. Additionally, the Bath County Pumped Storage Station is the largest of its kind in the world, capable of powering 750,000 households. Since 2003, Dominion Energy takes pride in its environmental stewardship and has donated nearly \$32 million to a wide variety of environmental projects across its footprint.

Dominion Energy converted three of its existing coal-fired power stations located in Virginia from coal to 100% renewable biomass fuel. They produce a total of 153-megawatts - enough electricity for approximately 38,250 homes. The three conversion projects were selected as a reasonable and cost-effective means of addressing customers' growing need for reliable electric service, and they are expected to provide customer savings over their 25-year lives when compared to continued operation of the units on coal. In addition to the converted stations, we own and operate an 83-megawatt biomass facility, and a 610-megawatt hybrid facility which can utilize up to 20% biomass for fuel. Biomass facilities rely partially or completely on renewable fuel for generation. In our electric utility service territory in Virginia, this fuel is derived from waste woods, the tree tops and branches left behind in the forests as part of the logging process for higher marketable wood.

The terms "Dominion Energy," "Company," "we," "our" and "us" are used throughout this report and, depending on the context of their use, may represent any one of the following: the legal entity, Dominion Energy, Inc., one or more of Dominion Energy, Inc.'s subsidiaries or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries. The information contained in this report is for general information purposes only. While Dominion Energy, Inc. used best efforts to produce accurately and timely information as of the date of submission to the CDP, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the information contained in this report for any purpose. We have responded to this questionnaire to provide some basic facts about our forest use. Information is being provided as of the date requested and we undertake no obligation to correct or update any information provided herein to reflect developments after such information has been provided. This report requests information about certain specific risks relating to the operation of our business. Other risks relating to Dominion Energy are detailed from time to time in our most recent Securities and Exchange Commission filings including the quarterly reports on Form 10-Q and annual reports on Form 10-K.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2017	December 31 2017

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the stage(s) of the value chain which best represents your organization's area of operation pertaining to forest risk commodities.

Manufacturing

F0.5

(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

	Produce/use/sell	Disclosing	Explanation if produce/use/sell but not disclosing
Timber	Yes	Yes	<Not Applicable>
Palm Oil	No	<Not Applicable>	<Not Applicable>
Cattle Products	No	<Not Applicable>	<Not Applicable>
Soy	No	<Not Applicable>	<Not Applicable>
Other - Rubber	No	<Not Applicable>	<Not Applicable>
Other	No	<Not Applicable>	<Not Applicable>

F0.6

(F0.6) Are there any parts of your direct operations not included in your disclosure?

Yes

F0.6a

(F0.6a) Identify the parts of your direct operations not included in your disclosure.

Exclusion

Business activity

Description of exclusion

Administrative and Warehousing, including Call Centers, Office Buildings, Warehouses, and other Administrative Offices

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The Company is focusing on the largest known forest commodity uses in response to this CDP. We have call centers, office buildings, and warehouses but the forest commodity use at these facilities has not been evaluated. Therefore, forest commodity uses at these facilities such as paper products used in offices and for in-house catering, boxes and wooden pallets, are excluded from this report.

Exclusion

Business activity

Description of exclusion

Vehicle Fleet

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The Company is focusing on the largest known forest commodity uses in response to this CDP. Alternative vehicle technologies and fuels help lower greenhouse gas emissions, reduce worksite noise levels and improve working conditions for our field crews. As of Jan. 2017, more than one in three (38%) of the vehicles in our on-road fleet – more than 6,000 cars and trucks – are powered by alternative fuels including 800 vehicles powered by B20 biodiesel. The forest commodity use by our vehicle fleet has not been evaluated. Therefore, any forest commodity use by our vehicles is excluded from this report.

F0.7

(F0.7) Are there any parts of your supply chain not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your supply chain not included in your disclosure.

Exclusion

Business activity

Description of exclusion

Any forest commodity use in the supply chain for business activities and facilities described in F0.6a are excluded.

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

See F0.6a. Forest commodity uses in the supply chain related for these business activities and facilities is significantly less than at our biomass electric generation facilities.

Exclusion

Business activity

Description of exclusion

Supply chain of biomass use for power generation

Potential for forests-related risk

No potential

Please explain

Dominion Energy requires a majority of biomass suppliers to have Sustainable Forestry Initiative Certification to applicable timber-industry sources of biomass, and embodied in that certification is assurance that the waste wood utilized by the company is from sustainable sources. The company is focusing our response to the Forest CDP questionnaire on the company's direct operation, and some details of the biomass supply chain are not provided.

Exclusion

Business activity

Description of exclusion

Supply chain of electrical power poles, timber mats used for ground stabilization during construction, felled trees originating from construction sites.

Potential for forests-related risk

No potential

Please explain

Dominion Energy discloses supply information for direct purchases, but some supply chain information is not tracked.

F1. Current state

F1.1

(F1.1) How does your organization produce, use, or sell your disclosed commodity(ies)?

Forest risk commodity

Timber

Activity

Using as input into manufacturing process for power generation

Form of commodity

Unprocessed wood fiber

Other, please specify (Wood Chips)

Source

Trader/broker/commodity market

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Region of origin

United States of America

% of procurement spend

<1%

Comment

In 2017, five Dominion Energy power generation facilities utilized biomass fuel derived from waste wood. Waste wood comes from the tops of the tree and branches left behind in the forests as part of the logging process for higher marketable wood. Municipal yard waste is a second source of biomass. We receive biomass from a variety of sources including in-woods, wood processing facilities, paper manufacturing facilities, and municipal yard waste programs. We utilize the services of a wood broker for a relatively small amount of biomass. Biomass is less than one percent of the overall Dominion Energy procurement spend. Dominion Energy generates electricity using non-biomass sources, including coal, gas, nuclear, oil, solar and wind. The company has pledged to create more than 60 acres of additional pollinator habitat at its power stations.

Forest risk commodity

Timber

Activity

Using as input into manufacturing process for power generation

Form of commodity

Wood-based bioenergy

Source

Other, please specify (Produced by Dominion Energy)

Country/Region of origin

United States of America

% of procurement spend

Not applicable

Comment

Dominion Energy generates electricity at five facilities using biomass fuel primarily derived from waste wood, the tree tops and branches left behind in the forests as part of the logging process for higher marketable wood. Municipal yard waste is a second source of biomass.

Forest risk commodity

Timber

Activity

Other, please specify (Transmission/distribution of electricity)

Form of commodity

Other, please specify (electrical power poles)

Source

Contracted suppliers (manufacturers)

Country/Region of origin

United States of America

% of procurement spend

<1%

Comment

The Company obtains timber poles for the distribution of electricity. We use southern yellow pine poles from a vendor based out of the southeastern U.S. Coastal Douglas fir from the northwestern U.S. can be used if pine is not available. Dominion Energy's wood pole supplier purchases 95% of their timber from Sustainable Forest Initiative (SFI) Forests in Oregon and Washington. All SFI forests are required to be reforested with a minimum of two trees for each one harvested.

Forest risk commodity

Timber

Activity

Using for construction

Form of commodity

Other, please specify (ground protection, crane and bridge mats)

Source

Multiple contracted producers

Trader/broker/commodity market

Contracted suppliers (manufacturers)

Country/Region of origin

United States of America

% of procurement spend

<1%

Comment

The Company uses timber mats to stabilize and protect the ground surface during maintenance and construction at facilities, including linear infrastructure projects throughout the Dominion Energy footprint.

Forest risk commodity

Timber

Activity

Other, please specify (Vegetation management or land clearing)

Form of commodity

Other, please specify (Felled trees)

Source

Owned/managed land

Country/Region of origin

United States of America

% of procurement spend

Not applicable

Comment

Dominion Energy is not in the business of producing timber for profit; however, in the interest of disclosing our careful consideration of forest impacts we are characterizing how we facilitate the removal of timber products during land clearing and subsequently manage our utility rights-of-way. Timber is removed by contractors from new construction areas and woody vegetation is cleared to maintain safe linear infrastructure. Dominion Energy does not track the fate of logged timber from our construction sites, but generally it is known that timber is put to many uses upon being delivered and processed at nearby wood processing facilities. We work to minimize the environmental impact that our infrastructure projects may have on habitat and property owners, while considering input from landowners and regulatory agencies. Based on that information we adjust alignments to avoid environmentally sensitive areas, such as wildlife habitats in National Forests. We also strive to co-locate new with existing infrastructure. If impacts to forest and wildlife habitats are unavoidable we mitigate those impacts through offsets. While we must minimize forest cover in our utility rights-of-way, we work to increase habitat for birds, bees, butterflies and other pollinators. The company has created more than 43,000 acres of habitat on our electric rights-of-way by using selective herbicides that impact only specific trees and woody brush. Reducing the tree canopy and the shade it creates, flowers, milkweeds and other plants important to pollinators have thrived. In addition, rights-of-way in Virginia are home to rare plants that also like the open canopy. These areas are managed differently to ensure that the plants are protected. The company also has pledged to create more than 60 acres of additional pollinator habitat at its power stations.

F1.3

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?

Forest risk commodity

Timber

Own and/or manage land?

Owned and managed land

Type of control

Other type of control, please specify (Some financial, majority operational)

Description of type of control

Dominion Energy is not in the business of producing timber for profit, however, the company may own, or hold easements on land that generates timber products during initial land clearing.

Country/Region

United States of America

Land type

Other, please specify (utility rights-of-way, facility grounds)

Size (Hectares)

Do you have a system in place to monitor forests-related risks?

No

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

No

Explanation of infraction

<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber	Consumption data available, disclosing
Palm Oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber

Data type

Consumption data

Volume

2000000

Metric

Other, please specify (Short tons)

Data coverage

Full commodity production/consumption

Please explain

For Dominion Energy's biomass consumption, we estimate approximately 2 million short tons is consumed annually for power generation. Upon placing the Pittsylvania power station into temporary cold reserve, 1.5M is the forecasted consumption.

Forest risk commodity

Timber

Data type

Consumption data

Volume

11241

Metric

Other, please specify (Poles)

Data coverage

Full commodity production/consumption

Please explain

For Dominion Energy's consumption of timber for electrical power poles, the company used 11,241 poles in 2017 and on average we use 11,208 annually.

Forest risk commodity

Timber

Data type

Consumption data

Volume

11271471

Metric

Other, please specify (Board feet)

Data coverage

Partial commodity production/consumption

Please explain

In 2017, Dominion Energy purchased 21,631 timber mats, equivalent to 11,271,471 board feet. Timber mat purchases are tracked, but when mats are rented or a contractor brings them to a project site the quantity of mats used is not tracked. When the Company purchases timber mats, the mats are reused for multiple projects over years.

F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?

Timber

Sustainable source identified

Yes

Primary action to ensure supply

Supplier diversification

Please explain

The Company utilizes waste wood from two waste streams, municipal and traditional timber, across a diverse geographic area to prepare against local shortages. One facility uses biomass as one of two sources of fuel. Before transitioning the facility to biomass we obtained a market analysis and engaged organizations that track timber markets to confirm the long term viability of the waste market in that region. For this facility, meeting the required proportion of biomass as fuel to comply with regulatory requirements necessitates continual planning by the onsite environmental compliance coordinators and Fuels Origination group of the Company. We maintain contracts with multiple suppliers of electrical poles in the region, with back-up arrangements with suppliers outside of the region. Company-wide, we use suppliers and contractors, and we practice reuse to ensure timber mats are always available. If a shortage occurred, we could also use composite and steel mats.

F1.7

(F1.7) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber

Value chain stage

- Direct operations
- Supply chain

Coverage

- Full

Risk assessment procedure

- Assessed as part of an established enterprise risk management framework

Frequency of assessment

- Six-monthly or more frequently

How far into the future are risks considered?

- Up to 1 year

Tools and methods used to identify and assess risks

- Internal company methods
- External consultants

Please explain

Dominion Energy's corporate risk management process, which culminates in the issuance of the corporate Strategic Risk Management Annual Enterprise Risk Assessment Report, is an enterprise wide analysis led by the Corporate Strategic Risk team and involves representatives from all Business Groups. The major risk areas evaluated in the annual assessment include, but are not limited to: -Strategic -Operational -Financial -Compliance and Regulatory Environmental related risk is one of the many considerations regarding the major risk areas above. Risk assessment is further implemented for biomass use through the development of winter and summer supply management strategies.

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk
Timber	No
Palm Oil	<Not Applicable>
Cattle Products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

Forest risk commodities

Timber

Primary reason for not identifying risks

Risks exist, but no substantive impact anticipated

Please explain

Through supplier diversification, market analysis, and use of insurance in supplier contracts, we have buffered the company from foreseeable forest-risks. The Company has decided to place one biomass power generation facility into temporary cold reserve on August 1, 2018. We will maintain all of our environmental permits in case we decide to restart the facility. Given the relatively small of our biomass fleet, from a company-wide perspective any substantive impact to biofuel availability would have a minimal impact on overall company ability to generate power. However, one facility must use a designated percentage of biomass as fuel to comply with its Title V air permit, which necessitates additional coordination and planning.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber	Yes
Palm Oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Other parts of the value chain

Primary forests-related opportunity

Please select

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

Our strategy for cleaner energy is to pursue a diverse mix of cleaner, more efficient, and lower emitting methods of generating and delivering energy to our customers. We have converted three of our existing coal-fired power stations located in Virginia to 100% renewable biomass fuel. In addition to the converted stations, we own and operate an 83-megawatt biomass facility, and a 585-megawatt hybrid facility which can utilize up to 20% biomass for fuel. The 83-megawatt facility, the Pittsylvania power generating facility, is being placed temporary cold reserve in 2018, and can be brought back into operation if needed. Use of biomass as fuel provides a reasonable and cost-effective means of addressing customers' growing need for reliable electric service, and they are expected to provide customer savings over their lifespan when compared to other fuel sources such as coal. Renewable energy generation, such as using biomass as fuel, creates opportunities to generate and sell renewable energy certificates (RECs), and potentially to utilize revenue requirements. The Company treats revenues from RECs generated by certain renewable energy facilities as credits to customers to offset costs, which flow through a rate adjustment, "Rider B". Three biomass facilities (Altavista, Hopewell and Southampton) generate RECs. The Virginia State Corporation Commission previously approved Rider B in conjunction with the conversion of the three power stations to biomass. In February 2017, the Virginia State Corporation Commission approved a \$27 million revenue requirement for the rate year beginning April 1, 2017. It also established an 11.4% return on equity effective April 1, 2017. In February 2018, the Virginia Commission approved a \$47 million revenue requirement based on updated revenue requirement projections and using an established 11.2% return on equity (ROE) for the rate year beginning April 1, 2018, subject to true-up. Public notice required by the Virginia Commission in connection with the proceeding reflected the originally proposed \$42 million revenue requirement; therefore, in approving the updated \$47 million revenue requirement, the Virginia Commission ordered that recovery from customers be limited to \$42 million during the rate year beginning April 1, 2018, with any unrecovered amounts subject to true-up in future annual update proceedings.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Virtually certain

Potential financial impact

27000000

Explanation of financial impact

The overall financial impact to the company from the revenue requirement under Rider B is not substantive, but Rider B in conjunction with renewable energy certificates represents a means to a financially sustainable transition to renewable energy. Please note that the potential financial impact represents the 2017 revenue requirement for all Dominion Energy RECs.

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.1a

(F4.1a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitments beyond regulatory compliance Commitment to innovation	Dominion Energy's environmental commitment is multi-faceted. In addition to full compliance with the letter of the law and regulations, it includes charitable giving, volunteer community service, partnerships with environmental groups and government agencies, and capital spending to protect air and water quality, conserve resources and reduce waste from our operations, among other actions. Dominion Energy makes a commitment to meet and exceed environmental requirements in the company's Environmental Policy Statement. We also commit to operate in a way that respects the land and natural and cultural resources. We also encourage our employees to seek innovative ways to improve the environmental aspects of our construction and operations. Dominion Energy's Environmental Policy Statement is publicly available at https://www.dominionenergy.com/library/domcom/media/community/environment/environmental-policy-statement.pdf?a=en Specific to Dominion Energy's use of biomass fuel, we put our commitments into action by working to improve reforestation by complying with the Virginia Forest Products Tax. The tax was established in the 1970s and requires an amount to be paid per small ton of harvested timber to fund the Reforestation of Timberland Cost Share Program. Prior to Dominion Energy's participation in the forest products market compliance with the tax by logging companies was low. A group of 10-15 companies, constituting the largest wood buyers in the state, including Dominion Energy, have worked to achieve compliance with the tax.

DE_environmental-policy-statement.pdf

F4.1b

(F4.1b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber	Yes	Selected facilities, businesses or geographies only	Reference to international standards and widely-recognized forests-related initiatives	Biomass fuel is derived from waste wood, the smaller tree tops and branches left behind in the forests as part of the logging process for higher marketable wood. For any waste wood purchased directly from loggers, the company requires the majority of its suppliers be certified through state-specific programs that train foresters and loggers in sustainable forestry practices, environmental protection, and workplace safety. These certifications include: sustainable harvesting and resource professional (SHARP) logger in Virginia; Prologger in North Carolina; Master logger in West Virginia; as well as sustainable forestry initiative (SFI) fiber sourcing certified. At our southwest Virginia (SWV VA) biomass facility, we use a hybrid power supply. If waste wood supply at any time becomes scarce to the extent that whole trees would be needed, the Title V air permit allows the facility to reduce use of biomass for fuel.
Palm Oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle Products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.2

(F4.2) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.3

(F4.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for forests-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	As important matters arise	We have several officers with responsibilities for sustainability issues, which may include forest-related issues, as follows: (i) our CEO, (ii) our Chief Environmental Officer and Senior Vice President – Sustainability, who reports to the Chief Administrative & Compliance Officer; (iii) Chief Administrative & Compliance Officer who reports directly to the CEO; (iv) Senior Vice President – Corporate Affairs, who reports directly to the CEO; (v) Chief Risk Officer, who reports directly to the Chief Financial Officer; and (vi) Vice President and General Counsel who report directly to the CEO. The Power Generation Business Unit Chief Executive Officer has responsibility for helping to develop and implement waste wood supply strategies and managing related risks and opportunities. Also, every officer at Dominion Energy is responsible for compliance with environmental laws and regulations, including climate-related issues, for their areas of responsibility.
Other C-Suite Officer, please specify (Five additional officers specified)	Both assessing and managing forests-related risks and opportunities	As important matters arise	In addition to our CEO and Power Generation Business Unit Chief Executive Officer, we have several officers with responsibilities for sustainability-related issues, which may involve forest-related issues. These officers include our (i) our Chief Environmental Officer and Senior Vice President – Sustainability, who reports to the Chief Administrative & Compliance Officer; (ii) our Chief Administrative & Compliance Officer; Senior Vice President – Corporate Affairs who reports directly to the CEO; (iii) our Chief Risk Officer, who reports directly to the Chief Financial Officer; and (iv) Vice President and General Counsel who reports directly to the CEO. Also, every officer at Dominion Energy is committed to ensuring compliance with environmental laws and regulations, which may include forest-related issues, for their areas of responsibility.
Other C-Suite Officer, please specify (Power Generation Chief Executive Officer)	Both assessing and managing forests-related risks and opportunities	As important matters arise	Our Business Unit Chief for Power Generation, the Power Generation Executive Officer has responsibility for helping develop and implement strategies and managing related risks and opportunities associated with the use of biomass fuel derived from wood waste.

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

No, and we do not plan to introduce them in the next two years

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Dominion Energy's strategy is to provide safe, reliable, affordable energy to our customers in a manner that meets or exceeds regulatory compliance requirements and maintains long-term financial viability of the company. Dominion Energy evaluates forest-related issues as they pertain to supply of biofuel annually as part of the overall business strategy and long term financial planning. New or expected regulatory changes and opportunities are identified, and biomass supplies are evaluated; costs and compliance actions are evaluated; and a plan and budget is established to meet or exceed the requirements. We have multiple teams throughout the company that work to identify regulatory changes and opportunities. A team of staff are also dedicated to managing a diverse fuel supply. Impending changes and opportunities are tracked and incorporated into quarterly management briefing and business planning discussions. Ultimately, the proposed action plan and budget are considered and incorporated into the financial and business strategy planning. This process also drives evaluation of individual units and power stations for long term viability. When evaluating the opportunity to convert certain power stations to biomass fuels in 2013, a long-term strategy and financial plan was developed.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	See explanation for Long-term business objectives.
Financial planning	Yes, forests-related issues are integrated	5-10	See explanation for Long-term business objectives.

F6. Implementation

F6.1

(F6.1) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

No

F6.2

(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

No

F6.2b

(F6.2b) Why do you not have target(s) for increasing sustainable production and/or consumption of your disclosed commodity(ies) and what are your plans to develop these in the future?

	Primary reason	Please explain
Timber	Important but not an immediate business priority	The company has sustainability embedded throughout our processes. First, our goal is to improve sustainability of existing timber markets by making use of waste wood, the tops of trees and branches left behind in the forests as part of the logging process for higher marketable wood, as well as municipal yard waste. Second, we work with our peers to facilitate tax compliance by our waste wood suppliers to ensure funding of local reforestation programs. Third, we work with suppliers that are appropriately certified in safety and environmental awareness.
Palm Oil	<Not Applicable>	<Not Applicable>
Cattle Products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>

F6.3

(F6.3) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?
Timber	Yes
Palm Oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F6.3a

(F6.3a) Provide details on the level of traceability your organization has for your disclosed commodity(ies).

	% of total production/consumption volume traceable	Point to which commodity is traceable	Description of traceability system	Exclusions	Description of exclusion
Timber	91-99%	Province	In order for waste wood suppliers to be paid for timber deliveries, the Dominion Energy database called weighmaster requires the input of the Federal Information Processing Standard Publication (i.e. county-specific five digit FIPS code). The codes is either embedded in a the timber hauler's card (to scale in and out of the plant) or entered from the driver. The only chance to miss 100% traceability would be through human error, such as if the driver entered an incorrect code.	Not applicable	Dominion Energy traces the source of timber to specific county of origin for all biomass fuel. This is to ensure proper tax assessment. For municipal yard waste, Dominion Energy works directly with a supplier who has arrangements with specific counties. The supplier is able to correlate county with source of the biomass. For timber mats and electrical poles, traceability mechanisms are not in place by the Company. However, it is understood by the company that due to the cost of transporting timber and the high-quality timber needed, timber is most often sourced locally (i.e. from the same or adjacent region of the U.S.)
Palm Oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

Forest risk commodity

Timber

Do you specify any certification scheme?

Yes

Third-party certification scheme

Other, please specify (SHARP, Prologger, Master Logger)

% of total production/consumption volume certified

91

Form of commodity

Softwood logs

Sawn timber, veneer, chips

Wood-based bioenergy

Volume of production/ consumption certified

Metric

Other, please specify (Short ton)

Please explain

For any waste wood purchased directly from loggers, which constitutes over 90% of biomass consumption, the majority of suppliers are certified through state-specific programs that train foresters and loggers in sustainable forestry practices, environmental protection, and workplace safety. These certifications including: sustainable harvesting and resource professional (SHARP) logger in Virginia; Prologger in North Carolina; Master logger in West Virginia; as well as sustainable forestry initiative (SFI) fiber sourcing certified. For municipal yard waste, Dominion Energy works directly with a supplier who has arrangements with specific counties. The supplier is able to correlate county with source of the biomass. For timber mats and electrical poles the company does not specify a third party certification.

F9. Barriers and challenges

F9.1

(F9.1) Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

Forest risk commodity

Timber

Coverage

Other parts of the value chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

For waste wood consumption as biofuel, regulatory certainty is tenuous surrounding classification of air emissions, as well as renewable energy credits. Certain regulatory changes could cause the cost of operating biomass facilities to increase as compared to power generation from other fuels.

F9.2

(F9.2) Describe the main measures that would improve your organization’s ability to manage forests-related risks.

Forest risk commodity

Timber

Coverage

Other parts of the value chain

Main measure

Other, please specify (Greater regulatory certainty)

Comment

The public policy regulating biomass power generation as renewable and carbon neutral is subject to change. Certainty that biomass power will continue to be regulated as renewable and carbon neutral, would enable the Company to make more concrete plans regarding the long-term operation of biomass power generation facilities.

F10. Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F10.1

(F10.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Vice President, Environmental Services	Other, please specify (Vice President, Environmental Services)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms