February 10, 2020
VIA e-mail: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N. E.
Washington D.C. 20549
Via email: shareholderproposals@sec.gov

Re: Dominion Energy, Inc.’s December 30th Request to Exclude Shareholder Proposal of As You Sow regarding natural gas infrastructure asset stranding risk analysis.

Ladies and Gentlemen:

The Stewart Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 (the “Proponent”) is beneficial owner of common stock of Dominion Energy, Inc.’s (the “Company”). As You Sow has submitted a shareholder proposal (the “Proposal”) on behalf of the Proponent to the Company. This letter hereby responds to the letter dated December 30th, 2019 ("Company Letter") sent to the Securities and Exchange Commission by Katherine K. DeLuca, McGuireWoods LLP. In that letter, the Company contends that the Proposal may be excluded from the Company’s 2020 proxy statement.

Based upon a review of the Proposal, the letter sent by the Company, and the relevant rules, the Proposal is not excludable and must be included in the Company’s 2020 proxy materials under Rule 14a-8. A copy of this letter is being emailed concurrently to Katherine K. DeLuca, McGuireWoods LLP.

SUMMARY

The Proposal asks the Company to issue a report describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets in the face of an intensifying global response to stabilizing climate change.

The Company asserts that it has largely implemented the Proposal by addressing its underlying concerns and satisfying its essential objective. Viewing the whereas clauses of the proposal, which summarize and critique existing Company disclosures, there are key items that investors would expect to see disclosed in response to this request:

• Sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target or aligning with Paris
goals.

• An examination of the current efforts to build out gas infrastructure, **squaring costs and depreciation timelines against climate stability goals** and against the existence of increasingly low cost, clean energy pathways.

• Discussion of the company’s renewable energy projects and initiatives to describe specifically how those efforts are calculated to prevent stranded assets.

The Company has noted the growing risk of climate-related asset stranding in various of its documents, but it has not adequately informed shareholders **if and how it is responding to this acknowledged and growing risk**. While the Company has issued reports on climate change, its main report contains a caveat that demonstrates that those disclosures stop precisely where the proposal begins: “The third-party analysis **does not take into account stranded costs related to potential early retirements of fossil generation**, which costs would further exacerbate the customer impact of the transition in either scenario.” Similarly, other disclosures in the Company’s 10K acknowledge the risk of stranded assets associated with accelerated action on climate change, but do not describe a strategy for addressing the risk.

The Company Letter also argues for exclusion on the basis of ordinary business, claiming the Proposal impermissibly delves into a complex area of the Company’s day-to-day operations. To the contrary, the Proposal addresses the Company’s response to the critical public policy issue of climate change, asking only that the Company provide information on its approach to mitigating climate risk for a substantial area of its business that is increasingly exposed to transition risks from climate action.

Climate change has long been recognized as a significant policy issue that transcends ordinary business, and proposals addressing specific climate risks to a company are not excludable as long as they do not micromanage. Asking the company to report on **how** it will mitigate stranded asset risks does not micromanage, and does not dictate how capital investment decisions must occur. Nor does it substitute shareholder judgment for management. Instead, it requests disclosure of information on Company practices describing how it is addressing this growing risk, including how resilient its assets will be to accelerated action on climate change.

The Proposal -- requesting details as to how the Company is responding to the impacts that climate action may have on the stranding of its natural gas assets is an appropriate and practical issue for investors to weigh in on, and of known concern to many investors. Therefore, the proposal does not micromanage and is not excludable on any of the grounds asserted pursuant to Rule 14a-8(i)(7).
THE PROPOSAL

Whereas: The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.¹

The energy sector has a critical role to play in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks.² In 2018, gas contributed to an increase in power sector emissions,³ jeopardizing chances of achieving reductions in line with the Paris Agreement’s goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.⁴ While some low-carbon scenarios show gas use continuing, they rely on carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.⁵

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts.⁶ City governments, recognizing gas’ climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.⁷ Furthermore, states, cities, and large consumers continue to set ambitious renewable energy targets, which utilities will need to supply or risk losing business.⁸ Large tech companies recently banded together to express concern regarding Dominion’s proposed gas heavy plan.⁹

While Dominion is to be commended for taking climate conscious steps, including setting a long term greenhouse gas target¹⁰ and actions to decrease methane leakage,¹¹ investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural

² https://science.sciencemag.org/content/361/6398/186
⁵ https://www.ipcc.ch/sr15/chapter/chapter-2/
gas with achieving Virginia’s 100% carbon-free by 2050 target\textsuperscript{12} or aligning with Paris goals. The Company's disclosures indicate Dominion is continuing to build out expensive gas infrastructure\textsuperscript{13,14} but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra\textsuperscript{15} and Xcel,\textsuperscript{16} have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

**BACKGROUND**

“We have been talking about, for the last few years, gas as the bridge . . . . There is an inevitability about bridges, which is that sooner or later you get to the end of the bridge.”\textsuperscript{17}

Current global scientific analysis indicates that natural gas production must decline in order to meet the goals of the Paris Agreement.\textsuperscript{18} Peter Erickson, a senior scientist with the Stockholm Environment Institute and one of the UN Environmental Programme 2019 Report’s authors, explains, “Globally, coal, oil and gas production all need to decline whether we’re talking about a 2 degrees scenario or a 1.5 degree scenario….So any [production] increase is without question going in the wrong direction and only increases this concept of a fossil fuel production gap.”\textsuperscript{19} Natural gas’ position as the fossil fuel with the least emissions when burned\textsuperscript{20} does not alter this

\begin{footnotesize}
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\item[15] https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-windsolarstorage-deal-with-oklahoma-cooperative
\item[18] As reflected in Intergovernmental Panel on Climate Change (“IPCC”) research and the UN Environmental Programme 2019 Report, The Production Gap.
\item[20] In a best case scenario, switching electricity generation from coal to natural gas only reduces carbon dioxide emissions by half, and methane leaks from the natural gas supply chain further contribute to natural gas’ significant
\end{enumerate}
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result.\(^{21}\) (emphasis added).

A December 2019 study by researchers at Stanford University found that natural gas use has grown so quickly that greenhouse gas emissions from natural gas over the past six years have surpassed the decline in emissions resulting from a reduced use of coal,\(^{22}\) underscoring the need to end investment in natural gas infrastructure.

Regulators, as well as investment and economic analysts, are increasingly recognizing the need to sharply regulate and curtail carbon dioxide emissions from every sector. Since the 2015 Paris Climate Agreement, regulatory activity to tackle greenhouse gas emissions on the local, national, and international level has accelerated. Several governments have adopted policies to restrict fossil fuel production: the governments of Belize, Costa Rica, France, Denmark, and New Zealand have all enacted partial or total bans or moratoria on oil and gas exploration and extraction.\(^{23}\)

In the U.S., ten states, Washington D.C., and Puerto Rico, have committed to 100 percent clean energy at or before 2050, including Virginia.\(^{24}\) The influential states of California and New York have instituted even greater ambitions to achieve net zero greenhouse gas emissions economy wide.\(^{25}\) Significantly, cities are moving to restrict the use of natural gas for heating and cooking in buildings in favor of cleaner, electrification alternatives -- in California alone, 21 cities have passed legislation banning or disincentivizing gas infrastructure, with others likely to follow.

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climate impact. Methane emissions across the U.S. supply chain have been found to be up to 60 percent higher than estimated by the Environmental Protection Agency (EPA), equivalent to 2.3 percent of U.S. gas production. See https://www.eia.gov/tools/faqs/faq.php?id=73&t=11, and https://science.sciencemag.org/content/361/6398/186

\(^{21}\) The UNEP Report further explains that natural gas is no longer functioning as a “bridge” or “transition” fuel: “Over the past decade, some researchers — and many industry representatives — have suggested that natural gas could serve a valuable role as a “transition fuel.” They argue that gas could replace more carbon-intensive coal and oil while lower-carbon technologies mature, and could help integrate more variable renewables into existing systems. Accordingly, some have seen natural gas as a potential “bridge” to a lower-carbon future. However, more recent studies have increasingly questioned the extent to which gas can play a bridging role. Research has found that increasing natural gas production, and the resulting decrease in gas prices, may instead lead to a net increase in global emissions and risk delaying the introduction of near-zero-emission energy systems. This is due to three principal factors: methane leakage from natural gas systems is often significantly higher than estimated in inventories; lower prices and greater availability of natural gas stimulate higher overall energy use and emissions; and the rapid advance of renewable energy and battery technologies has decreased the need for a potential gas bridge. Thus, the continued rapid expansion of gas supplies and systems risks locking in a much higher gas trajectory than is consistent with a 1.5°C or 2°C future.” (Emphasis added, internal citations omitted) The Production Gap: 2019 Report. UN Environmental Programme. Page 18, Box 2.2 Gas as transition fuel?


\(^{23}\) The Production Gap: 2019 Report. UN Environmental Programme, p. 5.

\(^{24}\) https://www.greentechmedia.com/articles/read/tracking-progress-on-100-clean-energy-targets

New York City recently announced it will “stop any new infrastructure, such as power plant expansions, pipelines, or terminals that expands the supply of fossil fuels,” including natural gas.

**Natural Gas Infrastructure and Dominion**

To be successful in avoiding catastrophic climate change, the consensus of climate experts is that gas production, like oil and coal production, must phase down over the next several decades. Thus, companies must begin planning for structural change, a process which requires long planning horizons and implementation timelines. Many utility companies are demonstrating such planning by announcing policies to reduce their climate footprints and instituting action to align with Paris goals, including by setting net zero by 2050 reduction targets for electricity generation and/or gas distribution, as well as by accelerating adoption of renewables paired with battery storage to replace coal.

In the face of global climate change, a major strategic question faces every company that continues to deeply invest in greenhouse gas-emitting fuels: what are the risks to the company associated with remaining on a path of business and investment practices that are in opposition to established goals to dramatically reduce emissions? And how do companies plan to overcome those risks? Companies such as Dominion that operate in this quickly changing environment will either face disruption, or will undertake advanced planning that adequately addresses risks to investor capital.

Yet Dominion, one of the largest power and gas utility companies in the U.S. – with over 7 million customers split between electricity and gas distribution subsidiary businesses in 18 different states, has failed to undertake and disclose this crucial planning. Headquartered in Virginia, a state whose governor has set a 100% carbon-free electricity target by 2050, Dominion’s gas-associated businesses include tens of thousands of miles of pipes, gathering, storage, and the development and production of gas reserves. Dominion is a majority stakeholder in a large proposed natural gas pipeline project called the Atlantic Coast Pipeline (ACP). This controversial project has seen cost projections spiral from $5.1 billion to above $7 billion, major delays, considerable public opposition, and has been criticized as unnecessary.

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26 https://www.sierraclub.org/ready-for-100/commitments
30 https://investors.dominionenergy.com/home/default.aspx
32 https://www.dominionenergy.com/company/moving-energy/
Additionally, Dominion is under direct pressure from some of its largest customers—big technology companies including Amazon, LinkedIn and Adobe with data centers in Virginia. These companies, which have set ambitious carbon reduction targets, have expressed disapproval of Dominion’s level of natural gas investment and are pushing for the utility to provide more clean power.\(^{35}\) Given Dominion’s substantial operations in Virginia and other states, and given climate ambitions of both policy-makers and large corporate buyers, Dominion’s natural gas investments face heightened risk of asset stranding.

Shareholders believe that failure to consider these risks—consideration that would include advanced planning and sufficient time to implement and guide the Company through an economy increasingly influenced by climate change—risks investor capital. This understanding of climate risk is being echoed in the uppermost echelons of finance. In a letter issued on January 14, 2020 by Larry Fink, CEO of BlackRock-- the world’s largest asset manager with over $7 trillion in assets under management -- the asset manager states that “climate change has become a defining factor in companies’ long-term prospects.”\(^ {36}\)

To date, the Company has not sufficiently addressed the long term risks to its investments in natural gas infrastructure. The current Proposal offers shareholders the opportunity to understand and weigh in on this critical matter.

ANALYSIS

I. **The Proposal is not excludable under Rule 14a-8(i)(10) - The Company’s disclosures do not substantially implement the Proposal.**

   a. *Information provided by Dominion does not satisfy the “essential objective” of the proposal.*

For a Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), the actions in question must compare favorably with the guidelines and essential purpose of the Proposal.

The resolved clause of the Proposal asks the Company to describe how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

What would investors who vote in favor of this proposal expect to be included in company disclosures? Reading through the proposal in its entirety, it is apparent as to what would constitute, and *not* constitute, substantial implementation.

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In the whereas clauses, the first through third paragraphs provide background on the urgency of carbon reduction, and set the table for discussion of stranded assets, including a discussion at the end of the fourth paragraph that tech companies who are large Dominion customers but are seeking to align with global climate goals are vocally expressing their concerns about the Company’s gas heavy plan.

The fifth and sixth paragraphs then set forth the Proposal’s specific critique of Dominion disclosures and activities, on the one hand commending the company for setting a long-term greenhouse gas target and taking action to decrease methane leakage but noting the surfeit of information needed for investors to be able to “understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target or aligning with Paris goals.”

Further, the sixth paragraph notes that from the Company’s existing disclosures, Dominion is continuing to build out expensive gas infrastructure but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

The seventh paragraph describes how peers are going further than the Company to address the underlying concern of potential stranded assets, and then highlights the specific concern for investors, the degree to which the company is exposing itself to climate-related risks by investing in significant gas holdings that may become stranded.

This background thus informs the essential purpose and assessment of whether a disclosure would be responsive to the proposal. Contrary to the Company Letter, disclosures such as the Company’s that talk about what it is doing to “position” and sustain its growth of natural gas infrastructure and diversifying to some degree into alternative energy sources do not satisfy the Proposal.

Specifically, based on the fifth and sixth paragraphs of the whereas clauses one would expect implementing disclosures would include:

• Sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with Virginia’s carbon free by 2050 target or aligning with Paris goals.

• An examination of the current efforts to build out gas infrastructure, **squaring costs and depreciation timelines against climate stability goals** and against **the existence of increasingly low cost, clean energy pathways**.

• Discussion of the company’s renewable energy projects and initiatives to describe specifically how they are actually going to substantially prevent stranded assets.

It is clear that the Company has not made such disclosures, and therefore the proposal is not
excludable pursuant to Rule 14a-8(i)(10).

b. **The Company Letter mischaracterizes the goal of the proposal and points to disclosures that, while recognizing the existence of related concerns, leave the Proposal’s core concerns unaddressed.**


The Company Letter on page 4 states that:

> Taken in its entirety, the goal of the Proposal is to have the Company describe how it is positioning its planned natural gas infrastructure and assets to avoid their becoming obsolete or underutilized in an era of increased concern about climate change specifically in light of the standards set forth in the Paris Agreement and an executive order signed by the Governor of the Commonwealth of Virginia (the ‘Executive Order’). [Emphasis added]

Interpreting the proposal as a request to describe the Company’s “positioning” to prevent obsolete infrastructure is an important sleight of hand that allows the Company to claim it has fulfilled this recast version of the proposal purpose. This becomes a critical concern because the Company’s existing disclosures do not address the identified gaps in disclosure described in the proposal’s whereas clauses. Instead, the Company tries to convert the essential purpose of the proposal to a more general “positioning” discussion. If the Company has indeed positioned itself to avoid the climate-related risks of stranded assets, shareholders would like to understand how it has done so. This is the purpose of the Proposal.

The table in the Company Letter purports to demonstrate substantial implementation, pointing to the 2018 Dominion Climate Change report, pages 12 – 13, 15-16 and the 2018 annual report risk factors pages 31 to 32, which it claims constitute its disclosure of “potential financial risks to its gas assets and infrastructure as a result of possible emission reduction standards.” As discussed, this report does not address how the Company is responding to the risk of stranded assets. In fact, when you turn to the Climate Change report, one discovers buried on page 13 the important caveat discussed above which goes directly to the heart of the current Proposal’s request:

> One important caveat: **The third-party analysis does not take into account stranded costs related to potential early retirements of fossil generation**, which costs would

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37 Dominion No Action Letter
further exacerbate the customer impact of the transition in either scenario. [Emphasis added].

Again on page 15-16 of the Climate Change Report, the company acknowledges the risk of stranded assets without providing the disclosures that go to the heart of the Proposal. Reading this statement in context it is congruent with the above noted failure to consider the increased early-retirement requirements. The Company outlines the risks:

Natural gas-fired units could see their capacity factor fall from a peak of over 80 percent by the mid-2030s to 40 or 50 percent by 2050 for the most efficient combined-cycle plants. This possibility follows from the expansion of renewable energy, which could lead natural gas-fired generation to become a balancing energy source to backstop them, rather than a source of baseload generation.

There is also a broader risk that governmental efforts to mitigate climate change or its effects could outstrip the company’s own efforts, obliging it to close productive facilities before the end of their useful life or adopt expensive new technology such as carbon capture and sequestration.

But the Report does not describe to shareholders how it is fully addressing these risks.

Finally, the company’s 10K further recognizes the type of risk for which the proposal seeks better disclosure:

**Climate Change**

In December 2015, the Paris Agreement was formally adopted under the United Nations Framework Convention on Climate Change. A key element of the initial U.S. commitment to the agreement was the implementation of the Clean Power Plan, which the EPA has proposed to repeal. In June 2017, the Administration announced that the U.S. intends to file to withdraw from the Paris Agreement in 2019. **Several states, including Virginia, subsequently announced a commitment to achieving the carbon reduction goals of the Paris Agreement.** It is not possible at this time to predict the timing and impact of this withdrawal, or how any legal requirements in the U.S. at the federal, state or local levels pursuant to the Paris Agreement could impact the Companies’ customers or the business. [Emphasis added].

Each of these disclosures demonstrate quite the opposite of substantial implementation of the proposal. They demonstrate that the Company may indeed face exposure to the carbon reduction goals of the Paris agreement in its home territory, which could lead to the early retirement of fossil generation units, and therefore the types of risks for which the proposal is asking for additional disclosure. Yet, the Company does not list the assets at risk or what it proposes to do to limit that risk.
c. The Company’s disclosures regarding its various sustainability efforts and projects are not responsive to the Proposal’s inquiry regarding Company response to the risk of stranded natural gas assets. Disclosures demonstrate a continued expansion of natural gas assets, despite growing risks.

The Company’s letter states it has “commitments and initiatives to promote sustainability and the ongoing utilization of its natural gas investments and how it is aligning its business with the goal of the Paris Agreement.” Such a statement does not explain how “utilization of gas investments” reconciles with aligning its business with the goal of the Paris Agreement. While natural gas may result in fewer carbon emissions than coal when burned, it has a significant climate impact and was in fact deemed a significant factor as to why U.S. emissions in the power sector rose in 2018. Natural gas may have a short-term role to play in smoothing integration of clean energy resources; however, clean energy and legislation trends indicate that early retirement is increasingly likely to occur ahead of the decades-long planned life of such assets. Investors lack information about how the climate impacts of Dominion’s assets reconcile with climate goals over the planned depreciation timeline of those assets.

The Company claims that it has provided “disclosures regarding how it is aligning its business with the goals of the Paris Agreement and how it has used the Agreement’s two degree framework to guide its analysis.” The cited information, however, does not provide the requested information. Specifically, the 2018 Climate Report caveat that: “The third-party analysis does not take into account stranded costs related to potential early retirements of fossil generation, which costs would further exacerbate the customer impact of the transition in either scenario.”

Furthermore, while Dominion has analyzed scenarios including one where the company’s electric generation emissions are reduced 80% by 2050, the Proposal is asking the Company to describe how it is addressing the concern that gas assets companywide could be stranded if demand is reduced due to market and political responses to climate change accelerating to achieve Paris-aligned net-zero targets.

Dominion has yet to answer this concern. Already legislation and pledges disruptive to its gas infrastructure are unfolding in areas where Dominion has significant business such as Virginia. Dominion has not set long-term targets for its businesses outside of electricity generation nor has it otherwise explained how it is addressing risk to all gas assets. Dominion’s gas distribution business is sizeable, with millions of customers and thousands of miles of pipelines that require continued investment and management.

The Company argues that its Sustainability Report has provided “extensive disclosures” about

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investments it is making to “modernize and improve” its natural gas system to “support ongoing utilization.” Specifically, it details how it has plans to invest $450 million over two years to “expand its natural gas transmission and distribution network.” However, given the greenhouse-gas emitting nature of natural gas, these disclosures describing expansion of natural gas assets do not answer the question of how the Company is preparing for asset stranding risk to its natural gas infrastructure.

Although the climate impacts of natural gas are lower than other fossil fuels, this does not explain how the company will address the potential that natural gas infrastructure will also become stranded as the world pursues Paris-aligned, zero carbon energy solutions. The Company states that there is opportunity “of replacing certain homeowners’ use of heating oil with natural gas as a more sustainable heating option,” but this again necessitates an increasing buildout of natural gas infrastructure and ignores alternative heating options like electrification. This comes at a moment when states and localities are enacting legislation and incentivizing electrification instead of gas as a means to decarbonize buildings. Economical clean-technology solutions exist, and gas distribution system costs are rising fast.

Dominion further refers to the fact that it is regulated and has long-term agreements in place. However, the Company’s forecasts for gas demand have been criticized for being too high and lacking in justification, and local regulatory commissions may increasingly scrutinize and reject Dominion’s gas assumptions as they have begun to do. Furthermore, contract terms and lengths may be insufficient to assure demand, especially as large corporate clients and local governments set increasingly ambitious greenhouse gas reduction targets that must be achieved; given the growing move to address climate change, demand is likely to decline before assets reach their expected depreciation timelines.

The Proposal seeks transparency regarding these risks and how the Company is responding to the Paris Agreement and state and national policy trends. In order to decarbonize in line with Paris goals and policy demands, clear planning is needed now, particularly to address the role that natural gas -- as a greenhouse gas-emitting fuel – will have in this transition as it competes with economic and clean alternatives.

The Company does state that it is “increasing investments in carbon-free generation” while arguing that “natural gas generation is still indispensable to backstop intermittent renewable resources.” Arguing that there is a short-term need for some natural gas to smooth out intermittent resources does not address the Proposal’s request for transparency on long-term natural gas asset stranding over the lifespan of those proposed assets. Furthermore, while the Company claims natural gas is ‘indispensable’ to support renewable resources, the Company’s current and proposed renewable generation levels are comparatively low (it currently has only 4% of its energy mix coming from renewable sources compared to 37% from natural gas),

43 https://rmi.org/insight/the-economics-of-electrifying-buildings/
seemingly putting this justification into question. Limited reliability concerns could also be met with clean alternatives, a potential direction that could reduce investing in more strandable assets.

The Company also points to how it is “modernizing and promoting sustainability within its natural gas business line” through reducing methane emissions by implementing best practices, investing in resiliency, and using modular liquified natural gas (LNG) and renewable natural gas (RNG) to reduce end users’ carbon footprints. While such steps can indeed be important in the short term to minimize impacts and risks, this response by the Company is appears, on its face, insufficient since it details no meaningful assessment of how these actions help protect the natural gas assets from being stranded. Dominion provides no context for how such practices compare or reconcile with the long term need to achieve reductions in line with climate goals. Furthermore, marginal actions to improve the emissions profile of assets do not protect assets from early retirement.

Similarly, the Company’s argument for the use of RNG as a means of containing its risk from asset stranding has multiple shortcomings. Research shows that some RNG processes involving sources such as farm waste and landfills can be beneficial to the climate, especially in harder to decarbonize sectors such as industry and transportation. However, use of RNG for distribution applications for rate-paying customers or for electricity generation may not prove cost-effective or achieve the long-term climate targets sought locally and globally. Dominion has not shown or described whether and how RNG is scalable and cost effective enough to avoid stranding of its natural gas infrastructure, or to what degree it might be.

A full analysis of the risk of replacement by economic, carbon-free technology and an analysis of legislation explicitly geared toward reducing greenhouse gas emissions in line with global goals as described in the Paris Agreement is necessary to understand how gas assets could be affected. Quantification and disclosure of how the above actions might reduce future stranding is also needed. Investors seek to understand the Company’s analysis and decision-making regarding the risks and opportunities that a low-carbon future holds for the business.

Dominion’s allusion to its “aggressive” 2030 and 2050 emissions targets (which are limited to Dominion’s electricity generation emissions, not its gas distribution) and how these timeframes are “envisioned by both the Executive Order and the Paris Agreement” falls shorts and in fact undermines itself. The Paris Agreement and Executive Order indeed focus on similar timeframes, but require substantially more emissions reductions than committed to by the Company. The Paris Agreement requires net-zero emissions economy-wide by 2050 and the Executive Order requires 100% carbon-free electricity by 2050 – both of which would present immense existential risk for Dominion’s natural gas investments. The Company’s 50% methane intensity target by 2030 is similarly insufficient, especially as intensity targets still allow absolute

emissions to grow as operations expand. As described, the Company’s public disclosures do not in fact provide the Company’s “investors with more than sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 or aligning with the Paris goals.” Available disclosures indicate that it has not sufficiently planned for disruption of natural gas investments and has emissions targets that do not apply to all assets nor align with the Paris Agreement or Virginian legislative pledges.

In sum, while the Company argues that “it does not believe that the report requested by the Proponent would add any meaningful and additional disclosures to the information already publicly available,” such a report would in fact significantly help the Company’s investors to understand whether the Company is sufficiently addressing the core concern of the Proposal. The Proposal asks for a report on Company-level risk regarding natural gas assets and the strategic response to that risk in an evolving global and national economy where climate change is playing an increasingly pivotal role. While Dominion touches upon the subject of climate change and natural gas in a broad sense in its response to the Proposal, the Company’s response and solutions do not address the “essential objective” of the Proposal – a report “describing how it is responding to the risk of stranded assets of current and planned natural gas-based infrastructure and assets.”

Put simply, shareholders lack critical information on how depreciation timelines and carbon emissions for Dominion’s gas assets reconcile with medium and long-term climate goals, and how Dominion could respond to a scenario in which demand for natural gas is dramatically limited by additional climate actions and new technologies.

\[d. \textit{SEC Precedents do not support exclusion of the present proposal as substantially implemented.}\]

The Company notes that at times the Staff has found the company to have engaged in substantial implementation of proposals including a proposal on coal ash management in Dominion Resources, Inc. (Feb. 19, 2015), plans for wind turbines in Dominion Resources, Inc. (Feb. 5, 2013), and on increasing energy efficiency in Dominion Resources, Inc. (Jan. 24, 2013). But, in each of those instances, the disclosures that had already been mandated by regulators fulfilled the essential purpose of the proposal. This is not the case in the present instance.

The Company Letter neglects to highlight the many instances in which the Company pursued a claim of substantial implementation on proposals similar to the present one, and the Staff denied no action relief. For instance, in 2014, a proposal requested that the company issue a report describing the financial risks to the company posed by climate change. At that time, similar to the present instance, the Company pointed to its numerous publications on climate change, but had not made disclosures on the financial risks, as requested in the proposal “describing the financial risks to Dominion Resources posed by climate change and resulting impacts on share value, specifically including the impact of more frequent and more intense storms, as well as any actions
the Board plans to address these risks.” Dominion Resources (February 10, 2014). In 2016 the Company sought to exclude a proposal on substantial implementation requesting that a committee of the Board of Directors oversee a study of the potential future threats and opportunities presented by climate change driven technology changes in the electric utility industry. Again the staff was unable to concur that the Company had substantially implemented the request. Dominion Resources Inc. (February 16, 2016).

The pattern repeats itself in the current 2020 proposal: when the Company is asked to disclose financial risks, its disclosures tend to fall short.

- **PNM Resources: A Stranded Asset Proposal Cited by the Company Supports Proponent’s Position that Dominion’s Various Reports Do Not Compare Favorably with the Proposal**

The Company cites prior Staff decisions finding substantial implementation at a series of energy companies. Those cases are inapposite here. Most notably, the company cites PNM Resources, Inc. (avail. Mar. 30, 2018), where a proposal requested that PNM "prepare a public report identifying all generation assets that might become stranded due to global climate change within the next fifteen years, quantifying low, medium, and high financial risk associated with each asset." At issue in PNM was coal, rather than natural gas, but the focus on stranded assets was similar to the current proposal. As the Company Letter notes, the Staff agreed that various company public disclosures made available on its sustainability website "compare[d] favorably with the guidelines of the Proposal" despite being in a different format than contemplated by the Proposal.” While the PNM disclosures were similar to the Company’s in describing elements of its transition plan, contrary to the case here, the report directly responded to the issue of stranded assets:

The Generation Portfolio Report details information regarding PNM’s generation portfolio, and includes a discussion about the manner in which a generation asset may be deemed to be a stranded asset in light of the regulatory and other factors that impact such a determination. The Generation Portfolio Report also includes, for each generation facility, the fuel type and book value associated with such generation asset. The Company notes that because the Generation Portfolio Report identifies all owned generation assets, such document provides even more information than the guidelines of the Proposal. [emphasis added]

No such claim can be made in the present instance. Dominion’s various reports do not include a discussion of stranded assets, nor does it provide data or analysis of the specific value at risk of its assets, as was done in PNM. To the contrary existing disclosures verify that the risk is plausible, and then the Company declines to provide discussion of assets that could be at risk.

- **Other Recent Decisions Show that General Statements about an Issue Area Are Insufficient to Demonstrate Substantial Compliance with a Proponent’s Specific Request**

Review of other recent energy sector decisions in which a claim of substantial implementation was denied
demonstrates similarities to the present instance. In *Exelon Corporation* (March 12, 2019), shareholders requested that the company publish an annual report of “actually incurred Company costs and associated actual/significant benefits accruing to shareholders, public health and the environment from the Company’s environment-related activities that are voluntary and exceed federal/state regulatory requirements.” Existing company disclosures demonstrated that the company had voluntarily reduced greenhouse gas emissions, had long-term greenhouse gas reduction goals, had divested from coal and invested in nuclear, wind, solar and hydro-generating capacity. Importantly, the company’s Corporate Sustainability Report also detailed how the company’s utilities:

“had invested almost $5.3 billion in 2017 in electric transmission, electric distribution and gas distribution systems, which had brought about a wide range of system and customer benefits, such as providing enhanced information to help identify and respond to power outages and better monitor circuit voltage, saving customers money and avoiding excess greenhouse gas emissions. These investments helped customers save over 19.2 million megawatt-hours, which equates to almost 8.7 million metric tons of CO2 emissions avoided.”

The proponent argued that the company’s disclosures did not present the type of assessment requested in the proposal. Staff agreed. The disclosures, including reporting via the Carbon Disclosure Project and other certification agencies, was not deemed sufficient to substantially implement the proposal’s request for assessment of costs and benefits accruing to shareholders. Accordingly, the Staff did not permit exclusion on the basis of Rule 14a-8(i)(10).

An identical proposal was brought in *Duke Energy Corporation* (March 12, 2019). There, Duke, like Exelon, argued that the proposal had been substantially implemented because the company discussed costs and benefits in its annual Sustainability Report, in its 2017 Climate Report and, most significantly, in the Integrated Resource Plans (IRPs) publicly filed by its utility subsidiaries. Duke added that the company’s IRPs included detailed cost analyses and assumptions used in scenario planning, which addressed the proposal’s inquiries relative to costs. As with Exelon, the staff denied exclusion on the basis of Rule 14a-8(i)(10).

In *Exxon Mobil* (April 2, 2019), Staff similarly did not agree that similar or generally related actions were adequate to address the Proponent’s specific request. In that case, the company sought exclusion, on the basis of Rule 14a-8(i)(10), of a proposal requesting that the board charter a new board committee on climate change. The company argued that an existing board committee, the Public Issues and Contributions Committee (“PICC”), already addressed the objective of the Proposal to have independent board members directly responsible for review and oversight of climate strategy and the impact of climate change. The company explained that it considered climate-related matters to already be integrated into multiple aspects of the Company’s business and board oversight responsibilities and that ‘climate change’ need not be treated as a “discrete specialty topic to be separately addressed [by a unique committee].” The company further argued that it already had a “focused board committee on climate change,” and therefore had substantially implemented the Proposal. The proponents countered that establishing the committee would clarify the fiduciary duties of committee members, and further that the existing committee structure and agenda left little room for focus on climate change, and thus did not satisfy the proposals request for a focused committee, in which climate change would be the sole priority. The Staff concurred with the proponents, declining to find exclusion on the basis of Rule 14a-8(i)(10).
Another Exxon proposal requested assessment of public health risks related to the company’s expanding petrochemical operations and investments in areas increasingly prone to climate change-induced storms, flooding, and sea level rise. Exxon Mobil Corporation (March 28, 2019). The company argued that existing reporting in its 2018 Energy & Carbon Summary (“ECS”), its Sustainability Report, the company’s Form 10-K and other material made available by the Company on its website, substantially implemented the essential objective of the proposal.

The proponents argued in response that the company’s safety-related and other disclosures described in the company letter did not meet the objectives of the Proposal.

“Reported actions do not appear to have prevented the Company’s facilities from harming or endangering nearby communities. In fact, community risk appears to be increasing. Since the impacts of climate change are escalating, Exxon Mobil Corporation has a clear responsibility to shareholders to account for whether and how it might improve measures to mitigate public health consequences from chemical releases during extreme weather events. Disclosures provided to date have yet to satisfy this Proposal.”

Thus, in spite of extensive disclosure on related topics, the company’s actions failed to substantially implement the proposal. The Staff did not concur with the company’s request for exclusion on the basis of Rule 14a-8(i)(10).

The same type of failure to meet the essential purpose and guidelines of the proposal has resulted in a lack of substantial implementation in many proposals outside the energy sector. In one recent example, PepsiCo, Inc. (March 8, 2019), shareholders requested that the Company disclose quantitative metrics demonstrating measurable progress toward the reduction of synthetic chemical pesticide use in the Company’s supply chain. The proposal’s supporting statement suggested that disclosure include information on the percentage of supply chain use of pesticides in supply-chain crops, an assessment of the operational and reputational risks posed to the Company by use of pesticides in its supply chain, and metrics demonstrating success in increasing the portion of supply chain crops grown with integrated pest management practices.

The Company argued that it had substantially implemented the proposal because it had already reported metrics on increased uptake of integrated pest management. Proponents replied that this disclosure did not satisfy the proposal’s core request for quantitative indicators correlating with reducing pesticide use. Nor had the Company published an assessment of related operational and reputational risks posed to the Staff, and not excludable under Rule 14a-8(i)(10).

As demonstrated by these precedents, a request for a report on stranded assets is not fulfilled by disclosing some information that is generally relevant to the request, nor is it adequate that some related information may be obtainable in a variety of publicly available sources if shareholders were to undertake a research project and attempt to correlate that research with the company’s resources, plans, costs, operations, etc. Access to partial information in scattered locations does
not fulfill the request for a Company report assessing the potential that its current and future natural gas infrastructure may become stranded, and what the Company’s likely business response to such vulnerability may be. Only the Company can offer an adequate assessment to shareholders, as requested by the Proposal.

II. The Proposal is not excludable under Rule 14a-8(i)(7)

The Company Letter also asserts that the proposal is excludable as relating to ordinary business matters pursuant to Rule 14a-8(i)(7). However, here the proposal is not excludable under rule 14a-8(i)(7) because it exclusively addresses matters related to the significant policy issue of climate change and does not micromanage.

The proposal addresses a significant policy issue that is not too complex for shareholder oversight

The Proposal is not excludable under Rule 14a-8(i)(7) because it directly and solely focuses on a significant policy issue facing the Company and the economy: climate change. The proposal focuses on an essential aspect of this issue for shareholders – whether the Company is addressing the risk of asset stranding for investments in greenhouse gas-emitting natural gas as global and state responses to climate change accelerate.

It is well settled in Staff determinations that proposals addressing the subject matter of climate change fall within a significant policy issue that transcends ordinary business. Numerous prior Staff decisions at energy companies have made it clear that the kind of analysis sought in the Proposal is appropriate and not excludable based on the doctrine of micromanagement. The Staff has previously concluded that a wide array of shareholder interventions at energy companies, asking them to explain their alignment with global climate goals, are not excludable as ordinary business or as micromanaging.

As the prior Staff decisions demonstrate, matters related to how a company is addressing the risk of stranded assets and other items of similar complexity are not too complex for shareholder consideration. At Hess Corporation (February 29, 2016) the proposal requested that the company prepare and publish a report disclosing the financial risks to the company of stranded assets related to climate change and associated demand reductions. The Staff rejected arguments for exclusion under Rule 14a-8(i)(7). Many other proposals involving similar levels of complexity, including relating to planned investments and mix of energy sources were found by the staff to be not too complex for shareholder oversight. In Chevron Corporation (March 28, 2018) the Staff did not allow the Company to exclude under Rule 14a-8(i)(7) a proposal that requested a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value. At Spectra Energy Corp. (February 21, 2013) the proposal requested that the board publish a report on how the company
is measuring mitigating and disclosing methane emissions. Exxon Mobil Corp. (March 23, 2007)(proposal asking board to adopt quantitative goals to reduce GHG emissions from the company’s products and operations not excludable as ordinary business); Exxon Mobil Corp. (March 12, 2007)(proposal asking board to adopt policy significantly increasing renewable energy sourcing globally not excludable as ordinary business). These decisions follow a wide array of other climate related decisions by the Staff, finding a significant policy issue and denying exclusion on climate proposals.49

The Company incorrectly characterizes the issues raised in the Proposal here as ordinary business and asserts that the request would impermissibly interfere with central matters involving the Company’s complex day-to-day operations. This argument holds no water; the Staff has made the standard for evaluating the relationship between a “subject matter” such as climate change, and business matters very clear.50 A proposal which is squarely focused on a significant policy issue, and for which there is a clear nexus to the Company, will not be found to be excludable under Rule 14a-8(i)(7).

Further, Staff Legal Bulletin 14H has made it clear that if a proposal addresses in its entirety a significant policy issue like climate change, it can certainly request information about “nitty-gritty” business matters that are directly related, such as strategic financial and investment decisions, etc. Indeed, any proposal addressing a complex policy issue like climate change necessarily must delve into such issues if it is to be meaningful to the company and its investors.

49 See, e.g., DTE Energy Company (January 26, 2015), J.B. Hunt Transport Services, Inc. (January 12, 2015), FirstEnergy Corp. (March 4, 2015)(proposals not excludable as ordinary business because they focused on reducing GHG and did not seek to micromanage the company); Dominion Resources (February 27, 2014), Devon Energy Corp. (March 19, 2014), PNC Financial Services Group, Inc. (February 13, 2013), Goldman Sachs Group, Inc. (February 7, 2011)(proposals not excludable as ordinary business because they focused on significant policy issue of climate change); NRG Inc. (March 12, 2009)(proposal seeking carbon principles report not excludable as ordinary business); General Electric Co. (January 31, 2007)(proposal asking board to prepare a global warming report not excludable as ordinary business).

50 See, Staff Legal Bulletin 14E, Oct. 27, 2009. “On a going-forward basis, rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk. The fact that a proposal would require an evaluation of risk will not be dispositive of whether the proposal may be excluded under Rule 14a-8(i)(7). Instead, similar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document — where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business — we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company. In those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company. Conversely, in those cases in which a proposal's underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7). In determining whether the subject matter raises significant policy issues and has a sufficient nexus to the company, as described above, we will apply the same standards that we apply to other types of proposals under Rule 14a-8(i)(7).”
The proposal is not excludable as relating to products offered for sale by the company

The Company Letter goes on to assert that the Proposal relates to “products offered for sale by the Company,” because it relates to the product/service mix to its customers. As demonstrated in ordinary business citations above, proposals on climate risk often delve into the product/service mix without being excludable. The present proposal delves into that mix far less than many prior proposals that asked about the impact of specific competing energy sources without being excludable as relating to “sale of a specific product.” To cite a few examples: Dominion Resources, Inc. (February 27, 2014), where the Company asked for exclusion of a proposal seeking a report evaluating the environmental and climate change impacts of the company using biomass as a key renewable energy and climate mitigation strategy. Chevron Corporation (March 28, 2018) asking the company to explore how it could alter its energy mix in light of climate change, and Entergy Corporation (March 14, 2018) where the non-excludable proposal asked the company to prepare a report describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels.51

In contrast, the excluded examples cited by the Company involved very specific projects outside of the range of investor consideration, J.P. Morgan Chase & Co. (March 19, 2019) construction of a sea-based canal through the Tehuantepec isthmus of Mexico” or micromanagement of financial or other complex internal management decisions, e.g. (choice to purchase RECs) Dominion Resources (February 19, 2014).

The proposal is not overly prescriptive

The Company Letter attempts to read in “time bound targets” to claim that the proposal is too prescriptive. However, the request is stated a level of flexibility that does not lend itself to this interpretation. The resolve clause asks for a report from the company on “how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.” This is not overly prescriptive.

The focus of the Proposal is on the significant policy issue, not on ordinary business

The Company Letter also asserts that “even though the proposal touches upon a significant policy issue, its primary focus is ordinary business matters.” To the contrary, the Proposal is

51 See also Exxon Mobil Corp. (March 12, 2007) (adopt policy to increase percentage of renewables in generation portfolio); PNC Financial Services Group, Inc. (February 13, 2013) (proposal requesting report to shareholders assessing GHG emissions resulting from the Company's lending portfolio and its exposure to climate risk in its lending, investing and financing activities not excludable as ordinary business). Pacific Gas and Electric Co. (February 2, 1983) (proposal requesting establishment of a wind power advisory board to research and make recommendations regarding the development of wind power); Kansas Gas and Electric Co. (March 27, 1980) (proposal recommending significant capital investment in energy conservation in the use of alternative energy sources).
entirely focused on the risk of stranded assets as the global response to climate change intensifies. As such, no aspect of the Proposal goes beyond the significant policy issue to address excludable ordinary business. It is not excludable on the basis of Rule 14a-8(i)(7).

CONCLUSION

The Company has provided no basis for the conclusion that the Proposal is excludable from the 2020 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request.

Sincerely,

Sanford Lewis

Cc: Katherine K DeLuca
Danielle Fugere
December 30, 2019

VIA E-MAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F. Street, N.E.
Washington, D.C. 20549

Re: Dominion Energy, Inc. – Exclusion of Shareholder Proposal Submitted by As You Sow Pursuant to Rule 14a-8

Ladies and Gentlemen:

On behalf of our client Dominion Energy, Inc., a Virginia corporation (the “Company” or “Dominion Energy”), we hereby respectfully request that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission” or “SEC”) advise the Company that it will not recommend any enforcement action to the SEC if the Company omits from its proxy materials to be distributed in connection with its 2020 annual meeting of shareholders (the “Proxy Materials”) a proposal (the “Proposal”) and supporting statement submitted to the Company on November 20, 2019 by As You Sow (“As You Sow”) on behalf of The Stewart W Taggart and Rebecca W Taggart Revocable Trust (together with As You Sow, the “Proponent”) and the additional co-filers listed on Exhibit A. References to a “Rule” or to “Rules” in this letter refer to rules promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

The Company anticipates that its Proxy Materials will be available for mailing on or about March 19, 2020. We respectfully request that the Staff, to the extent possible, advise the Company with respect to the Proposal consistent with this timing.

The Company agrees to forward promptly to the Proponent any response from the Staff to this no-action request that the Staff transmits by e-mail or facsimile to the Company only.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the SEC or Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the SEC or the Staff with respect to the Proposal, a copy of that
correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The resolution portion of the Proposal reads as follows: “Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.”

The supporting statement states that “[b]uilding new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.” It also points to certain peer utilities, stating that they have “demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage,” while the Company is “increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.”

The Proposal also claims that investors “lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target or aligning with Paris goals.”

A copy of the Proposal and supporting statement, as well as the related correspondence regarding the share ownership of the Proponent, is attached to this letter as Exhibit B.

BASIS FOR EXCLUSION

The Company believes that the Proposal may be properly excluded from the Proxy Materials pursuant to:

- Rule 14a-8(i)(10) because the Proposal has been substantially implemented by the Company, which has addressed the subject matter of the Proposal in existing reports and public disclosures; and
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations.

DISCUSSION

I. Rule 14a-8(i)(10) – The Proposal may be excluded because the Company has already substantially implemented the Proposal.

A. Background

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The SEC’s view of the purpose of this exclusion was stated with respect to the predecessor to Rule 14a-8(i)(10); the rule was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” SEC Release No. 34-12598 (July 7, 1976). To be excluded, the proposal does not need to
be implemented in full or exactly as presented by the proponent. Instead, the standard for exclusion is substantial implementation. Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”).

The Staff has stated that, in determining whether a shareholder proposal has been substantially implemented, it will consider if a company’s particular policies, practices, and procedures “compare favorably with the guidelines of the proposal.” See, e.g., Oshkosh Corp. (Nov. 4, 2016); NetApp, Inc. (June 10, 2015); and Peabody Energy Corp. (Feb. 25, 2014).

The Staff has permitted companies to exclude proposals from their proxy materials pursuant to Rule 14a-8(i)(10) where a company satisfied the essential objective of the proposal, even if the company did not take the exact action requested by the proponent or implement the proposal in every detail or if the company exercised discretion in determining how to implement the proposal. See, e.g., Cisco Systems, Inc. (Sept. 27, 2016); Walgreen Co. (Sept. 26, 2013); and Johnson & Johnson (Feb. 19, 2008). Further, when a company can demonstrate that it has already taken actions to address each element of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented.” See, e.g., WD-40 Co. (Sept. 27, 2016); Oracle Corp. (Aug. 11, 2016); Exxon Mobil Corp. (March 17, 2015); Deere & Company (Nov. 13, 2012); Exxon Mobil Corp. (March 23, 2009); Exxon Mobil Corp. (Jan. 24, 2001); and The Gap, Inc. (March 8, 1996).

Specific to Dominion Energy, the Staff has previously allowed the Company to exclude proposals calling for reports where it could show that it had already made similar public disclosures, even where those disclosures were not as readily accessible to investors as reports it posts to its website today. See Dominion Resources, Inc. (Feb. 19, 2015) (allowing the Company to exclude a proposal requesting a report on the Company’s efforts to reduce environmental hazards associated with its coal ash disposal and storage operations because the Company already produced a publicly available Coal Ash Management Report that made similar disclosures to the proposal); Dominion Resources, Inc. (Feb. 5, 2013) (allowing the Company to exclude a proposal requesting a report on the Company’s plans for deploying wind turbines for utility scale power generation off the Virginia and North Carolina coasts because the Company already made similar disclosures pursuant to state regulatory reporting requirements); and Dominion Resources, Inc. (Jan. 24, 2013) (allowing the Company to exclude a shareholder proposal seeking a report on increasing energy efficiency based on disclosures made in annual reports filed with state regulatory authorities).

More recently, in PNM Resources, Inc. (March 30, 2018), the Staff allowed the company to exclude a proposal that requested a report identifying generation assets that may become stranded due to global climate change. In Hess Corp. (April 11, 2019), the Staff permitted the company to exclude a proposal requesting a report on how it could reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement’s goals. Similarly in AutoZone Inc. (Oct. 9, 2019), the Staff permitted the company to exclude a proposal calling for a sustainability report that was prepared in consideration of certain industry targets. And in Exxon Mobil Corporation (March 23, 2018), the company was allowed to exclude a proposal that requested a report “describing how the [c]ompany could adapt its business model to align with a decarbonizing economy by altering its energy mix.” In each of PNM Resources, Inc., Hess Corp., AutoZone Inc. and Exxon Mobil Corporation, the Staff agreed the companies’ existing public disclosures compared favorably with the guidelines of proposals submitted by stockholders.

B. The Company’s existing disclosures in publicly available reports equate to substantial implementation of the Proposal.

As described above, the Proposal asks the Company to produce a report describing how it is responding to the risk of its planned natural gas-based infrastructure and assets becoming stranded due to
global responses to climate change. Taken in its entirety, the goal of the Proposal is to have the Company describe how it is positioning its planned natural gas infrastructure and assets to avoid their becoming obsolete or underutilized in an era of increased concern about climate change, specifically in light of the standards set forth in the Paris Agreement and an executive order signed by the Governor of the Commonwealth of Virginia (the “Executive Order”).

The Company already makes extensive disclosures regarding its commitments and initiatives to promote sustainability and the ongoing utilization of its natural gas investments and how it is aligning its business with the goals of the Paris Agreement. In addition to the public disclosures included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the “2018 Annual Report”), the Company has also published and made publicly available on its website its 2018 Sustainability & Corporate Responsibility Report (released October 10, 2019) (the “Sustainability Report”), its 2018 Climate Report (released November 2018) (the “Climate Report”), its 2019 Methane Emissions Reduction Report (released May 2019) (the “Methane Report”) and the presentation from the Dominion Energy Investor Day ESG Session (on March 25, 2019) (the “Investor Day Presentation”), which reports and presentation substantially implement the goals of the Proposal.

As described in the table below, the Public Disclosures substantially implement the essential objective of the Proposal:

<table>
<thead>
<tr>
<th>Description of How Dominion is Responding to Risk of Stranded Assets of Planned Natural Gas-Based Infrastructure and Assets</th>
<th>Public Disclosures</th>
</tr>
</thead>
</table>
| The Company discloses the potential financial risks to its gas assets and infrastructure as a result of possible emission reduction standards | • Climate Report, pages 12 – 13  
• Climate Report, pages 15 – 16  
• 2018 Annual Report, Risk Factors, pages 31-32 |
| The Company is modernizing its existing natural gas infrastructure to increase its sustainability and to promote maximum utilization | • Sustainability Report, pages 91 – 95  
• Sustainability Report, pages 101 – 103  
• Sustainability Report, pages 145 – 150  
• Sustainability Report, pages 157 – 158  
• Climate Report, page 3  
• Climate Report, page 19  
• Methane Report, pages 17-20  
• Investor Day Presentation, pages 24 – 25  
• Investor Day Presentation, pages 30 – 32 |

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2 Available at https://sustainability.dominionenergy.com/downloads.
For example, under the heading “Grid and Gas Transformation” in the Sustainability Report, the Company provides extensive disclosures about the investments the Company is making to modernize and improve its natural gas transmission system in order to support ongoing utilization. Specifically, the Sustainability Report discloses that the Company plans to invest up to $450 million over two years to expand its natural gas transmission and distribution network to “add flexibility and ensure maximum utilization of existing pipeline and storage infrastructure…. ” Furthermore, in the Climate Report under the heading “Grid Modernization,” the Company describes how it plans to update its existing electric grid in order to accommodate the increased use of renewable energy sources.

In addition to describing how the Company is modernizing its existing natural gas infrastructure and assets as pressures to address climate change intensify, in the Climate Report, the Company also provides disclosures about how it is increasing its investments in carbon-free generation while at the same time recognizing that “natural gas units…are crucial to supporting renewable power sources such as solar and wind… [because] natural gas generation is still indispensable to backstop intermittent renewable resources. Supporting renewables, however, requires adequate natural gas infrastructure, most notably robust pipeline capacity…..” The Climate Report details how the Company plans to leverage its existing natural gas assets to promote benefits in cleaner energy sources. Additionally, in the Sustainability Report under the heading “Clean Energy Diversity & Security/Natural Gas Diversity”, the Company describes how it is working on new services to make its natural gas storage capacity even more flexible so that its “natural gas reserves, together with quick-start power generation, can act as a large-scale utility battery to provide reliable, on-demand power at any time,” which “will allow more renewables to be added to the grid.”

Also, under the heading “Sustainable Natural Gas” in the Sustainability Report, the Company discusses how it is modernizing and promoting sustainability within its natural gas business line. This includes discussions of how the Company will be reducing its methane emissions in this area over the next decade. Its three key areas of focus are (1) implementing best management practices and investing in new technology to reduce methane emissions by 50% in ten years; (2) investing in resiliency programs; and (3) using modular liquefied natural gas (“LNG”) service and renewable natural gas (“RNG”) processes to reduce the carbon footprint of end users. The Investor Day Presentation further notes that modernizing the Company’s infrastructure across electric and natural gas operations to support additional renewable capacity is an important part of the Company’s strategy to reduce both carbon intensity and carbon emissions. In addition to the investments described in the Sustainability Report, since its publication, the Company has announced an additional $700 million joint investment in carbon beneficial RNG projects.
Under the heading “Clean Energy Diversity & Security/Natural Gas Diversity” in the Sustainability Report, the Company also details how it continues to diversify its energy portfolio by employing a variety of energy sources, including renewable sources, with increasing investments in solar, wind, hydropower and storage. For example, the Company notes that it ranked fourth in the country among utility holding companies for ownership of solar facilities in 2018, and that it currently operates the world’s largest rechargeable battery: a 3,003-megawatt pumped-storage power station in Bath County, Virginia.

In addition to specifically describing how the Company plans to ensure its natural gas assets are resilient and sustainable in a changing economy (and consistent with emissions reduction goals) and how it is continuing to diversify its energy mix, the Company also makes ample disclosures regarding how it is aligning its business with the goals of the Paris Agreement and how it has used the Agreement’s “two degree” framework to guide its analysis. The Climate Report includes a scenario analysis conducted with the assistance of an independent consultant, which scenario analysis was created under a “two degree” framework set forth in the Paris Agreement. This analysis notes that to reach the Paris Agreement emission reduction targets, the Company will need to invest in large amounts of renewable generation, and also recognizes various opportunities for the Company’s natural gas assets to support those targets, including “repurposing [of] our strong natural gas fleet as balancing units for the more intermittent renewable resources [such as solar and wind energy].” In addition, the Climate Report describes the business opportunity of replacing certain homeowners’ use of heating oil with natural gas as a more sustainable heating option. As noted in the table above, the Climate Report also includes a discussion of potential risks to existing infrastructure and generation assets caused by emission reductions.

In the Investor Day Presentation, the Company provided disclosures regarding its emissions targets set in terms of the 2030 and 2050 timeframes envisioned by both the Executive Order and the Paris Agreement. The disclosures in the Investor Day Presentation make clear that the Company is setting aggressive targets for 2030 and 2050 across its various groups. The Investor Day Presentation, for instance, provides insight into the Company’s strategy for reducing methane and carbon emissions, which strategy has already put the power generation assets in Virginia on the path to a 57% reduction in fossil steam capacity and an 83% increase in renewable build-outs, all of which has led to a 34% carbon reduction forecast since 2017.

The Public Disclosures, therefore, provide precisely the information requested by the Proponent. The Public Disclosures describe how the Company views it natural gas assets and infrastructure, how the Company is working to keep those assets and infrastructure modern, reliable, and sustainable to reduce the risk of obsolescence, and how the Company’s and its end users’ embrace of cleaner technology, in fact, goes hand-in-hand with its natural gas assets and infrastructure. Furthermore, the Public Disclosures take into account the timeframes specifically singled out by the Proponent in its supporting statement of the Proposal, which shows how the Company is aligning its goals with that of, for example, the Paris Agreement. In sum, the Public Disclosures provide the Company’s investors with more than “sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target or aligning with Paris goals.”

While the Company believes that the Public Disclosures meet the essential objectives of the Proposal, we do note that the Company need not take the exact action requested by a shareholder in order to be able to exclude the proposal under Rule 14a-8(i)(10); rather, the Company must substantially implement the shareholder proposal. As the Commission described in an earlier release noting the distinction between the prior rule:
In the past, the staff has permitted the exclusion of proposals under Rule 14a-8(c)(10) [the predecessor to current Rule 14a-8(i)(10)] only in those cases where the action requested by the proposal has been fully effected. The Commission proposed an interpretive change to permit the omission of proposals that have been “substantially implemented by the issuer.” While the new interpretive position will add more subjectivity to the application of the provision, the Commission has determined that the previous formalistic application of this provision defeated its purpose. Accordingly, the Commission is adopting the proposed interpretive change. Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Exchange Act Release No. 34-20091 (Aug. 16, 1983).

The Company believes it has provided in the Public Disclosures (in addition to its numerous other public reports and disclosures, some of which have been filed with the Commission in periodic reports) appropriate disclosures to its investors regarding its evaluation of risks to, and the resiliency of, its natural gas assets, within the framework envisioned under the Paris Agreement. The Company devotes significant effort and expenditures to the production of its required and voluntary disclosures, and it does not believe that the report requested by Proponent would add any meaningful and additional disclosures to the information already publicly available. As the Commission has recognized, there is no need to present shareholders a Proposal regarding a matter on which the Company’s management or Board of Directors (“Board”) has already acted upon favorably.

Accordingly, because the Company has substantially implemented the Proposal, the Company may properly exclude the Proposal from the Proxy Materials pursuant to Rule 14a-8(i)(10).

II. Rule 14a-8(i)(7) – the Proposal may be excluded because it deals with matters relating to the Company’s ordinary business operations.

Rule 14a-8(i)(7) permits a company to exclude from its proxy materials a shareholder proposal that relates to the company’s “ordinary business operations.” According to the SEC release accompanying the 1998 amendments to Rule 14a-8, the term “ordinary business” refers to matters that are not necessarily “ordinary” in the common meaning of the word, but instead the term “is rooted in the corporate law concept of providing management with the flexibility in directing certain core matters involving the company’s business and operations.” (Exchange Act Release No. 34-40018 (May 21, 1998)) (the “1998 Release”).

In Staff Legal Bulletin No. 14J (CF) (Oct. 23, 2018) (“SLB 14J”), the Staff provided additional insight into its analysis of ordinary business exclusion requests. SLB 14J describes the Commission’s two central conditions underlying the ordinary business exception as relating to (i) the subject matter of the proposal and (ii) the degree to which the proposal seeks to micromanage. Under the subject matter prong, the Staff looks to whether a proposal relates to the company’s ordinary business. Beyond that, even if the proposal involves a matter that might otherwise be thought to relate to a company’s ordinary business, the Staff has declined to provide no action relief if the proposal involves an issue that transcends ordinary business matters, i.e., a significant social policy issue. However, as is relevant here, under the second consideration, a proposal that attempts to micromanage the company is excludable even if it touches upon a significant social policy issue. “Unlike the first consideration, which looks to a proposal’s subject matter, the second consideration looks only to the degree to which a proposal seeks to micromanage. Thus, a proposal that may not be excludable under the first consideration may be excludable under the second if it micromanages the company.” (SLB 14J).

The Staff has also explained that presenting a proposal as a request for a report does not change the framework of the analysis under Rule 14a-8(i)(7):
This framework also applies to proposals that call for a study or a report. For example, a proposal that seeks an intricately detailed study or report may be excluded on micromanagement grounds. Additionally, the staff would, consistent with Commission guidance, consider the underlying substance of the matters addressed by the study or report. Thus, for example, a proposal calling for a report may be excludable if the substance of the report relates to the imposition or assumption of specific timeframes or methods for implementing complex policies. (SLB 14J)

In its most recent guidance on the topic, the Staff has stated that, in evaluating whether a shareholder proposal may be excluded under the micromanagement prong of Rule 14a-8(i)(7), the Staff will “look to whether the proposal seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.” Staff Legal Bulletin No. 14K (CF) (Oct. 16, 2019) (“SLB 14K”). Thus, the micromanagement analysis focuses not on the subject matter of the proposal but upon the approach to that subject matter requested by the shareholder proponent.

The Staff also noted in SLB 14K that “if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company,” and would, therefore, be excludable under Rule 14a-8(i)(7).

The Company believes the Proposal may be excluded under Rule 14a-8(i)(7) because it (a) seeks a report on matters of day-to-day operations that are too complex for direct shareholder oversight, (b) relates to the products offered for sale by the Company, (c) is overly prescriptive and thereby seeks to supplant the judgment of management and the Board, and (d) even though it touches upon a significant social policy issue, its primary focus is ordinary business matters.

A. The Proposal seeks a report on matters of day-to-day operations that are too complex for direct shareholder oversight.

The Proposal requests a report explaining the Company’s response to the risk that its planned investments in natural gas infrastructure and assets may become stranded as the global response to climate change intensifies. The Company’s strategic plans regarding its natural gas assets and investments involves ordinary business matters that are central to the Board’s oversight and management’s conduct of the Company’s day-to-day operations. These matters include the Company’s capital investment decisions and strategies, short- and long-term financial planning, and the valuation of its assets in light of potential carbon emission restrictions and various other expected and unknown developments. Contrary to the Proposal’s singular focus on emissions reduction considerations, these decisions involve an interwoven complex of assessments, including, but not limited to, regulatory requirements and approvals, hedging models and forecasts, projection of market demand, domestic and international policy, enterprise risk management analyses, the impact of related evolving technologies such as wind and solar, negotiation of contracts, identification and access to financing resources and other business relationships, as well as a variety of market conditions. However, the Proposal seeks to limit the Company’s analysis of the value of its natural gas infrastructure and assets and future investment decisions excluding all other business considerations outside the goal of reducing emissions.

Two recent Staff responses to no-action letter requests highlight why the Proposal is therefore excludable. In Apple Inc. (Dec. 21, 2017), the Staff found that a shareholder proposal was excludable that sought a report that: evaluates the potential for the Company to achieve, by a fixed date, “net-zero” emissions of greenhouse gases relative to operations directly owned by the Company and major suppliers.” Apple, Inc. argued that the proposal would require it to develop complex processes and policies to comply
with the proposal, and that it would “involve replacing management’s judgment on complex operational
and business decisions and strategies with those favored by the Proponent.” These matters included
“choices regarding processes, technologies and materials and the terms of the Company’s relationships with
its major suppliers.” As such, the proposal “fundamentally interfere with management’s ability to run the
Company and operate its business on a day-to-day basis.”

In McDonalds Corp. (March 22, 2019), the Staff permitted the company to exclude a proposal that
requested that it disclose economic risks it faces as a result of campaigns targeting the company over
concerns about the treatment of chickens. McDonalds successfully argued that “the sale of chicken products
and the management of the economic challenges related to those products is part of its ordinary business
operations.” It stated that in addition to the proposal “addressing the potential economic consequences of
customer campaigns concerning [its] products, implementation… [it] would necessarily involve
shareholders in the [c]ompany’s operations involving customer relations.”

As in these two no-action letter responses, the current Proposal delves into a complex area of the
Company’s day-to-day operations involving the deployment of capital investment and related risk
assessment and mitigation, an area that is so fundamental to management’s ability to run the Company and
the Board’s oversight thereof that it should not be subject to direct shareholder oversight. Like Apple, Inc.,
the Proposal seeks to insert shareholder oversight into a complex matter, at the complicated nexus of capital
investment and risk management. Similar to McDonalds Corp, the current Proposal aims to make the
Company focus on a specific category of risk as it makes complex business decisions. In short, the level of
involvement sought by the Proposal with respect to this aspect of the Company’s business constitutes micro-
management and the Proposal is, therefore, excludable.

B. The Proposal relates to the products offered for sale by the Company.

The Proposal’s primary focus is on how the Company chooses to invest its capital and whether or
not to offer a different product/service mix to its customers. The assessment requested by the Proponent
ultimately involves the same issues that the management of any company must consider when making
decisions regarding its choice of technology as well as the products and services offered by the company.

In the supporting statement, the Proposal states that “[d]emand response, energy efficiency,
renewables plus storage, and electrification are all increasingly cost-effective means of serving energy
needs while reducing fossil fuel use and climate impacts.” It also alleges that peer utilities are replacing
coal assets with renewables and storage, “creating win-win solutions” and that “[s]hareholders are
concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to
climate-related risks by investing in significant gas holdings.” This is, in essence, an attempt to direct the
Company’s management to change the Company’s focus from the services (“products”) it currently offers
(relating to natural gas) to services and products the Proponent would rather them offer (such as less carbon-
intensive energy sources). The Proponent is requesting that the Company’s management—rather than
relying on their good faith business judgment of the Company’s best interest (consistent with the standard
of conduct applicable to them under Virginia law)—instead defer to the Proponent as to the relative mix of
products that the Company should offer (less natural gas, more wind and solar).

The Staff recognizes that the products or services offered by a company are ordinary business
matters and, therefore, has frequently allowed companies to exclude shareholder proposals relating to such
products or services. The recent Staff no-action response to JPMorgan Chase & Co. (March 19, 2019) is
instructive. In that instance, the Company sought no-action relief from a shareholder proposal requesting a
report “examining the politics, economics and engineering for the construction of a sea-based canal through
the Tehuantepec isthmus of Mexico.” As the company argued, however, the report was an attempt to have the company finance a certain project (a sea-based canal in Mexico), and which projects the company finances (or to whom it offers products and services) is an ordinary business matter. The Staff agreed and allowed the proposal to be excluded.

Similarly, the Staff previously permitted the Company to exclude a shareholder proposal concerning its choice to purchase its renewable energy credits (“RECs”) from biomass power generating facilities rather than solar power facilities. In effect, the proponent of this proposal wanted the Company to increase its purchases of RECs from solar power generating facilities and to decrease purchases of RECs from biomass power generating facilities (see Dominion Resources, Inc. (Feb. 19, 2014)). The Staff agreed that the Company’s choice to purchase RECs from biomass facilities versus solar power facilities related to the products and services of the Company.

More recently, the Staff found that a request to prepare a report on the impact of overdraft fees on low-income customers was excludable on this rationale (see JPMorgan Chase & Co. (Feb. 21, 2019), as was a proposal requesting a report on a company’s progress to providing internet to low-income customers (see AT&T Inc. (Jan. 4, 2017)).

Because the report requested by the Proponent is an attempt to direct the Company to move away from one “product” (its offerings related to natural gas) in the direction of others (renewables and storage), the Proposal may be excluded as relating to the products or services offered by the Company.

C. The Proposal is overly prescriptive and therefore seeks to supplant the judgment of management and the Board.

The Staff has noted that, in considering whether a shareholder proposal may be excluded under Rule 14a-8(i)(7), it will consider if “the proposal…imposes a specific strategy, method…or timeline for addressing an issue.” (SLB 14K). Although the Proposal is styled as a request for a report from Company’s management, taken in its entirety, it seeks to impose a specific strategy and timeline under which the Company is to evaluate its capital investments.

The report requested by the Proponent would effectively require the adoption of time-bound targets. By specifically referencing the Paris Agreement’s emission reduction standards and the carbon-free by 2050 target set forth in the Executive Order, the Proposal incorporates the assumption of these specific timeframes and emission goals into the Company’s analysis of the valuation risk to its existing and future natural gas capital investments. Far from deferring to “management’s discretion to consider if and how the Company plans to reduce its carbon footprint,” (SLB 14K) the Proposal in effect requires the Company to utilize the Proposal’s limited criteria for risk evaluation.

The Staff has allowed the exclusion of shareholder proposals, when such proposals micromanage the affairs of the company by requesting action that is overly prescriptive and could potentially limit the judgment and discretion of the board of directors and management. In Devon Energy Corporation (March 4, 2019), the Staff permitted the company to exclude a shareholder proposal that requested the company’s board of directors to include with its 2020 annual reporting a “disclosure of short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2°C and to pursue efforts to limit the increase to 1.5°C.”
The Staff noted in SLB 14K that the proposal at issue in the Devon Energy Corporation no-action letter request would “effectively requir[e] the adoption of time-bound targets…that the company would measure itself against and changes in operations to meet those goals, thereby imposing a specific method for implementing a complex policy.” (See SLB 14K).

Like the excludable proposal in Devon Energy Corporation, the Proposal would require that the Company adopt time-bound targets by explicitly linking the requested report with the 2030 and 2050 targets in the Paris Agreement and the 2050 target in the Executive Order. The Proposal also imposes specific methods for implementing complex policies; specifically, it directs management to take a narrow, and heavily prescribed, view of the potential risks to its natural gas investments. Risk evaluation and management—especially on an asset-by-asset or business-line basis—of the Company requires ongoing judgments by management and the Proposal (like the proposal in Devon Energy Corporation) impermissibly seeks to dictate the strategies, methods and timelines by which this fundamental matter is measured and evaluated. The Proposal, therefore, properly excludable under Rule 14a-8(i)(7).

D. Even though the Proposal touches upon a significant social policy issue, its primary focus is ordinary business matters.

Although the Proposal is drafted in reference to climate change, at its core it is an attempt to influence the ordinary business operations of the Company. It would require management to adopt a single view on how risk should be evaluated and managed, how it makes capital expenditure decisions and what products and services the Company should offer. Thus, under the standards articulated in SLB 14J and SLB 14K described above, the Proposal attempts to micromanage the Company by probing too deeply into a complex topic not suitable for shareholder oversight and by supplanting the judgment of management. Therefore, notwithstanding its connection to a social policy issue (climate change), the Proposal is appropriately excludable.

CONCLUSION

For the reasons stated above, we believe that the Proposal may be properly excluded from the Proxy Materials. If you have any questions or need any additional information with regard to the enclosed or the foregoing, please contact me at (804)775-4385 or kdeluca@mcguirewoods.com or Meredith Sanderlin Thrower, the Company’s Senior Assistant General Counsel – Securities, M&A and Project Development at (804)819-2139 or meredith.s.thrower@dominionenergy.com.

Sincerely,

Katherine K. DeLuca

Enclosures

cc:  Meredith Sanderlin Thrower, Senior Assistant General Counsel – Securities, M&A and Project Development
     Karen W. Doggett, Assistant Corporate Secretary and Director – Governance
     Jane Whitt Sellers, Esquire, McGuireWoods LLP
Lila Holzman, As You Sow
Stewart Taggart, The Stewart W Taggart and Rebecca W Taggart Revocable Trust
Sister Patricia Regan, Congregation of Divine Providence
Sister Ramona Bezner, Providence Trust
Exhibit A
Co-Filers

1. Congregation of Divine Providence
   515 SW 24th Street
   San Antonio, Texas 78207
   (210) 434-1866

2. Providence Trust
   515 SW 24th Street
   San Antonio, Texas 78207
   (210) 587-1102
Exhibit B
Proposal Submission and Related Correspondence
Dear Investor Relations,

Please find enclosed filing letters submitting a shareholder resolution for inclusion in the company's 2020 proxy statement. If you can please forward these electronic copies to Mr. Carter Reid, corporate secretary, it would be appreciated. We have also sent a paper copy via FedEx.

Receipt confirmation of this email would also be appreciated. Thank you

Best,
Kwan

Teoh, Kwan Hong (he/him)
Environmental Health Program
Research Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8147 (direct line) | (605) 651-5517 (cell)
kwan@asyousow.org | www.asyousow.org

“Building a Safe, Just and Sustainable World since 1992~
VIA USPS & EMAIL

November 20, 2019

Carter M. Reid
Executive Vice President, Chief Administrative &
Compliance Officer and Corporate Secretary
Dominion Energy, Inc.
120 Tredegar Street
Richmond, Virginia 23219

Dear Carter Reid,

The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 is a shareholder of Dominion Energy, Inc. We submit the enclosed shareholder proposal on behalf of The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 (Proponent) for inclusion in the company’s 2020 proxy statement, and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing As You Sow to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders’ meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent’s concerns. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at lholzman@asyousow.org. Please send all correspondence to Ms. Holzman with a copy to shareholderengagement@asyousow.org. Also, please note that our address has changed. Our new address is set forth above.

Sincerely,

Lila Holzman
Energy Program Manager

Enclosures
- Shareholder Proposal
- Shareholder Authorization
Whereas: The Intergovernmental Panel on Climate Change released a report finding that “rapid, far-reaching” changes are necessary in the next 10 years to avoid disastrous levels of global warming.¹

The energy sector has a critical role to play in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks.² In 2018, gas contributed to an increase in power sector emissions,³ jeopardizing chances of achieving reductions in line with the Paris Agreement’s goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.⁴ While some low-carbon scenarios show gas use continuing, they rely on carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.⁵

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts.⁶ City governments, recognizing gas’ climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.⁷ Furthermore, states, cities, and large consumers continue to set ambitious renewable energy targets, which utilities will need to supply or risk losing business.⁸ Large tech companies recently banded together to express concern regarding Dominion’s proposed gas heavy plan.⁹

While Dominion is to be commended for taking climate conscious steps, including setting a long term greenhouse gas target¹⁰ and actions to decrease methane leakage,¹¹ investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia’s 100% carbon-free by 2050 target¹² or aligning with Paris goals.

² https://science.sciencemag.org/content/361/6398/186
⁵ https://www.ipcc.ch/sr15/chapter/chapter-2/
The Company’s disclosures indicate Dominion is continuing to build out expensive gas infrastructure\textsuperscript{13,14} but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra\textsuperscript{15} and Xcel,\textsuperscript{16} have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.

**Resolved:** Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

\textsuperscript{15} https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-wind-solar-storage-deal-with-oklahoma-cooperative
November 14, 2019

Andrew Behar  
CEO  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned ("Stockholder") authorizes As You Sow to file or co-file a shareholder resolution on Stockholder’s behalf with the named Company for inclusion in the Company’s 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17

Company: Dominion Energy, Inc.

Subject: Climate change risk reporting

The Stockholder has continuously owned over $2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company’s annual meeting in 2020.

The Stockholder gives As You Sow the authority to address, on the Stockholder’s behalf, any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder’s name may appear on the company’s proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder’s name in relation to the resolution.

The shareholder alternatively authorizes As You Sow to send a letter of support of the resolution on Stockholder’s behalf.

Sincerely,

[Signature]

Stewart Taggart  
Trustee  
The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17
Dear Lila,

Please find attached letters regarding the proposal submitted by As You Sow on behalf of Stewart W Taggart & Rebecca W Taggart JT REV TR UAD, Shanahan Family Revocable Trust and Marisa Messina Rev Tr for inclusion in Dominion Energy, Inc.’s Proxy Statement for the 2020 Annual Meeting of Shareholders. These letters pertain to ownership requirements under Rule 14a-8. Also attached for your reference are copies of Rule 14a-8 of the Securities Exchange Act of 1934 and Staff Legal Bulletins 14F and 14G issued by the Securities and Exchange Commission. A printed copy of each of the attached documents has also been sent to you via overnight mail.

As mentioned in your earlier email, we would also welcome the opportunity to speak with you regarding the proposal. I will be in touch tomorrow with some possible dates and times for a call.

If you have any questions, I can be reached at the email address and phone number below.

With regards,

Karen

Karen W. Doggett
Assistant Corporate Secretary and Director-Governance
Dominion Energy Services, Inc.
600 East Canal Street, Richmond, VA 23219
Office: 804.819.2123 | Mobile: 804.337.0826
karen.doggett@dominionenergy.com
November 21, 2019

Sent via Electronic and Overnight Mail

Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 8/29/17
c/o As You Sow
Attn: Lila Holzman
2150 Kittredge Street, Suite 450
Berkeley, CA 94704

Dear Ms. Holzman:

This letter confirms receipt on November 20, 2019, via email, of the shareholder proposal submitted on behalf of Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 8/29/17 by As You Sow for inclusion in Dominion Energy, Inc.'s (Dominion Energy) proxy statement for the 2020 Annual Meeting of Shareholders (2020 Annual Meeting).

In accordance with Securities and Exchange Commission (SEC) regulations, we are required to notify you of any eligibility or procedural deficiencies related to your proposal. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, states that in order to be eligible to submit your proposal, you must submit proof of continuous ownership of at least $2,000 in market value, or 1%, of Dominion Energy’s common stock for the one-year period preceding and including the date you submitted your proposal.

As of the date of this letter, we have not received your proof of ownership of Dominion Energy common stock.

According to Dominion Energy’s records, you are not a registered holder of Dominion Energy common stock. As explained in Rule 14a-8(b), if you are not a registered holder of Dominion Energy common stock, you may provide proof of ownership by submitting either:

- a written statement from the record holder of your Dominion Energy common stock (usually a bank or broker that is a Depository Trust Company (DTC) participant) verifying that, at the time you submitted your proposal, you continuously held the requisite number of shares of Dominion Energy common stock for at least one year; or

- if you have filed a Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5 with the SEC, or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level and your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement.
Please note that, pursuant to Staff Legal Bulletins 14F and 14G issued by the SEC (SLB 14F and SLB 14G), only DTC participants or affiliated DTC participants should be viewed as record holders of the securities deposited at DTC.

In order for your proposal to be eligible, you must provide proof of beneficial ownership of Dominion Energy common stock from the record holder of your shares verifying continuous ownership of at least $2,000 in market value, or 1%, of Dominion Energy's common stock for the one-year period preceding and including November 20, 2019, the date you submitted your proposal.

The SEC’s Rule 14a-8 requires that your proof of ownership that satisfies the requirements of Rule 14a-8 must be postmarked or transmitted electronically to Dominion Energy no later than 14 calendar days from the date on which you receive this letter. Your documentation and/or response may be sent to me at Dominion Energy, Inc., 600 East Canal Street, 20th Floor, Richmond, VA 23219 or via electronic mail at karen.doggett@dominionenergy.com.

Finally, please note that in addition to the eligibility deficiencies cited above, Dominion Energy reserves the right in the future to raise any further bases upon which the proposal may be properly excluded under Rule 14a-8 of the Securities Exchange Act of 1934.

If you should have any questions regarding this matter, I can be reached at (804) 819-2123. For your reference, I have enclosed a copy of Rule 14a-8, SLB 14F and SLB 14G.

Sincerely,

Karen W. Doggett
Assistant Corporate Secretary

Enclosures
Dear Karen,

We received your letter issued on November 21, 2019 alleging notice of a deficiency in our November 20, 2019 letter transmitting a proposal for inclusion on the Company’s 2020 proxy. In response to the cited deficiency, we enclose a proof of ownership letter establishing the proponent’s ownership of the Company’s common stock in the requisite amount and in the time frame necessary to meet eligibility requirements.

Thank you and please let us know that you have received the attached.

Best,
Kwan

Teoh, Kwan Hong (he/him)
Environmental Health Program
Research Manager
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8147 (direct line) | (605) 651-5517 (cell)
kwan@asyousow.org | www.asyousow.org

~Building a Safe, Just and Sustainable World since 1992~
November 27, 2019

RE: Dominion Energy, Inc.

To Whom It May Concern:

Pershing LLC, a DTC participant with a DTC number of 0443, acts as the custodian for The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17. As of the date of this letter, The Stewart W Taggart & Rebecca W Taggart JT REV TR UAD 08/29/17 held, and has held continuously for at least 395 days, 40 shares of Dominion Energy, Inc. common stock, CUSIP #25746U109.

Regards,

Authorized Signature

Joseph LaVara
Vice President
Please see attached resolutions filed for Providence Trust and Congregation of Divine Providence

Sister Patricia Regan, CDP
General Treasurer

P: (210) 587-1150
F: (210) 431-9965
E: pregan@cdptexas.org

Abandonment to Divine Providence • Simplicity • Poverty • Charity

CONFIDENTIALITY NOTICE: The information contained in this communication, including attachments, is privileged and confidential. It is intended only for the exclusive use of the addressee. If the reader is not the intended recipient, or the employee, or the agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us by return email or telephone immediately. Thank you.
November 26, 2019

Carter M. Reid
Corporate Secretary
Dominion Energy
120 Tredegar Street 6th Floor
Richmond, VA 23219

Email: carter.reid@dom.com
Fax: 804-819-2638

Dear Ms. Reid:

I am writing you on behalf of Congregation of Divine Providence to co-file the stockholder resolution on Report on Reducing GHG. In brief, the proposal states: RESOLVED, Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with As You Sow. I submit it for inclusion in the 2020 proxy statement for consideration and action by the shareholders at the 2020 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of $2,000 worth of the shares.

We have been a continuous shareholder for one year of $2,000 in market value of Dominion Energy stock and will continue to hold at least $2,000 of Dominion Energy stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider As You Sow the lead filer of this resolution. As such, As You Sow, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Lila Holzman, of As You Sow who may be reached by email: lholzman@asyousow.org.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sister Patricia Regan
General Treasurer
Whereas: The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.¹

The energy sector has a critical role to play in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks.² In 2018, gas contributed to an increase in power sector emissions,³ jeopardizing chances of achieving reductions in line with the Paris Agreement’s goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal.⁴ While some low-carbon scenarios show gas use continuing, they rely on carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.⁵

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts.⁶ City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings.⁷ Furthermore, states, cities, and large consumers continue to set ambitious renewable energy targets, which utilities will need to supply or risk losing business.⁸ Large tech companies recently banded together to express concern regarding Dominion’s proposed gas heavy plan.⁹

While Dominion is to be commended for taking climate conscious steps, including setting a long term greenhouse gas target¹⁰ and actions to decrease methane leakage,¹¹ investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia's 100% carbon-free by 2050 target¹² or aligning with Paris goals.

The Company’s disclosures indicate Dominion is continuing to build out expensive gas infrastructure¹³,¹⁴ but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra¹⁵ and Xcel,¹⁶ have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.

Resolved: Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change Intensifies.

² https://science.sciencemag.org/content/361/6398/188
⁵ https://www.ipcc.ch/sr15/chapter/chapter-2/
¹² https://www.greentechmedia.com/articles/read/nextera-inks-even-bigger-wind-soil-storage-deal-with-oklahoma-cooperative
Dear Ms. Reid:

I am writing you on behalf of Providence Trust to co-file the stockholder resolution on Report on Reducing GHG. In brief, the proposal states: RESOLVED, Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with As You Sow. I submit it for inclusion in the 2020 proxy statement for consideration and action by the shareholders at the 2020 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of $2,000 worth of the shares.

We have been a continuous shareholder for one year of $2,000 in market value of Dominion Energy stock and will continue to hold at least $2,000 of Dominion Energy stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider As You Sow the lead filer of this resolution. As such, As You Sow, serving as the primary filer, is authorized to act on our behalf in all aspects of the resolution, including negotiation and deputize them to withdraw the resolution on our behalf if an agreement is reached. Please note that the contact person for this resolution/proposal will be Lila Holzman, of As You Sow who may be reached by email: lholzman@asyousow.org.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Sister Ramona Bezner
Trustee
2020 Dominion Energy
Report on Reducing GHG

Whereas: The Intergovernmental Panel on Climate Change released a report finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.

The energy sector has a critical role to play in mitigating climate risk. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to combustion emissions and methane leaks. In 2018, gas contributed to an increase in power sector emissions, jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building new gas infrastructure may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal. While some low-carbon scenarios show gas use continuing, they rely on carbon removal technologies -- a risky assumption given the technology has not proven economic at scale.

Demand response, energy efficiency, renewables plus storage, and electrification are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts. City governments, recognizing gas' climate impacts, are setting policies prohibiting gas hookups for new buildings in favor of safer, healthier electric buildings. Furthermore, states, cities, and large consumers continue to set ambitious renewable energy targets, which utilities will need to supply or risk losing business. Large tech companies recently banded together to express concern regarding Dominion's proposed gas heavy plan.

While Dominion is to be commended for taking climate conscious steps, including setting a long term greenhouse gas target and actions to decrease methane leakage, investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with achieving Virginia's 100% carbon-free by 2050 target or aligning with Paris goals.

The Company's disclosures indicate Dominion is continuing to build out expensive gas infrastructure, but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including NextEra and Xcel, have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Dominion Energy is lagging behind on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.

Resolved: Shareholders request that Dominion issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.

2 https://science.sciencemag.org/content/361/6398/186
5 https://www.ipcc.ch/sr15/chapter/chapter-2/
November 26, 2019

Carter M. Reid
Corporate Secretary
Dominion Energy
120 Tredegar Street 6th Floor
Richmond, VA 23219

Sent by Email: carter.reid@dom.com

Re: Co-filing of shareholder resolution: Report of Measuring GHG.

As of November 26, 2019, Congregation of the Divine Providence and Providence Trust held, and has held continuously for at least one year, 273 shares and 306 shares of Dominion Energy (D) common stock. These shares have been held with Morgan Stanley, DTC 0015.

If you need further information please contact us at 1-800-733-3041.

Sincerely,

Heidi Siller
Registered Associate
The Quantitative Group at Graystone Consulting
A Business of Morgan Stanley
755 E Mulberry Ave., Ste 300
San Antonio, TX 78212-9953
Direct: 210.366.6660
eFax: 210.775-5349
Toll Free: 1-800.733.3041
heidi.siller@msgraystone.com