



# **REPORT TO THE STRATEGIC DEVELOPMENT COMMITTEE**

**RECOMMENDATION TO APPROVE A LONG-TERM LEASE  
TO VIRGINIA ELECTRIC AND POWER COMPANY FOR A  
UTILITY-SCALE SOLAR-POWERED ELECTRIC GENERATING SYSTEM AND A  
BATTERY STORAGE FACILITY AT  
WASHINGTON DULLES INTERNATIONAL AIRPORT**

March 2022



## **ACTION REQUESTED**

Staff requests that the Strategic Development Committee (Committee) approve and recommend that the Board of Directors (Board) authorize the President and Chief Executive Officer (CEO), subject to the approval of the United States Secretary of Transportation (Secretary of Transportation) and the Federal Aviation Administration (FAA), to execute a long-term lease (37-year lease) of approximately 835 acres of Metropolitan Washington Airports Authority (Airports Authority) property at Washington Dulles International Airport (Dulles International) with Dominion Energy Virginia (Dominion) for a utility-scale solar-powered electric generating system and battery storage system (Solar + Storage Project).



# BACKGROUND

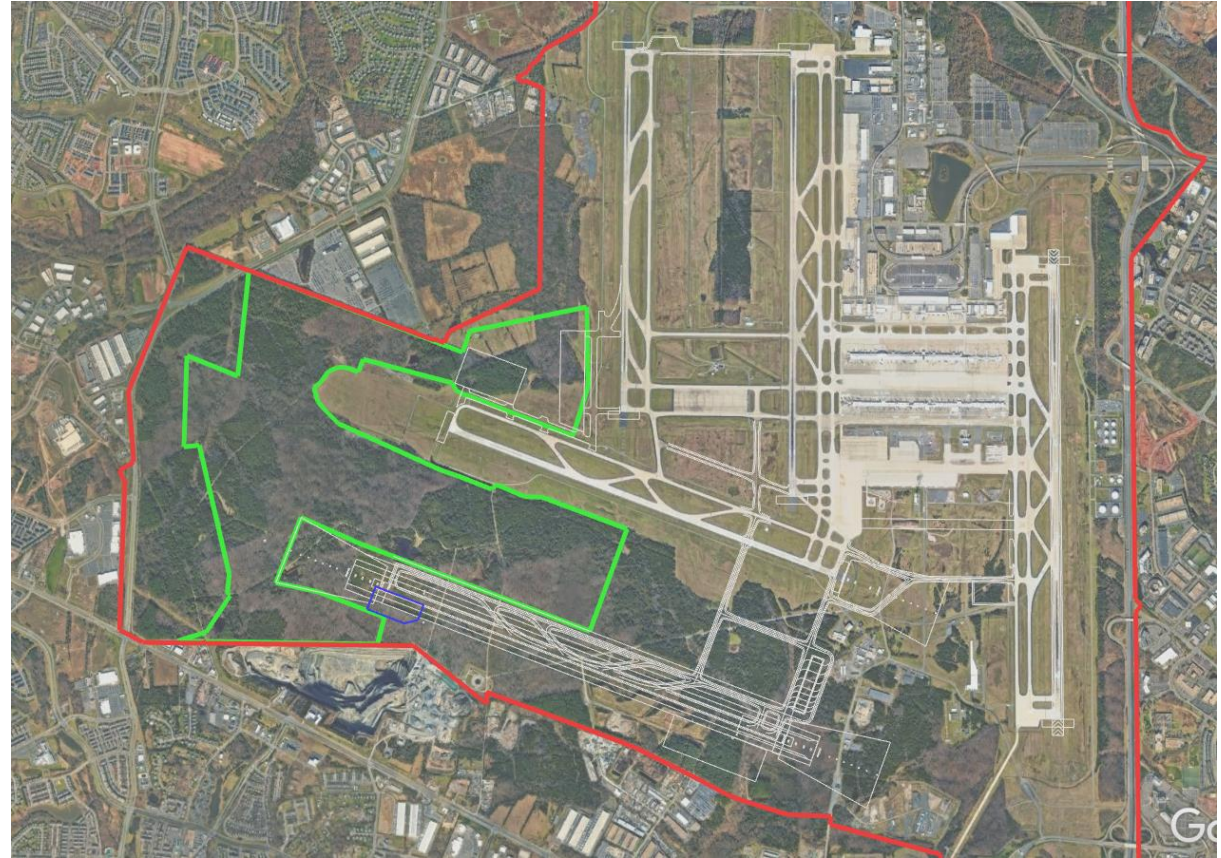
- In May 2018, the Airports Authority began discussions with Dominion for Large-Scale Renewable Power at Dulles International (regulated by Virginia’s State Corporation Commission and the Federal Energy Regulatory Commission).
- In May 2019, staff briefed the Committee on proposed terms and conditions for a 3-year due diligence agreement with Dominion.
- In June 2019, the CEO approved the framework for the 3-year due diligence which included the following:
  - A feasibility study, National Environmental Policy Act of 1969 (NEPA) review, Phase I Environmental Site Assessment, Geotechnical Work, Wetlands Delineation, Archaeology Study, Glint/Glare Study.
  - The feasibility study identified 19 separate pods equating to approximately 835 acres of land suitable for a Solar + Storage Project.





# DISCUSSION

- On September 21, 2019, the Airports Authority and Dominion entered into an agreement to perform planning activities for the proof of concept.
- In September 2021, the Airports Authority and Dominion reached an agreement on terms for a 37-year lease of approximately 835 acres of Dulles International Airport property for the development, installation and operation of Solar + Storage Project.
- The proposal takes advantage of underutilized land for which there is no plan for development within the proposed lease term.





## DISCUSSION (*continued*)

- As consideration for the lease, Dominion will construct, operate, and maintain a 2 MW behind-the-meter solar carport and provide the Airports Authority electric buses, light-duty electric vehicles, and vehicle charging infrastructure.
- Staff and external consultants analyzed the fair market value of the land for alternative purposes and determined that Dominion's proposed in-kind consideration provided greater financial and environmental benefits to the Airports Authority.
- Dominion, through the terms of its construction contracts, has a goal to award a minimum of 20% of the subcontracting requirements to diverse suppliers.



## DISCUSSION (*continued*)

- Execution of the lease is contingent upon review and approval by the FAA, which will ensure compliance with NEPA, and the Secretary of Transportation.
- Dominion is separately seeking approval of the Solar + Storage Project from the Virginia State Corporate Commission.



## RECOMMENDATION

Staff requests that the Committee approve and recommend that the Board authorize the CEO, following receipt of approval by the FAA and Secretary of Transportation, to execute a 37-year lease of 835 acres of Airports Authority property located at Dulles International, in favor of Dominion for the Solar + Storage Project.

## **REPORT TO THE STRATEGIC DEVELOPMENT COMMITTEE**

### **RECOMMENDATION TO APPROVE A LONG-TERM LEASE TO VIRGINIA ELECTRIC AND POWER COMPANY FOR A UTILITY-SCALE SOLAR-POWERED ELECTRIC GENERATING SYSTEM AND A BATTERY ENERGY STORAGE SYSTEM FACILITY AT WASHINGTON DULLES INTERNATIONAL AIRPORT**

#### **ACTION REQUESTED**

Staff requests that the Strategic Development Committee (Committee) approve and recommend that the Board of Directors (Board) authorize the President and Chief Executive Officer (CEO), subject to the approval of the United States Secretary of Transportation (Secretary of Transportation) and the Federal Aviation Administration (FAA), to execute a long-term lease of approximately 835 acres of Metropolitan Washington Airports Authority (Airports Authority) property located at Washington Dulles International Airport (Dulles International) in favor of Virginia Electric and Power Company, doing business as Dominion Energy Virginia (Dominion), for a utility-scale solar-powered electric generating system and battery storage facility (Solar + Storage Project).

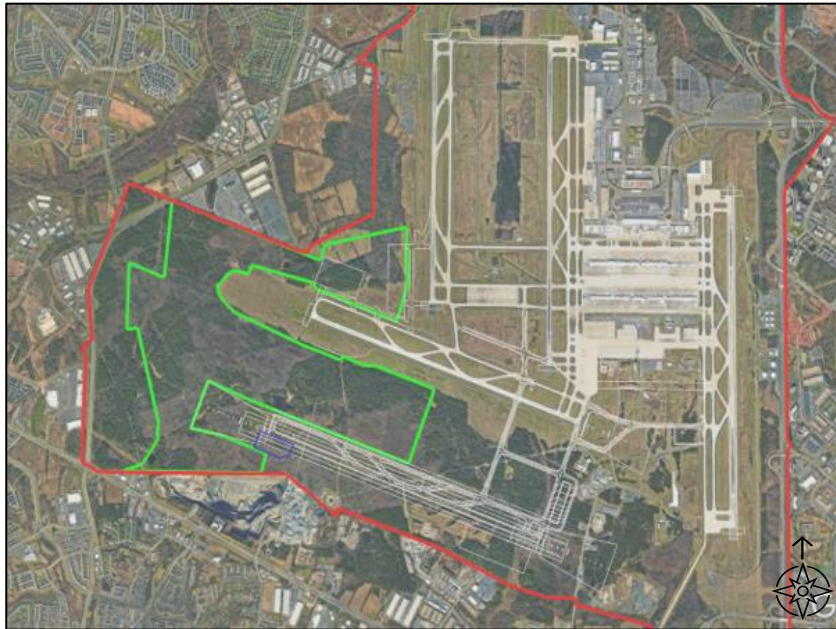
#### **BACKGROUND**

On September 21, 2019, the Airports Authority and Dominion entered into an agreement to permit Dominion to perform planning activities for the Solar + Storage Project proof of concept on approximately 1,500 acres of underutilized property at Dulles International. In addition, the Airports Authority agreed to negotiate in good faith for a long-term lease to host the Solar + Storage Project should it prove feasible. The Solar + Storage Project is one of several solar energy generation projects Dominion is pursuing in Virginia as part of its overall effort to comply with the Virginia Clean Economy Act, which requires that Dominion be 100 percent carbon free by 2045. The Solar + Storage Project would be one of the largest solar energy generation projects located on an operating airport in the world.

In September 2021, the Airports Authority and Dominion reached a tentative agreement on terms of a 37-year lease of approximately 835 acres at Dulles International located on the southwest portion of the airport adjacent to runway 12/30. The proposed location would maintain access for the Airports Authority's future construction of an additional East/West runway (Figure 1).



**FIGURE 1: DULLES INTERNATIONAL SOLAR + STORAGE PROJECT SITE**



## **DISCUSSION**

In May 2018, the Airports Authority began discussions with Dominion (Wholesale Power) for a Large-Scale Renewable Power generation at Dulles International (Dominion's proposed operation would be regulated by Virginia's State Corporation Commission and the Federal Energy Regulatory Commission).

In May 2019, staff briefed the Committee about proposed terms and conditions for a three-year due diligence agreement with Dominion.

In June 2019, the CEO approved the framework for the three-year proof of concept period, which included a feasibility study, National Environmental Policy Act of 1969 (NEPA) review, Phase I Environmental Site Assessment, Geotechnical Work, Wetlands Delineation, Archaeology Study, Glint/Glare Study). The feasibility study identified 19 separate pods equating to approximately 835 Acres of land suitable for Solar + Storage Project.

Approximately 835 acres, over a 37-year lease period, are proposed for the development, installation, and operation of a Solar + Storage Project. These 835 acres are otherwise underutilized land for which there are no plans for development within the proposed lease term, and a lease of this property for the Solar + Storage Project would generate significant revenue in the form of an in-kind consideration project (IKCP) and fund key sustainability

initiatives. A tentative agreement has been reached (pending successful NEPA-FAA and Secretary of Transportation approval) for the development of this Solar + Storage Project. As payment for the lease, the Airports Authority would receive fair market value in the form of an IKCP to include electric buses and light-duty electric vehicles, vehicle charging infrastructure, and a solar carport in the Economy Parking Lot. The Airports Authority obtained an appraisal of the land that would be leased and has determined that the value of the proposed IKCP exceeds the fair market rental value.

The Airports Authority will not execute the lease until successful completion of the environmental review by the FAA under NEPA and the Secretary of Transportation's approval. Pending Board approval of the lease, the Airports Authority intends to submit a request for the Secretary of Transportation's approval of the Solar + Storage Project prior to the FAA's conclusion of the NEPA review. The FAA already completed review of the Solar + Storage Project under 14 CFR Part 77 (safe, efficient use and preservation of the navigable airspace), which included a glint/glare analysis, and determined that the proposed construction of the Solar + Storage Project would not pose a hazard to the airspace. Separately, Dominion is seeking approval of the Solar + Storage Project from the Virginia State Corporate Commission and other regulatory approvals, as necessary.

Dominion, through the terms of its construction contracts, has a goal to award at least 20 percent of any subcontracts for the Solar + Storage Project to Diverse Suppliers. Further information regarding Dominion's Diversity, Equity, and Inclusion (DEI) requirements can be found in the following link: <https://www.dominionenergy.com/suppliers/supplier-diversity-and-partnerships>.

## **RECOMMENDATION**

Staff requests that the Committee approve and recommend that the Board authorize the CEO, following successful NEPA-FAA and Secretary of Transportation approval, to execute a lease of approximately 835 acres of Airports Authority property located at Dulles International, as shown on Figure 2, in favor of Dominion for the Solar + Storage Project.

Prepared by:  
Office of Engineering  
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**FIGURE 2: DULLES INTERNATIONAL SOLAR + STORAGE LEASE AREA**

