

Virginians Will Pay, and Keep Paying, for 'Affordable' Energy



CROSS
COUNTRY
*By Judge
Glock*

—
that the administration's effort is hypocritical given its "all of the above" energy strategy.

Although the administration's claims about national security may be a fig leaf, President Trump is right that offshore wind is a bad way to get energy. The CVOW will be one of the most expensive energy projects in U.S. history, and it will burden Virginia's consumers for decades. Gov. Abigail Spanberger and others claiming the project will foster "affordability" are wrong.

Like many renewable-energy projects, the CVOW emerged from a government order instead of market demand. The Virginia Clean Economy Act of 2020 required the state's main

utility, Dominion Energy, to be carbon-free within a quarter-century and specifically mandated that a state utility build a massive offshore wind farm.

Supporters claim the new energy supply from offshore wind will lower prices. But from the start the CVOW was expected to increase them. Virginia's energy regulator, the State Corporation Commission, approved the project in 2022 with the understanding that it would raise the average consumer's bill by more than \$50 a year and as much as \$170 in some years. There is a special fee already added to Virginians' energy bills that pays for offshore wind, even before a single electron is added to the grid.

The State Corporation Commission understood it had to approve the project under state law but was shocked by the effect it would have on consumers. It recently noted that, "the electricity produced by this Project will be among the most expensive sources of power" in the U.S., whether measured by total capacity created or by actual electricity delivered. It is also the "costliest

A federal judge ruled recently that the Coastal Virginia Offshore Wind project could continue despite the Trump administration's efforts to pause it on national-security grounds. Supporters of the project argue

project being undertaken by a regulated utility in the United States."

The state expected the cost of construction at about \$10 billion, but once financing and other long-term costs are included, the total will be more than \$20 billion. As the state notes, "all of these costs . . . will find

power whenever needed. It will make the most power in spring and fall, when demand is lowest, and the least in summer afternoons, when demand is highest. Since Virginia's offshore winds are weak, the company itself noted that the project would typically produce less than half its full power capacity.

Whatever the outcome of the legal cases surrounding CVOW, pausing the project at this point won't lower costs, because the state regulator has already baked them into bills. But the Trump administration can at least stop the problem from getting worse. Under state laws, Dominion is supposed to double the size of the CVOW project. Ms. Spanberger is pushing offshore wind projects as part of her "affordability" agenda. If the Trump administration stops such boondoggles, it will ensure actual affordability for Virginians.

A judge overrules Trump's effort to cancel an offshore wind project that will cost more than \$20 billion.

their way into ratepayers' electric bills." These costs don't include the billions of dollars in federal tax credits for the project, provided by taxpayers across the nation.

Dominion now claims the project will reduce customers' bills by reducing the amount of outside renewable energy the utility will need to purchase under state law. But mandating renewable energy is exactly what created expensive projects like the CVOW and drove up costs in the first place.

Even for fans of renewable energy, offshore wind is a bad bet. According to the U.S. Energy Information Administration, offshore wind is the most expensive type of energy generation available—besides a type of gas turbine used mainly during emergencies—and is more than twice the cost per megawatt hour of onshore wind. Offshore wind's actual costs are even higher if tax credits aren't included.

The CVOW project is particularly dangerous for customers, because while other utilities have promised to buy power from independent offshore wind companies, Dominion will own the project directly. That means customers face more risk if the project doesn't live up to its potential.

One of the few defenses that the state can offer energy consumers is that the project will make up for lost sources of power. But power has been lost because the Virginia Clean Economy Act mandated that several fossil-fuel generators shut down.

Unlike the fossil-fuel plants, the offshore wind farm can't produce

Mr. Glock is director of research at the Manhattan Institute and author of "The Dead Pledge: The Origins of the Mortgage Market and Federal Bailouts, 1913-1939."