



NEWS RELEASE

# Dominion Energy Announces Agreement to Acquire Offshore Wind Lease From Avangrid For Potential Future Regulated Generation Development

2024-07-08

- 40,000-acre lease, currently known as Kitty Hawk North Wind, will be renamed CVOW-South and could support 800 MW of offshore wind generation capacity in the 2030s
- Acquisition provides optionality to deploy additional regulated offshore wind generation to serve unprecedented electric demand growth using all-of-the-above approach supportive of goals of Virginia Clean Economy Act
- Transaction value of ~\$160 million consists of lease acquisition (\$117 million) and associated development cost reimbursement (\$43 million) to Avangrid; transaction expected to close in fourth quarter of 2024
- No change to 2024-2029 capital plan provided at March 1, 2024, investor day

RICHMOND, Va., July 8, 2024 /PRNewswire/ -- Virginia Electric and Power Company, a wholly owned subsidiary of Dominion Energy, Inc. (NYSE: D), today announced that it has agreed to acquire the Kitty Hawk North Wind offshore wind lease and associated developments, which will be known as CVOW-South, from Avangrid, Inc. (NYSE: AGR), for approximately \$160 million, inclusive of a payment of about \$3,000 per acre for the nearly 40,000-acre lease.

If approved by regulators and constructed, CVOW-South would have a capacity of 800 MW, enough capacity to serve 200,000 homes and businesses, and the project would connect to the company's transmission grid. The company does not have detailed cost or in-service date estimates at this time. Such estimates would be developed during future development phases.

Robert M. Blue, chair, president and chief executive officer of Dominion Energy, said:

"With electric demand in our Virginia territory projected to double in the next 13 years, Dominion Energy is securing access to power generation resources that ensure we continue to provide the reliable, affordable, and increasingly clean energy that powers our customers every day. This transaction gives our company another potential option to meet that growing demand in a size and on a timeframe that is consistent with the regulated business mix, credit, and risk profile objectives of the recently concluded business review.

"It also allows us to leverage the unique expertise we've gained during the very successful development and construction to date of the Coastal Virginia Offshore Wind (CVOW) commercial project, which reduces project risk to the benefit of customers and shareholders. The Virginia model for regulated offshore wind development is proving to be an enabler of on-time and on-budget wind generation at exceptional relative value for our customers and is the model we would intend to pursue for any future offshore wind development."

Virginia Electric and Power Company is constructing the 2.6-GW CVOW, located about 25 miles north of the CVOW-South lease. CVOW continues to be on-time and on-budget with in-service expected by the end of 2026. To date, 25 monopiles have been installed since the installation campaign began on May 22, 2024, consistent with the company's target of 70-100 monopiles during the first of two installation seasons that run through the end of October.

The company is aware of the community concerns regarding the proposed landing site in Sandbridge, Va., and is committed to working closely with the community, the Commonwealth of Virginia, and the City of Virginia Beach as it considers this project.

After receipt of necessary approvals from the Bureau of Ocean Energy Management and the City of Virginia Beach, Dominion Energy and Avangrid expect to close the transaction in the fourth quarter of 2024.

### About Dominion Energy

More than 4.5 million customers in 13 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: **D**), headquartered in Richmond, Va. The company is committed to providing reliable, affordable, and increasingly clean energy every day and to achieving Net Zero emissions by 2050. Please visit **DominionEnergy.com** to learn more.

### Forward-Looking Language

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including with respect to the anticipated completion of the CVOW commercial project and closing of the acquisition, and future capacity, of CVOW-South, which are subject to various risks and uncertainties. Factors that could cause actual results to differ from expectations include, but are not limited to, the ability to obtain or maintain the effectiveness of required regulatory approvals or other consents or approvals, the ability, in

the case of CVOW-South, to satisfy other conditions to closing, timely performance by third parties under existing or future contracts, or the occurrence of severe weather events, as well as other factors detailed from time to time in the reports the company files with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2023. Any forward-looking statements in this release speak only as of the date of this release, and the company assumes no obligation to provide any revisions to, or update, these statements after the date of this release.

SOURCE Dominion Energy