City of Chesapeake

The Project

Columbia Gas Transmission, LLC's (TCO) Virginia Reliability Project (VRP or Project) would replace two existing segments of the TCO Pipeline System to ensure reliable and abundant natural gas supply. TCO has been providing energy to the Hampton Roads region for more than 70 years through its existing pipelines. As demand for natural gas rises across the region, these updates will enhance natural gas reliability and help meet the current and future needs for Hampton Roads.

The Project involves replacing approximately 48 miles of 12-inch steel pipe with 24-inch steel pipe along the TCO system. Additionally, upgrades will be completed at the existing Emporia and Petersburg Compressor Stations.

Economic Impact

The project would entail over $696 million in new investment, with construction expected to begin by the second quarter of 2024 and an in-service date of November 2025. The project will also provide a much-needed economic boost to its host communities and Virginia.

- As of March 2021, Virginia was still down 153,594 jobs from where it had been in March 2020 before the full impact of the pandemic came in April.
- As of March 2021, seven of the eight host communities that will benefit from VRP had also yet to fully recover and were still below the e mployment level they enjoyed in March 2020.
- The construction sector, which will be most directly affected by VRP, is frequently a high-paying, economic mainstay in rural communities and proved to be one of the more robust employment sectors during the pandemic.

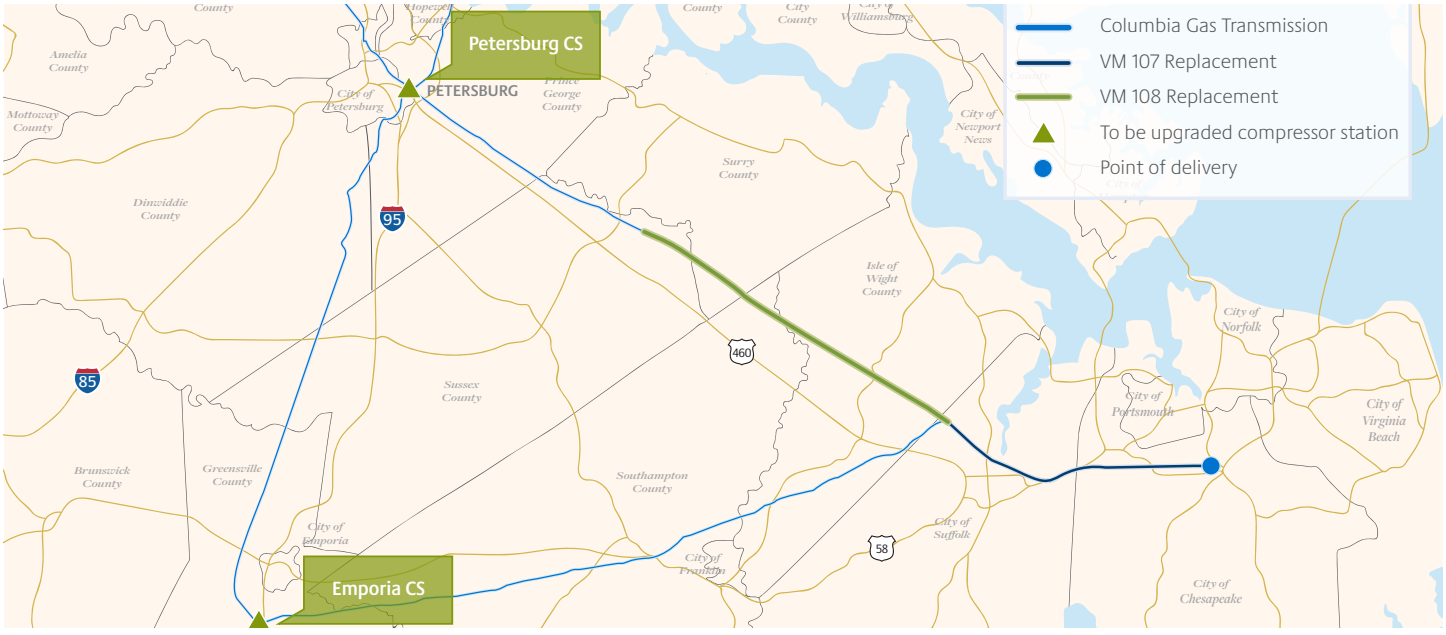
VRP would provide a significant economic contribution to the Commonwealth, including an estimated one-time pulse of economic activity during construction that would support approximately:

- 3,635 jobs
- $194.5 million in associated labor income
- $562.6 million in economic output
- $7.7 million in local tax revenue
- $8.6 million in state tax revenue

City of Chesapeake Impact

VRP would provide an estimated one-time pulse of economic activity to the City of Chesapeake during construction that would support approximately:

- 831 jobs
- $48.0 million in associated labor income
- $133.4 million in economic output
- $1.8 million in one-time local tax revenue from construction
- $1.0 million in ongoing annual net local tax revenue from property tax



TC Energy

Hampton Roads Impact

VRP would also provide additional benefits to Hampton Roads.

- **VRP would reduce the risk of inadequate or unstable supplies of natural gas for future commercial, industrial and residential development in Hampton Roads.** With current transmission lines at or near capacity, meeting increased customer demand will require an expansion of existing transmission infrastructure.

- Natural gas is also a key source of power, heat, and in some cases a production input, for the manufacturing sector and manufacturing is a key component of Hampton Roads' economy. **In addition to being home to one of the largest shipbuilders in North America, Hampton Roads is also home to many other manufacturers.**

- Manufacturing is particularly vulnerable to instability in natural gas supplies. Unlike residential customers, many manufacturers are classified as "interruptible" customers by natural gas suppliers, which means if there is a supply shortage, they are the first to be cut off.

- **Inadequate supplies of natural gas for manufacturing could also negatively impact Hampton Road's goal to become a hub for offshore wind development.**

It is widely recognized that Dominion Energy's 2.6 GW Coastal Virginia Offshore Wind (CVOW) project provides Hampton Roads with a unique opportunity to become the hub for offshore wind development on the east coast. VRP will solve for the energy needs required to support Hampton Roads' green manufacturing future.

- In 2020, Mangum Economics was contracted by the Hampton Roads Alliance to perform an analysis of what that could mean for Hampton Roads.

- That analysis identified blade manufacturers, turbine tower manufacturers, and offshore substation manufacturers as the most likely industries to construct facilities in Hampton Roads as part of the wind energy supply chain.

- **The analysis also showed that if those industries were to locate in Hampton Roads, the economic impact on the region could be up to 4,900 jobs, $250 million in wages, and $690 million in economic output for every 1 GW of offshore wind development supported from the region.**

- Importantly, however, each of those industries is to some extent dependent on available supplies of natural gas, which means that the jobs, wages, and economic activity they could potentially provide are as well.

- **Since the last significant capacity investment in Hampton Roads 30 years ago, Hampton Roads local distribution company Virginia Natural Gas (VNG) has seen more than 73% growth in the number of customers.** VRP will help VNG address the region's need for reliable and resilient energy to meet this organic growth in energy demand as well as support new economic development opportunities in southeast Virginia. With energy systems that are already fully subscribed and operating at their capacity, these enhancements to existing assets will help make certain that VNG can support the needs of its customers throughout Hampton Roads now and in the future.