



Investor Relations | Smithfield Foods USA, Global Food Company

Dominion Energy and Smithfield Foods Partner to Transform the Future of Sustainable Energy

Dominion Energy and Smithfield Foods form joint venture, Align Renewable Natural Gas (RNG)SM

Initial projects announced in North Carolina, Virginia and Utah will capture waste methane from hog farms and convert it into renewable natural gas to heat homes and power local industries

Transformational partnership will dramatically reduce methane emissions from the agriculture and energy industries in support of state greenhouse gas reduction initiatives

RNG enhances fuel diversity for natural gas utilities and provides a waste management solution and new revenue stream for family farmers

RICHMOND, Va. and SMITHFIELD, Va., Nov. 27, 2018 (GLOBE NEWSWIRE) -- Dominion Energy and Smithfield Foods, Inc. are joining forces in an historic initiative to transform the future of sustainable energy and agriculture, announcing their first projects in North Carolina, Virginia and Utah. The companies are forming a joint venture called Align Renewable Natural Gas (RNG)SM that will capture methane emissions from hog farms and convert them into clean renewable energy for residential home heating and power for local businesses.

“At Smithfield, we recognize true, enduring sustainability initiatives require collaboration with other proven innovators who share a similar vision,” said Kenneth M. Sullivan, president and chief executive officer of Smithfield Foods. “Dominion Energy is one such proven innovator and we are proud to partner with them in our longstanding pursuit of renewable energy. Align RNG is part of our [nationwide expansion of Smithfield Renewables](#), innovative projects designed to help meet our goal to reduce our greenhouse gas emissions 25 percent by 2025.”

By capturing methane that would otherwise be released into the atmosphere, the use of RNG leads to a significant reduction in methane emissions from the agriculture and energy industries.

Reducing Greenhouse Gas Emissions

RNG is produced from the methane generated from hog or dairy farms, landfills, wastewater treatment plants and food processing facilities. Capturing the methane from hog farms reduces the use of traditionally-sourced natural gas and keeps greenhouse gas from entering the atmosphere. It can be stored and delivered to homes and businesses through existing natural gas infrastructure, making it a cost-effective, renewable option.

The new joint venture will leverage Smithfield’s relationships with contract farmers, who raise and care for its hogs, and the decades the company has spent studying and perfecting the commercial viability of ‘manure-to-energy’ projects. Using a technology known as anaerobic digestion, the projects will capture and process methane from large clusters of Smithfield’s company-owned and contract hog farms. Once collected at the farms, the natural gas will then be transported to a central conditioning facility where it will be converted into RNG.

“Our companies recognize the urgent need to reduce greenhouse gas emissions for the future of our planet. RNG is an innovative and proven way to dramatically reduce greenhouse gas emissions from the agriculture industry by converting it into clean renewable energy,” said Thomas F. Farrell, II, chairman, president and chief executive officer of Dominion Energy. “RNG is considered carbon-negative because it captures significantly more greenhouse gas emissions than are released from its end use in homes and businesses.”

Supporting Virginia and North Carolina's Greenhouse Gas Initiatives

Governor Ralph Northam and Governor Roy Cooper have recently announced historic initiatives to significantly lower greenhouse gas emissions in Virginia and North Carolina over the next decade. RNG will play an important role in supporting these initiatives and help both states achieve their ambitious greenhouse gas reduction targets. Because methane is at least 25 times more potent than CO₂ as a greenhouse gas, reducing methane can have a more dramatic impact on the environment than other carbon reduction initiatives.

"Across our electric and natural gas fleets, Dominion Energy is becoming a national leader in sustainable energy," said Farrell. "On the electric side, we are one of only three utilities in the nation to reduce its carbon intensity by more than 40 percent in the last decade. On the natural gas side, as an industry leader on methane reduction programs, we have already saved more than 10 billion cubic feet of methane emissions. We have made tremendous progress, but we recognize we need to do more. RNG will build on the progress we've made and accelerate our momentum toward a sustainable energy future."

"This partnership with two leading Virginia based companies shows the power of Virginia's largest industry—agriculture—to promote cleaner energy, sustainable family farms, and a brighter future for rural communities here in the Commonwealth and nationwide," said Bettina K. Ring, Virginia Secretary of Agriculture and Forestry.

"I'm excited about the technological advances for capturing methane that escapes into the atmosphere from farms," said Utah Governor Gary R. Herbert. "That methane—which we call renewable natural gas—can be used to heat our homes, generate low-carbon electricity and drive industry. This bodes well for Utah's environmental health and economic development."

Global Industry Leaders Bring Resources, Expertise & Economies of Scale

As global leaders in the energy and agriculture industries, Dominion Energy and Smithfield have the resources, expertise and market access to expand this proven technology on a wide scale across the region. The companies are jointly investing at least \$250 million in this initiative over the next decade with initial application on 90 percent of Smithfield's finishing spaces in North Carolina and Utah. In addition to these states, projects will be implemented in Virginia and have the potential for wider-scale application across the country.

"With a longstanding commitment to sustainability, and through considerable research and exploration of ways to transform manure into energy for many years, we are well-positioned to make unprecedented and revolutionary progress that will positively impact the future of the agriculture and energy industries," said Sullivan.

Building on the success of Smithfield's [Optima KV pilot project](#), the new joint venture will immediately expand the program to two larger farm clusters in Duplin and Sampson Counties, North Carolina; Waverly, Virginia; and Milford, Utah. Construction of these facilities is expected to begin in late 2018 with the first projects scheduled to be in-service in late 2019.

Renewable Meets Reliable – Renewable Energy You Can Depend On

RNG provides energy 24/7, 365 days a year and can be used on-demand to meet the real-time needs of homes, businesses, utilities and manufacturers.

"With this transformational partnership, we are combining the environmental benefits of renewables with the reliability of natural gas to meet the around-the-clock clean energy needs of consumers and businesses," said Farrell.

New Revenue Stream for Family Farmers & Enhanced Protection from Storm Events

RNG will provide a new revenue stream for family farmers. In fact, the initiative will turn one of farmers' largest costs into a new revenue source. Farmers who participate in the program will be paid for the energy their farms produce through long-term contracts.

"This project is a true win-win for all involved and reflects Smithfield's innovative, value-driven approach to sustainability," said Sullivan.

RNG facilities will also help protect hog farm lagoons from storm-related damage. In addition to converting 'manure-to-energy,' the covered lagoon digesters mitigate potential issues associated with severe rain events such as hurricanes. Covered lagoon digesters prevent rain from entering the lagoon during severe weather events providing enhanced environmental protection.

For more information about Align RNG, visit alignrng.com.

About Dominion Energy

Nearly 6 million customers in 19 states energize their homes and businesses with electricity or natural gas from Dominion Energy, headquartered in Richmond, Va. The company is committed to sustainable, reliable, affordable, and safe energy and is one of the nation's largest producers and transporters of energy with over \$80 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution, and import/export services. As one of the nation's leading solar operators, the company intends to reduce its carbon intensity 50 percent by 2030. Through its [Dominion Energy Charitable Foundation](#), as well as [EnergyShare](#) and other programs, Dominion Energy plans to contribute more than \$30 million in 2018 to community causes throughout its footprint and beyond. Please visit www.DominionEnergy.com, Facebook or Twitter to learn more.

About Smithfield Foods

Smithfield Foods is a \$15 billion global food company and the world's largest pork processor and hog producer. In the United States, the company is also the leader in numerous packaged meats categories with popular brands including Smithfield®, Eckrich®, Nathan's Famous®, Farmland®, Armour®, Farmer John®, Kretschmar®, John Morrell®, Cook's®, Gwaltney®, Carando®, Margherita®, Curly's®, Healthy Ones®, Morliny®, Krakus®, and Berlinki®. Smithfield Foods is committed to providing good food in a responsible way and maintains robust animal care, community involvement, employee safety, environmental and food safety and quality programs. For more information, visit www.smithfieldfoods.com, and connect with us on [Facebook](#), [Twitter](#), and [LinkedIn](#).

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