

HOUSE BILL NO. 1430

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Commerce and Energy

on _____)

(Patron Prior to Substitute--Delegate Ware)

A BILL to direct the State Corporation Commission to develop and implement a pilot program for eligible customer exemptions in energy-intensive trade-exposed industries.

Be it enacted by the General Assembly of Virginia:

1. § 1. Notwithstanding any other provision of law, the State Corporation Commission (the Commission) shall develop and implement a pilot program under which energy-intensive trade-exposed (EITE) industries are exempt from all or a portion of non-bypassable charges related to the requirements of §§ 56-585.1:11 and 56-585.5 of the Code of Virginia. The pilot program shall be known as the EITE Pilot Program (the Program) and shall be designed to exempt eligible customers within EITE industries from all or a portion of the non-bypassable charges imposed pursuant to §§ 56-585.1:11 and 56-585.5 of the Code of Virginia by a Phase I or Phase II Utility. The Commission may consider the proposed federal American Clean Energy and Security Act of 2009 and other relevant programs as guidance in establishing the parameters of the Program.

The Program shall commence no later than January 1, 2024, and the aggregate participating customer load shall not exceed 40 megawatts for a Phase I Utility and shall not exceed 200 megawatts for a Phase II Utility. The load of any customer participating in the Program shall be excluded from the definition of "total electric energy" as such term is defined in § 56-585.5 of the Code of Virginia.

The Commission shall accept petitions by eligible customers to participate in the Program during a 60-day application period following the Program's commencement. The Commission shall allow participation in the Program based on a showing by the applicant and determination by the Commission that such participation would further the public interest in job creation or retention or other economic benefits to the Commonwealth, taking into consideration the impact of the Program on charges to

27 nonparticipating customers, as well as the benefits to nonparticipating customers of retaining the EITE
28 industries applicant load in rate base and the benefits of retaining the EITE industries applicant load in the
29 tax base for state and local governments. The Commission, in its discretion, may allow partial or full
30 exemption from the applicable non-bypassable charges for an eligible customer and may allow such
31 exemption for a portion or all of the eligible customer's electric load, based on such customer's load during
32 the most recent calendar year preceding the date on which the customer is accepted into the Program, and
33 as thereafter updated on an annual basis. The Commission shall rule upon such petitions within four
34 months of the termination of the application period and may provide further application periods subject to
35 the Program's aggregate participating customer load cap.

36 On or before March 31, 2025, and annually thereafter, the Commission shall submit a report and
37 make recommendations to the Governor and to the Chairmen of the House Committee on Commerce and
38 Energy and the Senate Committee on Commerce and Labor, or to the Chairmen of any successor
39 committees, regarding the status of the Program.

40 Any customer served by a competitive service provider pursuant to § 56-577 of the Code of
41 Virginia shall not be eligible to participate in the Program. However, the parameters of the Program shall
42 provide that the Commission may waive any advance notice requirements for any such customer to return
43 to full requirements service by a Phase I or Phase II Utility if the Commission finds the retail customers
44 of such utility will not be adversely affected pursuant to subdivision A 3 of § 56-577 of the Code of
45 Virginia. Upon such return to service, the customer shall be eligible to participate in the Program, except
46 that any customer of a Phase II Utility that is subject to subsection H of § 56-585.5 of the Code of Virginia
47 shall not be eligible to participate in the Program.

48 For the purposes of this act:

49 "Energy-intensive trade-exposed industries" or "EITE industries" means large private sector
50 manufacturing companies, classified within North American Industry Classification System Sector 31-33,
51 that are constrained in their ability to pass through costs related to a transition to generation of electricity
52 from renewable sources due to domestic or international competition, importation of products that cause
53 emission leakage, or fixed-price manufacturing contracts for the federal government.

54 "Phase I Utility" and "Phase II Utility" have the same meaning as provided in subsection A of §
55 56-585.1 of the Code of Virginia.

56 **2. That the provisions of this act shall expire on July 1, 2029.**

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