

SENATE BILL NO. 276

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor

on \_\_\_\_\_)

(Patron Prior to Substitute--Senator Hashmi)

A BILL to require the State Corporation Commission to study the feasibility of an energy upgrade program for Phase I and Phase II Utilities; work group; report.

**Be it enacted by the General Assembly of Virginia:**

1. § 1. A. That the State Corporation Commission (the Commission) shall convene a work group to study the feasibility of the implementation of an energy upgrade program for eligible customers opting to participate by each Phase I Utility and Phase II Utility that would permit such utility to (i) install one or more energy projects at a participant's location and (ii) collect a special rate from such participant to repay the costs of such installation. The work group shall include such stakeholders as the Commission deems necessary to determine whether the implementation of such program is feasible. The Commission shall (a) issue a determination of whether the implementation of such program is feasible under the terms provided in this act and (b) report such determination, along with the findings and recommendations of the work group, to the Chairmen of the House Committee on Labor and Commerce, the Senate Committee on Commerce and Labor, and the Commission on Electric Utility Regulation by November 1, 2024.

B. As used in this act:

"Eligible customer" means a customer of an electric utility that (i) owns the property at which such customer receives utility service or (ii) rents the property at which such customer receives utility service, pays all or some of the regular bill for the utility service, and has the written permission of the property owner to participate in a utility's program.

"Energy project" means a project designed to impact the efficiency of energy usage at a participant's location, including the addition of renewable energy generation systems such as solar projects, energy efficiency improvements, energy storage systems, and demand response equipment.

27 "Energy upgrade program" or "program" means an inclusive utility investment program offered  
28 by a utility in which such utility installs energy projects at a participant's location and collects a special  
29 rate from such participant to repay the costs of such installation.

30 "Participant" means an eligible customer that elects to participate in a utility's energy upgrade  
31 program.

32 "Phase I Utility" and "Phase II Utility" have the same meaning as provided for those terms in  
33 subdivision A 1 of § 56-585.1 of the Code of Virginia.

34 "Reasonable rate of return" means the utility's weighted average cost of capital.

35 "Special rate" means a rate established in accordance with § 56-235.2 of the Code of Virginia in a  
36 schedule established by a utility to recover its costs incurred in offering one or more energy projects and  
37 a reasonable rate of return on such costs.

38 "Special rate charge" means a monthly or other regular charge that is associated with one or more  
39 energy projects and that a participant pays to a utility pursuant to a special rate. Such special rate charge  
40 shall not exceed 80 percent of a participant's estimated first-year cost savings under utility rates in place  
41 at the time of installation. The term of cost recovery for an installed upgrade shall not exceed 80 percent  
42 of the estimated lifespan of such upgrade.

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