

SENATE BILL NO. 137

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor

on _____)

(Patron Prior to Substitute--Senator Carroll Foy)

A BILL to amend the Code of Virginia by adding a section numbered 56-581.2, relating to electric utilities; State Corporation Commission; energy policy of the Commonwealth.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-581.2 as follows:

§ 56-581.2. Commission duty regarding the energy policy of the Commonwealth.

A. The Commission shall have the affirmative duty to ensure the Commonwealth implements the energy policy of the Commonwealth pursuant to Article 3 (§ 45.2-1705 et seq.) of Chapter 17 of Title 45.2 in a manner that maintains a reliable and adequate supply of electricity to meet a utility's projected native load obligations and to promote economic development at the lowest reasonable cost, taking into account all cost-effective demand-side management options and the security and reliability benefits of the regional transmission entity that each incumbent electric utility has joined pursuant to § 56-579. There shall be a rebuttable presumption that petitions for (i) integrated resource plans submitted pursuant to Chapter 24 (§ 56-597 et seq.), (ii) renewable portfolio standard program compliance plans submitted pursuant to § 56-585.5, (iii) cost recovery submitted pursuant to § 56-585.1, (iv) certificates of public convenience and necessity submitted pursuant to subsection D of § 56-580, or (v) any other proposals from utilities that do not ensure such implementation at the lowest reasonable cost are not in the public interest. The Commission shall resolve any ambiguity or exercise its discretion in such implementation in a manner that achieves the lowest reasonable cost for ratepayers.

B. Notwithstanding any other provision of law, in acting upon a request by a Phase I or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1, for cost recovery for any electric generating facility that has not received approval for construction prior to July 1, 2024, the Commission

27 may impose any requirement it determines is appropriate to protect customers from unreasonable
28 development, construction, or operational risks. If an electric utility abandons construction of an electric
29 generating facility before such facility commences commercial operations, the Commission shall ensure
30 that such utility does not recover from customers any costs associated with such construction.

31 C. In any proceeding involving generation, transmission, or distribution investments to meet an
32 identified need, the Commission shall determine whether such need is limited to a specific geographic
33 area. If such need is geographically limited, the Commission shall determine whether the proposed
34 investment is the most cost-effective, taking into account all associated generation, transmission, or
35 distribution system investments that will also be necessary to address such identified need. In making its
36 determination, the Commission shall investigate whether there are potentially lower-cost, equally effective
37 solutions, including demand-side management options, non-wires alternatives, grid enhancing
38 technologies, energy storage solutions, or other potential options suitable to such geographic area. The
39 Commission shall only approve an investment that the Commission finds, in its discretion, meets the
40 identified need at the lowest reasonable cost, taking into account all associated generation, transmission,
41 or distribution system investments that will be necessary to address such identified need.

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