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SENATE BILL NO. 137

Offered January 10, 2024

Prefiled January 5, 2024

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.*

Patron—Carroll Foy; Delegate: Ware

Referred to Committee on Commerce and Labor

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

C. *In any proceeding involving proposed electrical generation projects, in determining whether such proposal meets an identified need at the lowest reasonable cost, the Commission shall also consider (i) any associated transmission or distribution costs necessary to meet such identified need and (ii) whether alternative demand-side management, energy storage, or electric generating solutions could more cost-effectively meet such identified need.*

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