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HOUSE BILL NO. 2087

Offered January 13, 2025

Prefiled January 7, 2025

A BILL to amend the Code of Virginia by adding sections numbered 56-1.2:2 and 56-581.2 and to repeal § 56-585.1:13 of the Code of Virginia, relating to electric utilities; electric vehicle charging stations; transportation electrification.

Patrons—Shin, Bennett-Parker, Clark, Convirs-Fowler, Cousins, Glass, Maldonado, Sullivan and Tran; Senator: Salim

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 56-1.2:2 and 56-581.2 as follows:

§ 56-1.2:2. Electric vehicle fast-charging stations.

A. As used in this section, unless the context requires a different meaning:

"Fast-charging station" means a charging system capable of delivering at least 50 kilowatts of direct current electrical power to an electric vehicle's rechargeable battery at a voltage of 200 volts or greater.

"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

B. Effective January 1, 2028, a Phase I or Phase II Utility may develop, own, maintain, or operate public-facing fast-charging stations only at or beyond a radial distance, as determined by the Commission, relative to the location of any privately owned fast-charging station that is already in commercial operation or has a pending building permit or interconnection request as of July 1, 2027. Such radial distance shall be determined by the Commission pursuant to a rulemaking proceeding initiated by June 1, 2027, with a final order entered no later than December 1, 2027.

§ 56-581.2. Transportation electrification.

A. As used in this section, unless the context requires a different meaning:

"Electrical distribution infrastructure" means equipment, structures, and associated engineering and civil construction work designed to support electric vehicle charging stations, including poles, vaults, service drops, transformers, mounting pads, trenching, conduit, wire, cable, meters, and other necessary equipment.

"Fast-charging station" has the same meaning as provided in § 56-1.2:2.

"Historically economically disadvantaged community" has the same meaning as provided in § 56-576.

"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

"Rural community" means a city with a population density of less than 1,470 people per square mile or a county with a population density of less than 160 people per square mile.

"Transportation electrification" means the use of electricity from external sources to power all or part of passenger vehicles, trucks, buses, trains, boats, or other equipment that transport materials, goods, or people.

B. The Commission shall require each Phase I and Phase II Utility to maintain an accurate and full accounting of all expenses related to electrical distribution infrastructure as it relates to this section.

C. A Phase I or Phase II Utility may file a proposed tariff or rule with the Commission to provide utility-owned and utility-operated electrical distribution infrastructure between the main overhead or underground lines and the customer electrical revenue meter available to customers installing separately metered infrastructure to support electric vehicle charging stations, other than those in single-family residences. The Commission shall approve and authorize or modify and approve such tariff or rule within six months after filing. Such proposal and such tariff or rule shall provide that related costs incurred by such utility shall be tracked and reported separately and shall be eligible for cost recovery, at the utility's election, pursuant to the utility's rates for generation and distribution services or through a rate adjustment clause approved pursuant to subdivision A 6 of § 56-585.1. In any proceeding in which the Commission reviews such costs, such costs shall be evaluated by the same standards as costs incurred for other necessary and essential distribution infrastructure. Customers may elect to take service under such a tariff or rule as an alternative to taking service under existing line extension rules. The provisions of this section shall not modify any arrangements for contribution in aid of construction or other agreements in effect prior to the effective date of the rule or tariff.

D. By November 15, 2025, and every two years thereafter, each Phase I and Phase II Utility shall file applications to accelerate widespread transportation electrification across the Commonwealth in a manner designed to maximize ratepayer benefits. The Commission shall, after notice and opportunity for hearing,

58 determine whether to approve and authorize, modify and approve, or reject such transportation
59 electrification plan application within eight months of the application's filing date. At least 35 percent of such
60 proposed costs of utility programs to accelerate widespread transportation electrification shall be allocated
61 to programs designed to benefit rural communities and historically economically disadvantaged
62 communities. Such transportation electrification plan applications may include:

63 1. Programs to incentivize and facilitate the deployment of electric vehicle charging infrastructure for
64 light-duty, medium-duty, and heavy-duty vehicles;

65 2. Rate designs and programs that encourage transportation electrification, support the efficient
66 operation of the electric grid, facilitate fuel cost savings, and support various categories of vehicles and
67 charging use cases, including public level 2 and direct-current fast-charging, workplace charging,
68 residential charging for single-family and multifamily dwellings, fleet and depot charging, non-road
69 industrial areas including ports, and charging for medium-duty and heavy-duty vehicles; and

70 3. Targeted and broad customer education and outreach programs that increase the awareness of related
71 customer incentives and the ratepayer benefits of transportation electrification.

72 E. In considering applications filed pursuant to subsection D, the Commission shall consider whether the
73 proposed investments, incentives, programs, rate designs, and expenditures are:

74 1. Reasonably expected to increase access to transportation electrification, including for rural
75 communities and historically economically disadvantaged communities;

76 2. Reasonably expected to provide lower costs to customers and fleet operators who charge electric
77 vehicles taking into account grid demand conditions;

78 3. Reasonably expected to improve the utility's electrical system efficiency, integration of variable
79 resources, operational flexibility, and system utilization during off-peak hours while also mitigating
80 increased peak demand;

81 4. Reasonably expected to expand access to public charging in a manner that does not result with
82 unreasonable competition with companies as defined in § 56-265.1;

83 5. Reasonably expected to improve air quality; and

84 6. Transparent, including the incorporation of public reporting requirements to inform program design
85 and Commission policy.

86 F. By May 15, 2026, each Phase I and Phase II Utility shall submit to the Commission estimates and
87 plans to serve load capacity needs to support transportation electrification and to comply with applicable air
88 quality standards and regulations, and a proposal for a specific rate or set of rates for:

89 1. Electricity used to charge light-duty, medium-duty, and heavy-duty electric vehicles that (i) encourage
90 electric vehicle charging and (ii) support the efficient off-peak utilization of the electric grid; and

91 2. Various categories of vehicles and charging use cases, including as appropriate, public level 2 and
92 direct-current fast-charging, workplace charging, residential charging in single-family and multifamily
93 dwellings, fleet and depot charging, and vehicle-to-grid battery discharge designed to support efficient
94 utilization of the grid including by decreasing peak demand.

95 G. Each Phase I and Phase II Utility shall update the plans and rates established pursuant to subsection
96 F annually, as determined by the utility in its sole discretion to be necessary.

97 H. Consistent with the estimates and plans required by subsection F, a Phase I or Phase II Utility shall
98 propose electrical distribution system investments designed to support electric vehicle charging stations in
99 one or more plans for electric distribution grid transformation filed pursuant to subdivision A 6 of § 56-585.1

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101 2. That § 56-585.1:13 of the Code of Virginia is repealed effective December 1, 2027.

102 3. That no later than June 1, 2027, the State Corporation Commission (the Commission) shall initiate a
103 rulemaking proceeding pursuant to § 56-1.2:2 of the Code of Virginia, as created by this act, to
104 determine the appropriate radial distance between privately owned fast-charging stations that are
105 already in commercial operation or have a pending building permit or interconnection request as of
106 July 1, 2027, and fast-charging stations owned, maintained, or operated by the Phase I or Phase II
107 Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia. In
108 determining such radial distance, the Commission shall consider the policy of the Commonwealth,
109 pursuant to Chapter 268 of the Acts of Assembly of 2021, Special Session I, to promote, to the greatest
110 extent possible, private competition and investment in transportation electrification and to enable
111 public utilities and the public sector to complement such private investment where most effective. In
112 conducting such proceeding, the Commission's review shall include (i) an analysis of the adequacy of
113 electric vehicle charging infrastructure throughout the Commonwealth and how equitably such
114 infrastructure is distributed; (ii) a consideration of the impact of any federal grants or loans made to
115 provide electric vehicle charging infrastructure in the Commonwealth; (iii) minimum requirements for
116 fast-charging equipment, including adherence to universal design guidelines and the minimum number
117 of privately owned fast-charging stations by a Phase I or Phase II Utility within the radial distance
118 determined by the Commission; (iv) a consideration of similar radial distance arrangements or

119 determinations made in other states with vertically integrated utilities; and (v) any other issues deemed
120 relevant by the Commission. The Commission shall enter its final order no later than December 1,
121 2027.

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HB2087