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HOUSE BILL NO. 2281

Offered January 13, 2025

Prefiled January 8, 2025

A BILL to amend and reenact § 56-589 of the Code of Virginia, relating to electric utilities; municipal and state power aggregation; State Corporation Commission.

Patron—McNamara

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:**1. That § 56-589 of the Code of Virginia is amended and reenacted as follows:****§ 56-589. Municipal and state aggregation.**

A. ~~Subject to the provisions of subdivision A 3 of § 56-577, counties~~ *Counties*, cities, and towns (hereafter municipalities) and other political subdivisions of the Commonwealth may, at their election and upon authorization by majority votes of their governing bodies, aggregate electrical energy and demand requirements for the purpose of negotiating the purchase of electrical energy requirements from any licensed supplier within ~~this the~~ *the* Commonwealth, as follows:

1. Any municipality or other political subdivision of the Commonwealth may aggregate the electric energy load of residential, commercial, and industrial retail customers within its boundaries *not already being served by a licensed supplier* on an opt-in or opt-out basis.

2. Any municipality or other political subdivision of the Commonwealth may aggregate the electric energy load of its governmental buildings, facilities, and any other governmental operations requiring the consumption of electric energy. Aggregation pursuant to this subdivision shall not require licensure pursuant to § 56-588.

3. Two or more municipalities or other political subdivisions within the Commonwealth may aggregate the electric energy load of their governmental buildings, facilities, and any other governmental operations requiring the consumption of electric energy. Aggregation pursuant to this subdivision shall not require licensure pursuant to § 56-588 when such municipalities or other political subdivisions are acting jointly to negotiate or arrange for themselves agreements for their energy needs directly with licensed suppliers or aggregators.

Nothing in this subsection shall prohibit the Commission's development and implementation of pilot programs for opt-in, opt-out, or any other type of municipal aggregation, as provided in § 56-577.

B. The Commonwealth, at its election, may aggregate the electric energy load of its governmental buildings, facilities, and any other government operations requiring the consumption of electric energy for the purpose of negotiating the purchase of electricity from any licensed supplier within the Commonwealth. Aggregation pursuant to this subsection shall not require licensure pursuant to § 56-588.

C. Nothing in this section shall preclude municipalities from aggregating the electric energy load of their governmental buildings, facilities and any other governmental operations requiring the consumption of electric energy for the purpose of negotiating rates and terms, and conditions of service from the electric utility certificated by the Commission to serve the territory in which such buildings, facilities and operations are located, provided, however, that no such electric energy load shall be aggregated for this purpose unless all such buildings, facilities and operations to be aggregated are served by the same electric utility.

2. That the State Corporation Commission may promulgate any rules or regulations as it deems necessary to implement the provisions of subdivision A 1 of § 56-589 of the Code of Virginia, as amended by this act, to ensure that the provisions of this act do not create an unreasonable shifting of costs to customers that are not participating in the retail purchase of electricity pursuant to § 56-577 of the Code of Virginia or § 56-589 of the Code of Virginia, as amended by this act.

3. That the State Corporation Commission shall ensure that in all integrated resource plans submitted pursuant to Chapter 24 (§ 56-597 et seq.) of Title 56 of the Code of Virginia and cost recovery proceedings conducted pursuant to § 56-585.1 of the Code of Virginia no incumbent electric utility is improperly incorporating the loads of retail electric customers into its forecasts or load projections.

INTRODUCED

HB2281