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1 **HOUSE BILL NO. 2281**

2 Offered January 13, 2025

3 Prefiled January 8, 2025

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

6 Patron—McNamara

7 Referred to Committee on Labor and Commerce

8 **Be it enacted by the General Assembly of Virginia:**9 **1. That § 56-589 of the Code of Virginia is amended and reenacted as follows:**10 **§ 56-589. Municipal and state aggregation.**11 A. Subject to the provisions of subdivision A 3 of § 56-577, counties *Counties*, cities, and towns
12 (hereafter municipalities) and other political subdivisions of the Commonwealth may, at their election and
13 upon authorization by majority votes of their governing bodies, aggregate electrical energy and demand
14 requirements for the purpose of negotiating the purchase of electrical energy requirements from any licensed
15 supplier within *this the Commonwealth*, as follows:16 1. Any municipality or other political subdivision of the Commonwealth may aggregate the electric
17 energy load of residential, commercial, and industrial retail customers within its boundaries *not already being*
18 *served by a licensed supplier* on an opt-in or opt-out basis.19 2. Any municipality or other political subdivision of the Commonwealth may aggregate the electric
20 energy load of its governmental buildings, facilities, and any other governmental operations requiring the
21 consumption of electric energy. Aggregation pursuant to this subdivision shall not require licensure pursuant
22 to § 56-588.23 3. Two or more municipalities or other political subdivisions within the Commonwealth may aggregate
24 the electric energy load of their governmental buildings, facilities, and any other governmental operations
25 requiring the consumption of electric energy. Aggregation pursuant to this subdivision shall not require
26 licensure pursuant to § 56-588 when such municipalities or other political subdivisions are acting jointly to
27 negotiate or arrange for themselves agreements for their energy needs directly with licensed suppliers or
28 aggregators.29 Nothing in this subsection shall prohibit the Commission's development and implementation of pilot
30 programs for opt-in, opt-out, or any other type of municipal aggregation, as provided in § 56-577.31 B. The Commonwealth, at its election, may aggregate the electric energy load of its governmental
32 buildings, facilities, and any other government operations requiring the consumption of electric energy for the
33 purpose of negotiating the purchase of electricity from any licensed supplier within the Commonwealth.
34 Aggregation pursuant to this subsection shall not require licensure pursuant to § 56-588.35 C. Nothing in this section shall preclude municipalities from aggregating the electric energy load of their
36 governmental buildings, facilities and any other governmental operations requiring the consumption of
37 electric energy for the purpose of negotiating rates and terms, and conditions of service from the electric
38 utility certificated by the Commission to serve the territory in which such buildings, facilities and operations
39 are located, provided, however, that no such electric energy load shall be aggregated for this purpose unless
40 all such buildings, facilities and operations to be aggregated are served by the same electric utility.41 **2. That the State Corporation Commission may promulgate any rules or regulations as it deems
42 necessary to implement the provisions of subdivision A 1 of § 56-589 of the Code of Virginia, as
43 amended by this act, to ensure that the provisions of this act do not create an unreasonable shifting of
44 costs to customers that are not participating in the retail purchase of electricity pursuant to § 56-577 of
45 the Code of Virginia or § 56-589 of the Code of Virginia, as amended by this act.**46 **3. That the State Corporation Commission shall ensure that in all integrated resource plans submitted
47 pursuant to Chapter 24 (§ 56-597 et seq.) of Title 56 of the Code of Virginia and cost recovery
48 proceedings conducted pursuant to § 56-585.1 of the Code of Virginia no incumbent electric utility is
49 improperly incorporating the loads of retail electric customers into its forecasts or load projections.**

INTRODUCED

HB2281