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HOUSE BILL NO. 2699

Offered January 16, 2025

A BILL to amend the Code of Virginia by adding a section numbered 56-265.4:8, relating to natural gas utilities; retail supply choice; work group; report.

Patron—O'Quinn

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 a section numbered 56-265.4:8 as follows:

§ 56-265.4:8. Retail supply choice for utility gas service.

A. As used in this section:

"Natural gas utility" means an investor-owned public service company engaged in the business of furnishing natural gas service to the public.

"Public entity" means the Commonwealth and any agency or authority thereof, any county, city, or town, and any other political subdivision of the Commonwealth, any public body politic and corporate, or any regional entity that serves a public purpose.

B. Every person who desires (i) natural gas service and (ii) retail natural gas supply choice, as provided in § 56-235.8, shall have the right to acquire such service and natural gas supply from the natural gas utility authorized to provide natural gas service in the certificated area where natural gas service will be received.

C. Every person who desires to obtain non-utility gas service shall have the right to obtain such service from a non-utility gas service provider pursuant to the provisions of § 56-265.4:6.

D. No public entity shall enact an ordinance or resolution or promulgate or impose any building code, contractual provision, or other requirement that limits, prohibits, has the effect of prohibiting, or prevents residential, commercial, or industrial customers within its boundaries from acquiring or using the following:

1. Natural gas utility service;

2. Supply of natural gas from a natural gas utility or natural gas supplier in accordance with § 56-235.8;

or

3. Non-utility gas service in accordance with § 56-265.4:6, including nonjurisdictional propane service.

E. No public entity requiring the issuance of a building permit shall deny a permit application based solely on the utility provider proposed to serve the project. A public entity issuing a building permit shall ensure that all applicable permits and fees (i) contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and (ii) do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is authorized to provide service.

F. Nothing in this section shall be construed either to limit a natural gas utility's ability to provide service to new customers or to require a natural gas utility to provide an extension of facilities that is not economic under the terms of its tariff.

2. That the Department of Energy shall convene a work group to evaluate the Commonwealth's critical infrastructure sectors' usage of fuel for energy and feedstock and impact on jobs, capital investments, affordability, and state and local revenue. The work group shall assess (i) the impact of the Commonwealth's critical infrastructure sectors on natural gas service or retail natural gas supply choice as provided in existing law and individually metered propane service or non-utility gas service in accordance with existing law and (ii) the impact of any public entity, as defined in § 56-265.4:8 of the Code of Virginia, as created by this act, enacting an ordinance, resolution, building code, contractual provision, fee, permit, or other requirement that limits, prohibits, has the effect of prohibiting, or prevents critical infrastructure sectors within its territory from acquiring fuel. The work group shall complete its evaluation and submit a report of its findings and any recommendations to the Chairmen of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by November 1, 2025.

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