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SENATE BILL NO. 960

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on January 27, 2025)

(Patrons Prior to Substitute—Senators Perry and Stuart [SB 1243])

A *BILL to direct the State Corporation Commission to initiate proceedings to determine if the current allocation of costs among different customer classifications of electric utilities requires customers that are not data centers to unreasonably subsidize the costs of customers that are data centers.*

Be it enacted by the General Assembly of Virginia:

1. *§ 1. The State Corporation Commission (the Commission) shall initiate proceedings to determine if the current allocation of costs among different customer classifications of electric utilities in the Commonwealth requires customers that are not data centers, as defined in subdivision A 43 of § 58.1-3506 of the Code of Virginia, to unreasonably subsidize the costs of customers that are data centers. If the Commission determines that the current allocation of costs requires customers that are not data centers to (i) unreasonably subsidize the costs of customers that are data centers or (ii) incur unreasonable rate increases to support new transmission, distribution, or generation facilities that are needed solely or primarily to serve customers that are data centers, the Commission shall promulgate such rules as necessary to eliminate or minimize such unreasonable subsidies to the maximum possible extent. The Commission shall complete such proceedings prior to January 1, 2026. For the purposes of this act, a data center customer is the primary beneficiary of a project if such project would not be needed absent the anticipated demand from one or more data center customers. Nothing in this act shall be interpreted to prevent the Commission from exercising its authority and discretion to address matters of grid reliability or security.*

2. *That nothing in this act shall be construed to limit the existing authority of the State Corporation Commission (the Commission) to eliminate or minimize unreasonable subsidies or electric rate increases caused by customers that are data centers, as defined in subdivision A 43 of § 58.1-3506 of the Code of Virginia. The Commission may comply with the provisions of this act by incorporating such provisions into an ongoing proceeding.*

SENATE SUBSTITUTE

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