

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to reduce heating-related costs of living for low-income residents by requiring certain electric utilities*
 3 *to provide energy efficiency upgrades; report.*

4 [S 1342]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. § 1.** *It shall be the policy of the Commonwealth to reduce, wherever feasible and cost-effective, heating-*
 8 *related costs of living for low-income residents. In furtherance of this policy, and in addition to other*
 9 *policies and programs to improve energy efficiency and lower costs of living for residents of the*
 10 *Commonwealth, Phase I and Phase II Utilities shall make best, reasonable efforts to provide by December*
 11 *31, 2030, prescriptive efficiency measures and related efficiency improvements to at least 30 percent of the*
 12 *qualifying households identified by the Phase I or Phase II Utility, or in the case of a Phase II Utility to*
 13 *8,400 qualifying households, whichever is less, provided that such upgrades are determined by the State*
 14 *Corporation Commission (the Commission) to be in the public interest.*

15 § 2. *Prescriptive efficiency measures undertaken at qualifying households in furtherance of this act shall*
 16 *be reasonably expected to (i) lower each household's total heating-related energy costs, which determination*
 17 *shall be subject to Commission review and approval, and based upon widely available and credible energy*
 18 *consumption and cost data, including data from the U.S. Department of Energy, as appropriate, and taking*
 19 *into account the housing stock and other relevant factors in the Phase I or Phase II Utility's service territory*
 20 *and (ii) reduce onsite air pollution, with special emphasis on improving indoor air quality where feasible. It*
 21 *shall be the duty of the Phase I or Phase II Utility or its designated agent, and shall not be the duty of an*
 22 *installer, to make best efforts to identify qualifying households in its respective territory and to make the*
 23 *determinations specified in clauses (i) and (ii).*

24 § 3. *A Phase I or Phase II Utility shall consult directly with the Department of Energy to utilize, wherever*
 25 *feasible, state-derived or federally derived sources of funding for the purposes of implementing § 1.*

26 § 4. *The Commission may in its discretion provide performance-based incentives to a Phase I or Phase II*
 27 *Utility in furtherance of this act, including early action credit for prescriptive efficiency measures installed*
 28 *before January 1, 2029, and the Commission may, at any time before January 1, 2029, make a determination*
 29 *on whether the target described in § 1 is feasible and, based on that determination, may adjust the target at*
 30 *its sole discretion. The Commission shall not penalize a utility for its inability to meet the 30 percent target*
 31 *described in § 1.*

32 § 5. *No later than January 1, 2027, annually thereafter, and in any recurring filing that the Commission*
 33 *deems appropriate, each Phase I and Phase II Utility shall report to the Commission its activities, plans, and*
 34 *progress regarding the provisions of this act. In any such filing and at least biennially, each Phase I and*
 35 *Phase II Utility shall also report updated and aggregated ratepayer data regarding bill and energy savings*
 36 *from all energy efficiency and demand response programs, including actual and potential savings across*
 37 *each customer class, which may include actual and potential avoided costs of grid and transmission*
 38 *upgrades, pollution allowances, energy, capacity, and imported fuel purchases. For the purposes of*
 39 *estimating the potential for energy efficiency and demand response cost savings, any study of potential*
 40 *energy efficiency and demand response savings necessary to comply with the requirements of this section*
 41 *shall assume, in at least one projected scenario, 75 percent customer awareness of such energy efficiency*
 42 *and demand response programs across each customer class.*

43 § 6. *As used in this act:*

44 *"Installer" means any entity that directly provides energy efficiency or weatherization upgrades to low-*
 45 *income residents in the Commonwealth and that receives federal, state, or utility funding from a Phase I or*
 46 *Phase II Utility, in whole or in part, to provide such upgrades.*

47 *"Low-income resident" means any individual or household with an income no more than 60 percent of the*
 48 *median state income or 80 percent of the median income of the locality in which such individual or household*
 49 *resides, whichever is greatest.*

50 *"Phase I Utility" and "Phase II Utility" have the same meaning as provided in subdivision A 1 of §*
 51 *56-585.1 of the Code of Virginia.*

52 *"Prescriptive efficiency measure" means a utility-provided energy efficiency upgrade or upgrades at a*
 53 *qualifying household that substantially reduce or eliminate the household's reliance on fuel delivered to the*
 54 *household and stored onsite and utilized for household heating, cooking, or water heating, and which thereby*
 55 *reduce the total energy-related costs of living for that household, and which are combined, wherever feasible,*
 56 *with additional efficiency measures, including insulation, when that household also qualifies for such*

57 *additional efficiency measures.*

58 *"Qualifying household" means any single-family or multifamily dwelling occupied by a low-income*
59 *resident that is a customer of a Phase I or Phase II Utility who (i) relies on fuel delivered to the household*
60 *and stored onsite and utilized for household heating, cooking, or water heating; (ii) has measured or rated*
61 *appliance efficiency ratings of less than 83 percent; and (iii) is eligible for or has received building envelope*
62 *upgrades through federal, state, or utility funded energy efficiency or weatherization programs.*