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1 **HOUSE BILL NO. 658**

2 Offered January 14, 2026

3 Prefiled January 13, 2026

4 *A BILL to direct the State Corporation Commission to conduct proceedings to review cost allocation among*
5 *different customer classifications for certain electric utilities.*

6 Patron—Maldonado

7 Committee Referral Pending

8 **Be it enacted by the General Assembly of Virginia:**9 **1. § 1. The State Corporation Commission (the Commission) shall initiate a proceeding to determine if the**
10 **current allocation of transmission costs among different customer classifications of service for Phase I and**
11 **Phase II Utilities, as such terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia,**
12 **requires customers that are not data centers, as defined in subdivision A 43 of § 58.1-3506 of the Code of**
13 **Virginia, to unreasonably subsidize the transmission costs attributable to serving customers that are data**
14 **centers. In conducting such proceeding, the Commission shall ensure to the maximum extent possible that**
15 **the costs of any transmission projects that are designed, constructed, or operated solely or primarily to**
16 **serve customers that are data centers are not recovered from any other customers of the Phase I or Phase II**
17 **Utility. For the purposes of such proceeding, a project to serve one or more customers that are data centers**
18 **that is classified as a supplemental transmission project by the regional transmission entity shall be**
19 **presumed to be designed, constructed, or operated solely or primarily to serve customers that are data**
20 **centers. The Commission shall complete such proceedings by January 1, 2027. The Commission may comply**
21 **with the requirements of this section by incorporating the provisions of this section in an ongoing**
22 **proceeding for a Phase I or Phase II Utility.**23 **§ 2. The State Corporation Commission (the Commission) shall initiate a proceeding to determine if the**
24 **current allocation of generation and distribution costs among different customer classifications of service for**
25 **a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, requires customers that**
26 **are not data centers, as defined in subdivision A 43 of § 58.1-3506 of the Code of Virginia, to unreasonably**
27 **subsidize the generation and distribution costs attributable to serving customers that are data centers. In**
28 **conducting such proceeding, the Commission shall direct the Phase II Utility to propose at least three**
29 **alternative cost allocations for the Commission's consideration, provided in executable formats that can be**
30 **fully replicated, and at least one such alternative cost allocation shall represent the probability of dispatch**
31 **methodology as described in the electric utility cost allocation manual published by the National Association**
32 **of Regulatory Utility Commissioners. The Commission may order any changes to the Phase II Utility's cost**
33 **allocation structure that the Commission determines to be appropriate to allocate costs appropriately among**
34 **customers that are data centers and other customers of the Phase II Utility. The Commission shall complete**
35 **such proceedings by January 1, 2028. The Commission may comply with the requirements of this section by**
36 **incorporating the provisions of this section in an ongoing proceeding for a Phase II Utility or by**
37 **incorporating such provisions in the Phase II Utility's biennial rate review proceeding conducted pursuant to**
38 **§ 56-585.1 of the Code of Virginia.**39 **§ 3. The State Corporation Commission may adopt any regulations or guidelines necessary to comply**
40 **with the provisions of this act.**

INTRODUCED

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