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HOUSE BILL NO. 893

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact §§ 56-597, 56-598, and 56-599 of the Code of Virginia, relating to electric utility integrated resource planning; energy storage resources; power flow model.

Patron—Sullivan

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 56-597, 56-598, and 56-599 of the Code of Virginia are amended and reenacted as follows:

§ 56-597. Definitions.

As used in this chapter:

"Advanced conductors" means high-temperature low-sag hardware technology that can conduct electricity across transmission lines and that demonstrates enhanced performance over traditional conductor products. "Advanced conductors" includes aluminum conductor composite core, aluminum conductor steel supported, aluminum conductor composite reinforced, thermal-resistant aluminum alloy conductor, and any similar technologies.

"Affiliate" means a person that controls, is controlled by, or is under common control with an electric utility.

"Electric utility" means any investor-owned public utility that provides electric energy for use by retail customers, except investor-owned utilities subject to the provisions of § 56-585.8.

"Grid-enhancing technologies" means a set of technologies that maximize the transmission of electricity across the electric distribution grid in a manner that ensures grid reliability and safeguards the cybersecurity and physical security of the electric distribution grid, including storage as a transmission asset, dynamic line rating, power flow control, and topology optimization.

"Integrated resource plan" or "IRP" means a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility.

"Power flow model" means a quantitative analysis of the flow of electric power over an entire electric grid system that is used to model various scenarios to inform the planning, operation, and stability of an electric grid system.

"Retail customer" means any person that purchases retail electric energy for its own consumption at one or more metering points or non-metered points of delivery located in the Commonwealth.

§ 56-598. Contents of integrated resource plans.

An IRP should:

1. Integrate, over the planning period, the electric utility's forecast of demand for electric generation supply with recommended plans to meet that forecasted demand and assure adequate and sufficient reliability of service, including:

a. Generating electricity from generation facilities that it currently operates or intends to construct or purchase;

b. Purchasing electricity from affiliates and third parties;

c. Reducing load growth and peak demand growth through cost-effective demand reduction programs; and

d. Utilizing energy storage ~~facilities~~ *resources* to help meet forecasted demand and assure adequate and sufficient reliability of service, *including by assessing the use of energy storage resources through a power flow model that accounts for economic charge and discharge times and represents various economic scenarios*;

2. Identify a portfolio of electric generation supply resources, including purchased and self-generated electric power, that:

a. Consistent with § 56-585.1, is most likely to provide the electric generation supply needed to meet the forecasted demand, net of any reductions from demand side programs, so that the utility will continue to provide reliable service at reasonable prices over the long term; and

b. Will consider low cost energy/capacity available from short-term or spot market transactions, consistent with a reasonable assessment of risk with respect to both price and generation supply availability over the term of the plan;

3. Reflect a diversity of electric generation supply and cost-effective demand reduction contracts and services so as to reduce the risks associated with an over-reliance on any particular fuel or type of generation

demand and supply resources and be consistent with the Commonwealth's energy policies as set forth in § 45.2-1706.1; and

4. Include such additional information as the Commission requests pertaining to how the electric utility intends to meets its obligation to provide electric generation service for use by its retail customers over the planning period.

§ 56-599. Integrated resource plan required.

A. Each electric utility shall file an updated integrated resource plan by October 15, in each year immediately preceding the year the utility is subject to a biennial review of rates for generation and distribution services filing. A copy of each integrated resource plan shall be provided to the Chairman of the House Committee on Labor and Commerce, the Chairman of the Senate Committee on Commerce and Labor, and the Chairman of the Commission on Electric Utility Regulation. After January 1, 2024, each electric utility not subject to an annual review shall file an annual update to the integrated resource plan by October 15, in each year that the utility is subject to review of rates for generation and distribution services filing. All updated integrated resource plans shall comply with the provisions of any relevant order of the Commission establishing guidelines for the format and contents of updated and revised integrated resource plans. Each integrated resource plan shall consider options for maintaining and enhancing rate stability, energy independence, economic development including retention and expansion of energy-intensive industries, and service reliability.

B. In preparing an integrated resource plan, each electric utility shall systematically evaluate and may propose:

1. Entering into short-term and long-term electric power purchase contracts;

2. Owning and operating electric power generation facilities;

3. Building new generation facilities;

4. Relying on purchases from the short term or spot markets;

5. Making investments in demand-side resources, including energy efficiency and demand-side management services, *and energy storage resources*;

6. Taking such other actions, as the Commission may approve, to diversify its generation supply portfolio and ensure that the electric utility is able to implement an approved plan;

7. The methods by which the electric utility proposes to acquire the supply and demand resources identified in its proposed integrated resource plan;

8. The effect of current and pending state and federal environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities;

9. The most cost effective means of complying with current and pending state and federal environmental regulations, including compliance options to minimize effects on customer rates of such regulations;

10. Long-term electric distribution grid planning and proposed electric distribution grid transformation projects, including a comprehensive assessment of the potential application of grid-enhancing technologies and advanced conductors in a manner that ensures grid reliability and safeguards the cybersecurity and physical security of the electric distribution grid. An electric utility that does not include grid-enhancing technologies or advanced conductors in an integrated resource plan shall include a detailed explanation of why such technologies or conductors are not included in such plan;

11. Developing a long-term plan for energy efficiency measures to accomplish policy goals of reduction in customer bills, particularly for low-income, elderly, and disabled customers; reduction in emissions; and reduction in carbon intensity; and

12. Developing a long-term plan to integrate new energy storage ~~facilities~~ *resources* into existing generation and distribution assets to assist with grid transformation.

C. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct a facility retirement study for owned facilities located in the Commonwealth that emit carbon dioxide as a byproduct of combusting fuel and shall include the study results in its integrated resource plan. Upon filing the integrated resource plan with the Commission, the utility shall contemporaneously disclose the study results to each planning district commission, county board of supervisors, and city and town council where such electric generation unit is located, the Department of Energy, the Department of Housing and Community Development, the Virginia Employment Commission, and the Virginia Council on Environmental Justice. The disclosure shall include (i) the driving factors of the decision to retire and (ii) the anticipated retirement year of any electric generation unit included in the plan. Any electric generating facility with an anticipated retirement date that meets the criteria of § 45.2-1701.1 shall comply with the public disclosure requirements therein.

D. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct outreach to engage the public in a stakeholder review process and provide opportunities for the public to contribute information, input, and ideas on the utility's integrated resource plan, including the plan's development methodology, modeling inputs, and assumptions, as well as the ability for the public to make relevant inquiries, to the utility when formulating its integrated resource plan. Each utility shall report its

public outreach efforts to the Commission. The stakeholder review process shall include representatives from multiple interest groups, including residential and industrial classes of ratepayers. Each utility shall, at the time of the filing of its integrated resource plan, report on any stakeholder meetings that have occurred prior to the filing date.

E. The Commission shall analyze and review an integrated resource plan and, after giving notice and opportunity to be heard, the Commission shall make a determination within nine months after the date of filing as to whether such an integrated resource plan is reasonable and is in the public interest.