



59     *Research and Development Authority (§ 45.2-1717 et seq.), Virginia Offshore Wind Development Authority*  
60     *(§ 45.2-1803 et seq.), Virginia Solar Energy Center (§ 45.2-1900), Clean Energy Advisory Board*  
61     *(§ 45.2-1912 et seq.), and Virginia Nuclear Energy Consortium Authority (§ 45.2-2102 et seq.) when such*  
62     *coordination is practicable and furthers the purposes of the Commission; and*

63       8. 12. Report annually to the General Assembly and the Governor with such recommendations as may be  
64       appropriate for legislative and administrative consideration in order to maintain reliable service in the  
65       Commonwealth while preserving the Commonwealth's position as a low-cost ~~electricity~~ *electric and natural*  
66       *gas energy market.*

67       **§ 45.2-1711. Schedule for the Plan.**

68       A. The Division shall complete the Plan.

69       B. Prior to the completion of the Plan and each update thereof, the Division shall present drafts to, and  
70       consult with, ~~the Virginia Coal and Energy Commission established pursuant to Chapter 25 (§ 30-188 et seq.)~~  
71       of Title 30 and the Energy Commission on Electric Utility Regulation of Virginia established pursuant to  
72       Chapter 31 (§ 30-201 et seq.) of Title 30.

73       C. The Plan shall be updated by the Division and submitted as provided in § 45.2-1713 by October 1,  
74       2014, and every fourth October 1 thereafter. In addition, the Division shall provide interim updates on the  
75       Plan by October 1 of the third year of each Governor's administration. Updated reports shall specify any  
76       progress attained toward each proposed action of the Plan, as well as reassess goals for energy conservation  
77       on the basis of progress to date in meeting the goals in the previous Plan and lessons learned from attempts to  
78       meet such goals.

79       D. Beginning with the Plan update in 2014, the Division shall include a section setting forth energy policy  
80       positions relevant to any potential regulations proposed or promulgated by the State Air Pollution Control  
81       Board to reduce carbon dioxide emissions from fossil fuel-fired electric generating units under § 111(d) of  
82       the federal Clean Air Act, 42 U.S.C. § 7411(d). In such section of the Plan, the Division shall address policy  
83       options for establishing separate standards of performance pursuant to § 111(d) of the federal Clean Air Act,  
84       42 U.S.C. § 7411(d), for carbon dioxide emissions from existing fossil fuel-fired electric generating units to  
85       promote the Plan's overall goal of fuel diversity as follows:

86       1. The Plan shall address policy options for establishing the standards of performance for existing coal-  
87       fired electric generating units, including the following factors:

88           a. The most suitable system of emission reduction that (i) takes into consideration (a) the cost and benefit  
89           of achieving such reduction, (b) any non-air quality health and environmental impacts, and (c) the energy  
90           requirements of the Commonwealth and (ii) has been adequately demonstrated for coal-fired electric  
91           generating units that are subject to the standard of performance;

92           b. Reductions in emissions of carbon dioxide that can be achieved through measures reasonably  
93           undertaken at each coal-fired electric generating unit; and

94           c. Increased efficiencies and other measures that can be implemented at each coal-fired electric generating  
95           unit to reduce carbon dioxide emissions from the unit without converting from coal to other fuels, co-firing  
96           other fuels with coal, or limiting the utilization of the unit.

97       2. The Plan shall also address policy options for establishing the standards of performance for existing  
98       gas-fired electric generating units, including the following factors:

99           a. The application of the criteria specified in subdivisions 1 a and b to natural gas-fired electric generating  
100          units instead of to coal-fired electric generating units; and

101           b. Increased efficiencies and other measures that can be reasonably implemented at the unit to reduce  
102          carbon dioxide emissions from the unit without switching from natural gas to other lower-carbon fuels or  
103          limiting the utilization of the unit.

104       3. The Plan shall examine policy options for state regulatory action to adopt less stringent standards or  
105       longer compliance schedules than those provided for in applicable federal rules or guidelines based on  
106       analysis of the following:

107           a. Consumer impacts, including any disproportionate impacts of energy price increases on lower-income  
108          populations;

109           b. Unreasonable cost of reducing emissions resulting from plant age, location, or basic process design;

110           c. Physical difficulties with or impossibility of implementing emission reduction measures;

111           d. The absolute cost of applying the performance standard to the unit;

112           e. The expected remaining useful life of the unit;

113           f. The economic impacts of closing the unit, including expected job losses, if the unit is unable to comply  
114          with the performance standard; and

115           g. Any other factors specific to the unit that make application of a less stringent standard or longer  
116          compliance schedule more reasonable.

117       4. The Plan shall identify options, to the maximum extent permissible, for any federally required  
118       regulation of carbon dioxide emissions from existing fossil fuel-fired electric generating units and regulatory  
119       mechanisms that provide flexibility in complying with such standards, including the averaging of emissions,  
120       emissions trading, or other alternative implementation measures that are determined to further the interests of

121 the Commonwealth and its citizens.

122 **§ 45.2-1712. Annual reporting by investor-owned public utilities.**

123 Each investor-owned public utility providing electric service in the Commonwealth shall prepare an  
 124 annual report disclosing its efforts to conserve energy, including (i) its implementation of customer  
 125 demand-side management programs and (ii) efforts by the utility to improve efficiency and conserve energy  
 126 in its internal operations pursuant to § 56-235.1. The utility shall submit each annual report to the Division  
 127 and the *Energy Commission on Electric Utility Regulation of Virginia* by November 1 of each year, and the  
 128 Division shall compile the reports of the utilities and submit the compilation to the Governor and the General  
 129 Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing  
 130 of legislative documents.

131 **§ 45.2-1713. Submission of the Plan.**

132 Upon completion, the Division shall submit the Plan, including periodic updates thereto, to the Governor,  
 133 the Commissioners of the State Corporation Commission, and the General Assembly and shall present the  
 134 Plan to the *Energy Commission on Electric Utility Regulation of Virginia* at a public meeting. The Plan shall  
 135 be submitted as provided in the procedures of the Division of Legislative Automated Systems for the  
 136 processing of legislative documents. The Plan's executive summary shall be posted on the General  
 137 Assembly's website.

138 **§ 56-579. Regional transmission entities.**

139 A. As set forth in § 56-577, each incumbent electric utility owning, operating, controlling, or having an  
 140 entitlement to transmission capacity shall join or establish a regional transmission entity, which hereafter may  
 141 be referred to as "RTE," to which such utility shall transfer the management and control of its transmission  
 142 assets, subject to the following:

143 1. No such incumbent electric utility shall transfer to any person any ownership or control of, or any  
 144 responsibility to operate, any portion of any transmission system located in the Commonwealth prior to July  
 145 1, 2004, and without obtaining, following notice and hearing, the prior approval of the Commission, as  
 146 hereinafter provided. However, each incumbent electric utility shall file an application for approval pursuant  
 147 to this section by July 1, 2003, and shall transfer management and control of its transmission assets to a  
 148 regional transmission entity by January 1, 2005, subject to Commission approval as provided in this section.

149 2. The Commission shall develop rules and regulations under which any such incumbent electric utility  
 150 owning, operating, controlling, or having an entitlement to transmission capacity within the Commonwealth,  
 151 may transfer all or part of such control, ownership or responsibility to an RTE, upon such terms and  
 152 conditions that the Commission determines will:

153 a. Promote:

154 (1) Practices for the reliable planning, operating, maintaining, and upgrading of the transmission systems  
 155 and any necessary additions thereto; and

156 (2) Policies for the pricing and access for service over such systems that are safe, reliable, efficient, not  
 157 unduly discriminatory and consistent with the orderly development of competition in the Commonwealth;

158 b. Be consistent with lawful requirements of the Federal Energy Regulatory Commission;

159 c. Be effectuated on terms that fairly compensate the transferor;

160 d. Generally promote the public interest, and are consistent with (i) ensuring that consumers' needs for  
 161 economic and reliable transmission are met and (ii) meeting the transmission needs of electric generation  
 162 suppliers both within and without this Commonwealth, including those that do not own, operate, control or  
 163 have an entitlement to transmission capacity.

164 B. The Commission shall also adopt rules and regulations, with appropriate public input, establishing  
 165 elements of regional transmission entity structures essential to the public interest, which elements shall be  
 166 applied by the Commission in determining whether to authorize transfer of ownership or control from an  
 167 incumbent electric utility to a regional transmission entity.

168 C. The Commission shall, to the fullest extent permitted under federal law, participate in any and all  
 169 proceedings concerning regional transmission entities furnishing transmission services within the  
 170 Commonwealth, before the Federal Energy Regulatory Commission. Such participation may include such  
 171 intervention as is permitted state utility regulators under Federal Energy Regulatory Commission rules and  
 172 procedures.

173 D. Nothing in this section shall be deemed to abrogate or modify:

174 1. The Commission's authority over transmission line or facility construction, enlargement or acquisition  
 175 within this Commonwealth, as set forth in Chapter 10.1 (§ 56-265.1 et seq.) ~~of this title~~;

176 2. The laws of this Commonwealth concerning the exercise of the right of eminent domain by a public  
 177 service corporation pursuant to the provisions of Article 5 (§ 56-257 et seq.) of Chapter 10 ~~of this title~~; or

178 3. The Commission's authority over retail electric energy sold to retail customers within the  
 179 Commonwealth by licensed suppliers of electric service, including necessary reserve requirements, all as  
 180 specified in § 56-587.

181 E. For purposes of this section, transmission capacity shall not include capacity that is primarily operated  
 182 in a distribution function, as determined by the Commission, taking into consideration any binding federal

183 precedents.

184 F. Any request to the Commission for approval of such transfer of ownership or control of or  
185 responsibility for transmission facilities shall include a study of the comparative costs and benefits thereof,  
186 which study shall analyze the economic effects of the transfer on consumers, including the effects of  
187 transmission congestion costs. The Commission may approve such a transfer if it finds, after notice and  
188 hearing, that the transfer satisfies the conditions contained in this section.

189 G. The Commission shall report annually to the *Energy Commission on Electric Utility Regulation of*  
190 *Virginia* its assessment of the practices and policies of the RTE. Such report shall set forth actions taken by  
191 the Commission regarding requests for the approval of any transfer of ownership or control of transmission  
192 facilities to an RTE, including a description of the economic effects of such proposed transfers on consumers.

193 **§ 56-585.1:1. Transitional Rate Period: review of rates, terms, and conditions for utility generation**  
194 **facilities.**

195 A. No biennial reviews of the rates, terms, and conditions for any service of a Phase I Utility, as defined in  
196 § 56-585.1, shall be conducted at any time by the Commission for the three successive 12-month test periods  
197 beginning January 1, 2014, and ending December 31, 2016. No biennial reviews of the rates, terms, and  
198 conditions for any service of a Phase II Utility, as defined in § 56-585.1, shall be conducted at any time by  
199 the Commission for the two successive 12-month test periods beginning January 1, 2015, and ending  
200 December 31, 2016. Such test periods beginning January 1, 2014, and ending December 31, 2017, for a Phase  
201 I Utility, and beginning January 1, 2015, and ending December 31, 2016, for a Phase II Utility, are  
202 collectively referred to herein as the "Transitional Rate Period." Review of recovery of fuel and purchase  
203 power costs shall continue during the Transitional Rate Period in accordance with § 56-249.6. Any biennial  
204 review of the rates, terms, and conditions for any service of a Phase II Utility occurring in 2015 during the  
205 Transitional Rate Period shall be solely a review of the utility's earnings on its rates for generation and  
206 distribution services for the two 12-month test periods ending December 31, 2014, and a determination of  
207 whether any credits to customers are due for such test periods pursuant to subdivision A 8 b of § 56-585.1.  
208 After the conclusion of the Transitional Rate Period, reviews of the utility's rates for generation and  
209 distribution services shall resume for a Phase I Utility in 2020, with the first such proceeding utilizing the  
210 three successive 12-month test periods beginning January 1, 2017, and ending December 31, 2019. After the  
211 conclusion of the Transitional Rate Period, reviews of the utility's rates for generation and distribution  
212 services shall resume for a Phase II Utility in 2021, with the first such proceeding utilizing the four  
213 successive 12-month test periods beginning January 1, 2017, and ending December 31, 2020. Consistent with  
214 this provision, (i) no biennial review filings shall be made by an investor-owned incumbent electric utility in  
215 the years 2016 through 2019, inclusive, and (ii) no adjustment to an investor-owned incumbent electric  
216 utility's existing tariff rates, including any rates adopted pursuant to § 56-235.2, shall be made between the  
217 beginning of the Transitional Rate Period and the conclusion of the first review after the conclusion of the  
218 Transitional Rate Period, except as may be provided pursuant to § 56-245 or 56-249.6 or subdivisions A 4, 5,  
219 or 6 of § 56-585.1.

220 B. During the Transitional Rate Period, pursuant to § 56-36, the Commission shall have the right at all  
221 times to inspect the books, papers and documents of any investor-owned incumbent electric utility and to  
222 require from such companies, from time to time, special reports and statements, under oath, concerning their  
223 business.

224 C. 1. Commencing in 2016 and concluding in 2018, the State Corporation Commission, after notice and  
225 opportunity for a hearing, shall conduct a proceeding every two years to determine the fair rate of return on  
226 common equity to be used by a Phase I Utility as the general rate of return applicable to rate adjustment  
227 clauses under subdivisions A 5 or A 6 of § 56-585.1. A Phase I Utility's filing in such proceedings shall be  
228 made on or before March 31 of 2016, and 2018.

229 2. Commencing in 2017 and concluding in 2019, the State Corporation Commission, after notice and  
230 opportunity for a hearing, shall conduct a proceeding every two years to determine the fair rate of return on  
231 common equity to be used by a Phase II Utility as the general rate of return applicable to rate adjustment  
232 clauses under subdivisions A 5 or A 6 of § 56-585.1. A Phase II utility's filing in such proceedings shall be  
233 made on or before March 31 of 2017 and 2019.

234 3. Such fair rate of return shall be calculated pursuant to the methodology set forth in subdivisions A 2 a  
235 and b of § 56-585.1 and shall utilize the utility's actual end-of-test-period capital structure and cost of capital,  
236 as well as a 12-month test period ending December 31 immediately preceding the year in which the  
237 proceeding is conducted. The Commission's final order in such a proceeding shall be entered no later than  
238 eight months after the date of filing, with any adjustment to the fair rate of return for applicable rate  
239 adjustment clauses under subdivisions A 5 and 6 of § 56-585.1 taking effect on the date of the Commission's  
240 final order in the proceeding, utilizing rate adjustment clause true-up protocols as the Commission may in its  
241 discretion determine. Such proceeding shall concern only the issue of the determination of such fair rate of  
242 return to be used for rate adjustment clauses under subdivisions A 5 and 6 of § 56-585.1, and such  
243 determination shall have no effect on rates other than those applicable to such rate adjustment clauses;  
244 however, after the final such proceeding for a utility has been concluded, the fair combined rate of return on

245 common equity so determined therein shall also be deemed equal to the fair combined rate of return on  
 246 common equity to be used in such utility's first review proceeding conducted after the end of the utility's  
 247 Transitional Rate Period to review such utility's earnings on its rates for generation and distribution services  
 248 for the historic test periods.

249 D. In furtherance of rate stability during the Transitional Rate Period, any Phase II Utility carrying a prior  
 250 period deferred fuel expense recovery balance on its books and records as of December 31, 2014, shall not  
 251 recover from customers 50 percent of any such balance outstanding as of December 31, 2014, and the State  
 252 Corporation Commission shall implement as soon as practicable reductions in the fuel factor rate of any such  
 253 Phase II Utility to reflect the nonrecovery of any such fuel expense as well as any reduction in the fuel factor  
 254 associated with the Phase II Utility's current period forecasted fuel expense over recovery for the 2014-2015  
 255 fuel year and projected fuel expense for the 2015-2016 fuel year.

256 E. Except for early retirement plans identified by the utility in an integrated resource plan filed with the  
 257 State Corporation Commission by September 1, 2014, for utility generation plants, an investor-owned  
 258 incumbent electric utility shall not permanently retire an electric power generation facility from service  
 259 during the Transitional Rate Period without first obtaining the approval of the State Corporation Commission,  
 260 upon petition from such investor-owned incumbent electric utility, and a finding by the State Corporation  
 261 Commission that the retirement determination is reasonable and prudent. During the Transitional Rate Period,  
 262 an investor-owned incumbent electric utility shall recover the following costs, as recorded per books by the  
 263 utility for financial reporting purposes and accrued against income, only through its existing tariff rates for  
 264 generation or distribution services, except such costs as may be recovered pursuant to § 56-245, § 56-249.6 or  
 265 subdivisions A 4, A 5, or A 6 of § 56-585.1: (i) costs associated with asset impairments related to early  
 266 retirement determinations for utility generation facilities resulting from the implementation of carbon  
 267 emission guidelines for existing electric power generation facilities that the U.S. Environmental Protection  
 268 Agency has issued pursuant to § 111(d) of the Clean Air Act; (ii) costs associated with severe weather events;  
 269 and (iii) costs associated with natural disasters.

270 F. During the Transitional Rate Period:

271 1. The State Corporation Commission shall submit a report and make recommendations to the Governor  
 272 and the General Assembly annually on or before December 1 of each year assessing the updated integrated  
 273 resource plan of any investor-owned incumbent electric utility. The report shall include an analysis of, among  
 274 other matters, the amount, reliability, and type of generation facilities needed to serve Virginia native load  
 275 compared to what is then available to serve such load and what may be available to serve such load in the  
 276 future in view of market conditions and current and pending state and federal environmental regulations. As a  
 277 part of such report, the State Corporation Commission shall update its estimate of the impact upon electric  
 278 rates in Virginia of the implementation of carbon emission guidelines for existing electric power generation  
 279 facilities that the U.S. Environmental Protection Agency has issued pursuant to § 111(d) of the federal Clean  
 280 Air Act. The State Corporation Commission shall submit copies of such annual reports to the ~~Chairman~~  
 281 ~~Chairs~~ of the House Committee on Labor and Commerce; the ~~Chairman~~ of and the Senate Committee on  
 282 Commerce and Labor and the ~~Chairman~~ chair of the Energy Commission ~~on Electric Utility Regulation of~~  
 283 Virginia; and

284 2. The Department of Environmental Quality shall submit a report and make recommendations to the  
 285 Governor and the General Assembly annually on or before December 1 of each year concerning the  
 286 implementation of carbon emission guidelines for existing electric power generation facilities that the U.S.  
 287 Environmental Protection Agency has issued pursuant to § 111(d) of the federal Clean Air Act. The report  
 288 shall include an analysis of, among other matters, the impact of such federal regulations on the operation of  
 289 any investor-owned incumbent electric utility's electric power generation facilities and any changes,  
 290 interdiction, or suspension of such regulations. The Department of Environmental Quality shall submit copies  
 291 of such annual reports to the ~~Chairman~~ ~~Chairs~~ of the House Committee on Labor and Commerce; the  
 292 ~~Chairman~~ of and the Senate Committee on Commerce and Labor and the ~~Chairman~~ chair of the Energy  
 293 Commission ~~on Electric Utility Regulation of~~ Virginia.

294 G. The construction or purchase by an investor-owned incumbent utility of one or more generation  
 295 facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not  
 296 exceed 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts,  
 297 and with an aggregate capacity of 50 megawatts, that use energy derived from sunlight or from wind and are  
 298 located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any of  
 299 such facilities are located within or without such utility's service territory, is in the public interest, and in  
 300 determining whether to approve such facility, the Commission shall liberally construe the provisions of this  
 301 section. Such utility shall utilize goods or services sourced, in whole or in part, from one or more Virginia  
 302 businesses. The utility may propose a rate adjustment clause based on a market index in lieu of a cost of  
 303 service model for such facility. An investor-owned incumbent utility may enter into short-term or long-term  
 304 power purchase contracts for the power derived from sunlight generated by such generation facility prior to  
 305 purchasing the generation facility.

306 H. To the extent that the provisions of this section are inconsistent with the provisions of §§ 56-249.6 and

307 56-585.1, the provisions of this section shall control.

308 **§ 56-585.1:5. Pilot program for underground transmission lines.**

309 A. There is hereby established a pilot program to further the understanding of underground electric  
310 transmission lines in regard to electric reliability, construction methods and related cost and timeline  
311 estimating, the probability of meeting such projections, and the benefits of undergrounding existing electric  
312 transmission lines to promote economic development within the Commonwealth. The pilot program shall  
313 consist of the approval to construct qualifying electrical transmission lines of 230 kilovolts or less (but  
314 greater than 69 kilovolts) in whole or in part underground. Such pilot program shall consist of a total of two  
315 qualifying electrical transmission line projects, constructed in whole or in part underground, as specified and  
316 set forth in this section.

317 B. Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to  
318 this section, the Commission shall approve as a qualifying project a transmission line of 230 kilovolts or less  
319 that is pending final approval of a certificate of public convenience and necessity from the Commission as of  
320 December 31, 2017, for the construction of an electrical transmission line approximately 5.3 miles in length  
321 utilizing both overhead and underground transmission facilities, of which the underground portion shall be  
322 approximately 3.1 miles in length, which has been previously proposed for construction within or  
323 immediately adjacent to the right-of-way of an interstate highway. Once the Commission has affirmed the  
324 project need through an order, the project shall be constructed in part underground, and the underground  
325 portion shall consist of a double circuit.

326 The Commission shall approve such underground construction within 30 days of receipt of the written  
327 request of the public utility to participate in the pilot program pursuant to this section. The Commission shall  
328 not require the submission of additional technical and cost analyses as a condition of its approval but may  
329 request such analyses for its review. The Commission shall approve the underground construction of one  
330 contiguous segment of the transmission line that is approximately 3.1 miles in length that was previously  
331 proposed for construction within or immediately adjacent to the right-of-way of the interstate highway, for  
332 which, by resolution, the locality has indicated general community support. The remainder of the construction  
333 for the transmission line shall be aboveground. The Commission shall not be required to perform any further  
334 analysis as to the impacts of this route, including environmental impacts or impacts upon historical resources.

335 The electric utility may proceed to acquire right-of-way and take such other actions as it deems  
336 appropriate in furtherance of the construction of the approved transmission line, including acquiring the  
337 cables necessary for the underground installation.

338 C. In reviewing applications submitted by public utilities for certificates of public convenience and  
339 necessity for the construction of electrical transmission lines of 230 kilovolts or less filed between July 1,  
340 2018, and October 1, 2020, the Commission shall approve, consistent with the requirements of subsection D,  
341 one additional application as a qualifying project to be constructed in whole or in part underground, as a part  
342 of this pilot program. The one qualifying project shall be in addition to the qualifying project described in  
343 subsection B and shall be the relocation or conversion of an existing 230-kilovolt overhead line to an  
344 underground line.

345 D. For purposes of subsection C, a project shall be qualified to be placed underground, in whole or in part,  
346 if it meets all of the following criteria: (i) an engineering analysis demonstrates that it is technically feasible  
347 to place the proposed line, in whole or in part, underground; (ii) the governing body of each locality in which  
348 a portion of the proposed line will be placed underground indicates, by resolution, general community  
349 support for the project and that it supports the transmission line to be placed underground; (iii) a project has  
350 been filed with the Commission or is pending issuance of a certificate of public convenience and necessity by  
351 October 1, 2020; (iv) the estimated additional cost of placing the proposed line, in whole or in part,  
352 underground does not exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times  
353 the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to  
354 ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a  
355 proposed underground line whose cost exceeds 2.5 times the cost of placing the line overhead may also be  
356 accepted into the pilot program; (v) the public utility requests that the project be considered as a qualifying  
357 project under this section; and (vi) the primary need of the project shall be for purposes of grid reliability,  
358 grid resiliency, or to support economic development priorities of the Commonwealth, including the economic  
359 development priorities and the comprehensive plan of the governing body of the locality in which at least a  
360 portion of line will be placed, and shall not be to address aging assets that would have otherwise been  
361 replaced in due course.

362 E. A transmission line project that is found to meet the criteria of subsection D shall be deemed to satisfy  
363 the requirements of subsection B of § 56-46.1 with respect to a finding of the Commission that the line is  
364 needed.

365 F. Approval of a transmission line pursuant to this section for inclusion in the pilot program shall be  
366 deemed to satisfy the requirements of § 15.2-2232 and local zoning ordinances with respect to such  
367 transmission line and any associated facilities, such as stations, substations, transition stations and locations,  
368 and switchyards or stations, that may be required.

369 G. The Commission shall report annually to the *Energy Commission on Electric Utility Restructuring of*  
 370 *Virginia*, the Joint Commission on Technology and Science, and the Governor on the progress of the pilot  
 371 program by no later than December 1 of each year that this section is in effect. The Commission shall submit  
 372 a final report to the *Energy Commission on Electric Utility Restructuring of Virginia*, the Joint Commission  
 373 on Technology and Science, and the Governor no later than December 1, 2024, analyzing the entire program  
 374 and making recommendations about the continued placement of transmission lines underground in the  
 375 Commonwealth. The Commission's final report shall include analysis and findings of the costs of  
 376 underground construction and historical and future consumer rate effects of such costs, effect of underground  
 377 transmission lines on grid reliability, operability (including operating voltage), probability of meeting cost  
 378 and construction timeline estimates of such underground transmission lines, and economic development,  
 379 aesthetic or other benefits attendant to the placement of transmission lines underground.

380 H. For the qualifying projects chosen pursuant to this section and not fully recoverable as charges for new  
 381 transmission facilities pursuant to subdivision A 4 of § 56-585.1, the Commission shall approve a rate  
 382 adjustment clause. The rate adjustment clause shall provide for the full and timely recovery of any portion of  
 383 the cost of such project not recoverable under applicable rates, terms, and conditions approved by the Federal  
 384 Energy Regulatory Commission and shall include the use of the fair return on common equity most recently  
 385 approved in a State Corporation Commission proceeding for such utility. Such costs shall be entirely assigned  
 386 to the utility's Virginia jurisdictional customers. The Commission's final order regarding any petition filed  
 387 pursuant to this subsection shall be entered not more than three months after the filing of such petition.

388 I. The provisions of this section shall not be construed to limit the ability of the Commission to approve  
 389 additional applications for placement of transmission lines underground. Approval by the Commission of a  
 390 transmission line for inclusion in the program pursuant to subsection B shall preclude the placement of future  
 391 overhead electrical transmission lines of at least 69 kilovolts in the same right-of-way as described in  
 392 subsection B for a period of 10 years from July 1, 2018, but shall not preclude the placement of (i) any  
 393 underground transmission lines in such right-of-way or (ii) any electrical distribution lines in such right-of-  
 394 way.

395 J. If two applications are not submitted to the Commission that meet the requirements of this section, the  
 396 Commission shall document the failure of the projects to qualify for the pilot program in order to justify  
 397 approving fewer than two projects to be placed underground, in whole or in part.

398 K. Insofar as the provisions of this section are inconsistent with the provisions of any other law or local  
 399 ordinance, the provisions of this section shall be controlling.

400 **§ 56-592. Consumer education and marketing practices.**

401 A. The Commission shall develop an electric energy consumer education program designed to provide the  
 402 following information to retail customers:

403 1. Information regarding energy conservation, energy efficiency, demand-side management, demand  
 404 response, and renewable energy;

405 2. Information concerning demand-side management and demand response programs offered in the  
 406 Commonwealth to retail customers;

407 3. Information regarding the matters described in subdivisions 1 and 2 that are specifically designed for  
 408 the industrial, commercial, residential, and government sectors; and

409 4. Such other information as the Commission may deem necessary and appropriate in the public interest.

410 B. The Commission shall complete the development of the consumer education program described in  
 411 subsection A, and report its findings and recommendations to the *Energy Commission on Electric Utility*  
 412 *Regulation of Virginia* as frequently as may be required by such Commission concerning:

413 1. The scope of such recommended program consistent with the requirements of subsection A;

414 2. Materials and media required to effectuate any such program;

415 3. State agency and nongovernmental entity participation;

416 4. Program duration;

417 5. Funding requirements and mechanisms for any such program; and

418 6. Such other findings and recommendations the Commission deems appropriate in the public interest.

419 C. The Commission shall develop regulations governing marketing practices by public service companies,  
 420 licensed suppliers, aggregators or any other providers of services made competitive by this chapter, including  
 421 regulations to prevent unauthorized switching of suppliers, unauthorized charges, and improper solicitation  
 422 activities. The Commission shall also establish standards for marketing information to be furnished by  
 423 licensed suppliers, aggregators or any other providers of services made competitive by this chapter, which  
 424 information shall include standards concerning:

425 1. Pricing and other key contract terms and conditions;

426 2. To the extent feasible, fuel mix and emissions data on at least an annualized basis;

427 3. Customer's rights of cancellation following execution of any contract;

428 4. Toll-free telephone number for customer assistance; and

429 5. Such other and further marketing information as the Commission may deem necessary and appropriate  
 430 in the public interest.

431       D. The Commission shall also establish standards for billing information to be furnished by public service  
432 companies, suppliers, aggregators or any other providers of services made competitive by this chapter. Such  
433 billing information standards shall require that billing formation:

- 434       1. Distinguishes between charges for regulated services and unregulated services;
- 435       2. Is presented in a format that complies with standards to be established by the Commission;
- 436       3. Discloses, to the extent feasible, fuel mix and emissions data on at least an annualized basis; and
- 437       4. Includes such other billing information as the Commission deems necessary and appropriate in the  
438 public interest.

439       E. The Commission shall establish or maintain a complaint bureau for the purpose of receiving, reviewing  
440 and investigating complaints by retail customers against public service companies, licensed suppliers,  
441 aggregators and other providers of any services made competitive under this chapter. Upon the request of any  
442 interested person or the Attorney General, or upon its own motion, the Commission shall be authorized to  
443 inquire into possible violations of this chapter and to enjoin or punish any violations thereof pursuant to its  
444 authority under this chapter, this title, and under Title 12.1. The Attorney General shall have a right to  
445 participate in such proceedings consistent with the Commission's Rules of Practice and Procedure.

446       F. The Commission shall establish reasonable limits on customer security deposits required by public  
447 service companies, suppliers, aggregators or any other persons providing competitive services pursuant to this  
448 chapter.

449       **§ 56-592.1. Consumer education program; scope and funding.**

450       A. The Commission shall establish and implement the consumer education program developed pursuant to  
451 subsection A of § 56-592. In establishing such a program, the Commission shall take into account the  
452 findings and recommendations of the subgroup on Information/Consumer Education that was established in  
453 conjunction with the Commission's proceeding in Case PUE-2007-00049, that implemented the third  
454 enactment of Chapters 888 and 933 of the Acts of Assembly of 2007.

455       B. The program shall be designed to (i) enable consumers to make rational and informed choices about the  
456 matters described in subsection A of § 56-592, including but not limited to demand side management, energy  
457 conservation, and energy efficiency, (ii) help consumers reduce transaction costs in making decisions  
458 regarding such matters, and (iii) foster compliance with the consumer protection provisions of this chapter.

459       C. The Commission shall regularly consult with representatives of consumer organizations, community-  
460 based groups, state agencies, incumbent utilities, and other interested parties throughout the program's  
461 implementation and operation.

462       D. Pursuant to the provisions of § 30-205, the Commission shall provide periodic updates to the *Energy*  
463 ~~Commission on Electric Utility Regulation of Virginia~~ concerning the program's implementation and  
464 operation.

465       E. The Commission shall fund the establishment and operation of such consumer education program  
466 through the special regulatory revenue tax currently authorized by § 58.1-2660 and the special regulatory tax  
467 authorized by Chapter 29 (§ 58.1-2900 et seq.) of Title 58.1.

468       **§ 56-596. Consideration of economic development; report.**

469       A. In all relevant proceedings pursuant to this Act, the Commission shall take into consideration, among  
470 other things, the goal of economic development in the Commonwealth.

471       B. By September 1 of each year, the Commission shall report to the *Energy Commission on Electric*  
472 ~~Utility Regulation of Virginia~~ and the Governor on the status of the implementation of this chapter and its  
473 recommendations regarding the implementation of the provisions of this chapter. This report shall include the  
474 Commission's recommendations for any actions by the General Assembly, the Commission, electric utilities,  
475 or any other entity that the Commission considers to be in the public interest.

476       **§ 56-596.1. New generating facilities utilizing energy derived from sunlight and from wind; report.**

477       It is the objective of the General Assembly that the construction and development of new utility-owned  
478 and utility-operated generating facilities utilizing energy derived from sunlight and from wind with an  
479 aggregate capacity of 5,000 megawatts, including rooftop solar installations with a capacity of not less than  
480 50 kilowatts, and with an aggregate capacity of 50 megawatts, be placed in service on or before July 1, 2028.  
481 It is also the objective of the General Assembly that 2,700 megawatts of aggregate energy storage capacity be  
482 placed into service on or before July 1, 2030. The Commission shall submit a report and make  
483 recommendations to the Governor and the General Assembly annually on or before December 1 of each year  
484 through December 1, 2028, assessing (i) the aggregate annual new construction and development of new  
485 utility-owned and utility-operated generating facilities utilizing energy derived from sunlight, (ii) the  
486 integration of utility-owned renewable electric generation resources with the utility's electric distribution grid,  
487 (iii) the aggregate additional utility-owned and utility-operated generating facilities utilizing energy derived  
488 from sunlight placed in operation since July 1, 2018, (iv) the need for additional generation of electricity  
489 utilizing energy derived from sunlight in order to meet the objective of the General Assembly on or before  
490 July 1, 2028, and (v) the aggregate annual new construction or purchase of energy storage facilities. The  
491 Commission shall submit copies of such annual reports to the ~~Chairman~~ Chairs of the House Committee on  
492 Labor and Commerce, the ~~Chairman~~ of and the Senate Committee on Commerce and Labor, and the

493 ~~Chairman chair~~ of the *Energy Commission on Electric Utility Regulation of Virginia*.

494 **§ 56-596.3. Electric generation, transmission, and distribution; report.**

495 The Commission shall submit a report and make recommendations to the Governor and the General  
 496 Assembly annually on or before December 1 of each year assessing (i) the reliability of electrical  
 497 transmission or distribution systems; (ii) the integration of utility or customer owned renewable electric  
 498 generation resources with the utility's electric distribution grid; (iii) the level of investment in generation,  
 499 transmission, or distribution of electricity; (iv) the need for additional generation of electricity during times of  
 500 peak demand; and (v) distribution system hardening projects and enhanced physical security measures. The  
 501 Commission shall submit copies of such annual reports to the ~~Chairman Chairs~~ of the House Committee on  
 502 Labor and Commerce; the ~~Chairman of~~ and the Senate Committee on Commerce and Labor and the  
 503 ~~Chairman chair~~ of the *Energy Commission on Electric Utility Regulation of Virginia*.

504 **§ 56-599. Integrated resource plan required.**

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

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

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

519 2. Owning and operating electric power generation facilities;

520 3. Building new generation facilities;

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

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

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

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

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

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

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

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

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

544 C. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct a  
 545 facility retirement study for owned facilities located in the Commonwealth that emit carbon dioxide as a  
 546 byproduct of combusting fuel and shall include the study results in its integrated resource plan. Upon filing  
 547 the integrated resource plan with the Commission, the utility shall contemporaneously disclose the study  
 548 results to each planning district commission, county board of supervisors, and city and town council where  
 549 such electric generation unit is located, the Department of Energy, the Department of Housing and  
 550 Community Development, the Virginia Employment Commission, and the Virginia Council on  
 551 Environmental Justice. The disclosure shall include (i) the driving factors of the decision to retire and (ii) the  
 552 anticipated retirement year of any electric generation unit included in the plan. Any electric generating  
 553 facility with an anticipated retirement date that meets the criteria of § 45.2-1701.1 shall comply with the  
 554

555 public disclosure requirements therein.

556 D. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct  
557 outreach to engage the public in a stakeholder review process and provide opportunities for the public to  
558 contribute information, input, and ideas on the utility's integrated resource plan, including the plan's  
559 development methodology, modeling inputs, and assumptions, as well as the ability for the public to make  
560 relevant inquiries, to the utility when formulating its integrated resource plan. Each utility shall report its  
561 public outreach efforts to the Commission. The stakeholder review process shall include representatives from  
562 multiple interest groups, including residential and industrial classes of ratepayers. Each utility shall, at the  
563 time of the filing of its integrated resource plan, report on any stakeholder meetings that have occurred prior  
564 to the filing date.

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

568 **2. That Chapter 25 (§§ 30-188 and 30-189) of Title 30 of the Code of Virginia is repealed.**