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HOUSE BILL NO. 1393

Offered January 21, 2026

A BILL to amend and reenact §§ 45.2-1706.1 and 56-585.1:2 of the Code of Virginia, relating to electric utilities; pilot program for energy assistance and weatherization for certain individuals; cost recovery for certain electrical facilities; Commonwealth Clean Energy Policy; energy affordability and reliability.

Patrons—LeVere Bolling, Keys-Gamarra, McAuliff and McQuinn

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. That §§ 45.2-1706.1 and 56-585.1:2 of the Code of Virginia are amended and reenacted as follows:

§ 45.2-1706.1. Commonwealth Clean Energy Policy.

A. The Commonwealth recognizes that effectively addressing climate change and enhancing resilience will advance the health, welfare, and safety of the residents of the Commonwealth. The Commonwealth further recognizes that addressing climate change requires reducing greenhouse gas emissions across the Commonwealth's economy sufficient to reach net-zero emission by 2045 in all sectors, including the electric power, transportation, industrial, agricultural, building, and infrastructure sectors. To achieve these objectives, it shall be the policy of the Commonwealth to:

1. Develop energy resources necessary to produce 30 percent of Virginia's electricity from renewable energy sources by 2030 and 100 percent of Virginia's electricity from carbon-free sources by 2040;

2. Enable widespread integration of distributed energy resources, including energy storage and rooftop solar, into the grid to achieve decarbonization and to enhance resilience;

3. Support the distributed generation of renewable electricity by:

a. Encouraging private sector investments in distributed renewable energy;

b. Increasing the security of the electricity grid by supporting distributed renewable energy projects and energy storage with the potential to supply electric energy to critical facilities during a widespread power outage; and

c. Enhancing the ability of private property owners to generate their own renewable energy for their own personal use from renewable energy sources on their property;

4. Lead by example in state government by supporting the carbon-free energy resources required to fully decarbonize the electric power supply of the Commonwealth, including deploying 30 percent renewables by 2030, realizing 100 percent carbon-free electric power by 2040, and achieving net zero emissions by 2045;

5. Maximize energy efficiency programs as defined in § 56-576, to the extent determined to be in the public interest, that are the lowest-cost energy option to reduce greenhouse gas emissions, in order to produce electricity cost savings and to create jobs and economic opportunity from the energy efficiency sector;

6. Support net-zero emission targets by promoting zero-emission vehicles and infrastructure, including electrified transport, decreasing the carbon intensity of the transportation sector, encouraging alternative transportation options, and increasing the efficiency of motor vehicles operating on Virginia's roads;

7. Support electric distribution grid transformation projects as defined in § 56-576;

8. Promote building and construction practices that reduce emissions associated with built environment, including energy efficiency targets, new building standards, and transit-oriented and other sustainable development practices; and

9. Ensure that energy development projects avoid, minimize, and, if necessary, mitigate damage to the Commonwealth's natural and cultural resources.

B. The Commonwealth recognizes the need to promote environmental justice and ensure that it is carried out throughout the Commonwealth, as provided in § 2.2-235, and the need to address and prevent energy inequities in historically economically disadvantaged communities, as defined in § 56-576. To achieve these objectives, it shall be the policy of the Commonwealth to:

1. Recognize the disproportionate and inequitable impacts of climate change on historically economically disadvantaged communities and prioritize solutions and investment in these communities to maximize the benefits of clean energy and minimize the burdens of climate change;

2. Ensure the fair treatment and meaningful involvement, as those terms are defined in § 2.2-234, of all people regardless of race, color, national origin, faith, disability, or income with respect to the administration of energy laws, regulations, and policies; and

3. Increase access to clean energy and the benefits from clean energy to historically economically disadvantaged communities.

C. As Virginia transforms its energy economy, the Commonwealth ~~must~~ shall continue to prioritize customer affordability, economic competitiveness, grid reliability, and workforce

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59 development in an equitable manner. To achieve this objective, it shall be the policy of the Commonwealth
60 to:

61 1. Equitably incorporate requirements for technical, policy, and economic analyses and assessments that
62 recognize the unique attributes of different energy resources and delivery systems to identify pathways to net-
63 zero carbon that maximize Virginia's energy reliability and resilience, economic development, and jobs;

64 2. Require that pathways to net-zero greenhouse gas emissions be determined on the basis of technical,
65 policy, and economic analysis to maximize their effectiveness, optimize Virginia's economic development,
66 support industrial employment, and create quality jobs while minimizing adverse impacts on public health,
67 affected communities, and the environment;

68 3. Ensure an adequate energy supply and a Virginia-based energy production capacity, while also
69 optimizing intrastate and interstate use of energy supply and delivery to maximize energy availability,
70 reliability, and price opportunities to the benefit of all user classes and the Commonwealth's economy;

71 4. Increase wind energy development and grow the Commonwealth's role as a wind industry hub for
72 offshore wind generation projects in state and federal waters off the United States coast;

73 5. Ensure the availability of reliable energy at costs that are reasonable and in quantities that will support
74 the Commonwealth's economy;

75 6. Ensure reliable energy availability in the event of a disruption occurring to a portion of the
76 Commonwealth's energy matrix and to address the needs of businesses during the transition to clean energy;

77 7. Minimize the Commonwealth's long-term exposure to volatility and increases in world energy prices by
78 expanding the use of innovative clean energy technology within the Commonwealth;

79 8. Create training opportunities and green career pathways for local workers and workers in historically
80 economically disadvantaged communities in onshore and offshore wind, solar energy, electrification, energy
81 efficiency, clean transportation, and other emerging clean energy industries;

82 9. Support the repurposing and development of clean energy resources on previously developed project
83 sites as defined in § 56-576;

84 10. Ensure that decision making is transparent and includes opportunities for full participation by the
85 public;

86 11. Explore approaches to maximizing and leveraging the capacity of lands and waters in the
87 Commonwealth to store energy; ~~and~~

88 12. Increase the Commonwealth's reliance on and production of sustainably produced biofuels made from
89 traditional agricultural crops and other feedstocks, such as winter cover crops, warm season grasses,
90 fast-growing trees, algae, or other suitable feedstocks grown in the Commonwealth, that will (i) create jobs
91 and income, (ii) produce clean-burning fuels that will help to improve air quality, and (iii) provide the new
92 markets for Virginia's silvicultural and agricultural products needed to preserve farm employment, conserve
93 farmland and forestland, and increase implementation of silvicultural and agricultural best management
94 practices to protect water quality;

95 13. *Encourage energy affordability by equipping the State Corporation Commission with the tools to*
96 *determine rates, tolls, charges, or schedules that contain reasonable classifications of customers in order to*
97 *evaluate and ensure customer classes contribute equitably to infrastructure investment and cost allocation;*
98 *and*

99 14. *Prioritize utility investments that bolster the reliability of electrical transmission or distribution*
100 *systems and the utility's distribution grid.*

101 D. The elements of the policy set forth in subsections A, B, and C shall be referred to collectively in this
102 title as the Commonwealth Clean Energy Policy.

103 E. All agencies and political subdivisions of the Commonwealth, in taking discretionary action with
104 regard to energy issues, shall recognize the elements of the Commonwealth Clean Energy Policy and, where
105 appropriate, shall act in a manner consistent therewith.

106 F. The Commonwealth Clean Energy Policy is intended to provide guidance to the agencies and political
107 subdivisions of the Commonwealth in taking discretionary action with regard to energy issues and shall not
108 be construed to amend, repeal, or override any contrary provision of applicable law. Nothing in this section
109 shall preclude reliable access to electricity and natural gas during the transition to renewable energy. The
110 failure or refusal of any person to recognize the elements of the Commonwealth Clean Energy Policy, to act
111 in a manner consistent with the Commonwealth Clean Energy Policy, or to take any other action whatsoever
112 shall not create any right, action, or cause of action or provide standing for any person to challenge the action
113 of the Commonwealth or any of its agencies or political subdivisions.

114 **§ 56-585.1:2. Pilot program for energy assistance and weatherization.**

115 Notwithstanding the provisions of §§ 56-249.6 and 56-585.1:

116 Each Phase I and II Utility shall conduct a pilot program for energy assistance and weatherization for ~~low~~
117 ~~income~~ *low-income*, elderly, and disabled individuals in their respective service territories in the
118 Commonwealth. Each pilot program shall be funded by the utility and shall commence September 1, 2015.
119 Each Phase I Utility shall continue such pilot program at no less than ~~the existing levels of funding as of July~~
120 ~~1, 2018; \$1 million and no greater than \$1.5 million~~ for each year that the utility provides such service. Each

121 Phase II Utility shall continue such pilot program at no less than ~~\$13~~ \$156 million *and no greater than \$204*
122 *million for each year the utility is providing such service the time period beginning July 1, 2026, and ending*
123 *July 1, 2038.* The funding for the pilot programs established pursuant hereto for energy assistance and
124 weatherization for low-income, elderly, and disabled individuals in the service territory in the
125 Commonwealth of each respective utility shall continue until ~~the earlier of amendment or repeal of this~~
126 ~~section or July 1, 2028~~ 2038. Each such utility shall report on the status of its pilot program, including the
127 number of individuals served thereby *and the amount of annual expenditures for such program,* to the
128 Governor, the State Corporation Commission, the ~~Chairman~~ Chair of the House Committee on Labor and
129 Commerce ~~and, the Chairman~~ Chair of the Senate Committee on Commerce and Labor, *and the Commission*
130 *on Electric Utility Regulation* by July 1, 2016, ~~and of each year thereafter.~~
131 **2. That a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, may**
132 **recover costs associated with any petition for cost recovery made pursuant to clause (iv) of subdivision**
133 **A 6 of § 56-585.1 of the Code of Virginia that has been previously approved by or is pending with the**
134 **State Corporation Commission as of December 1, 2038, notwithstanding any time limitations on such**
135 **cost recovery under subdivision A 6 of § 56-585.1 of the Code of Virginia.**

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