

HOUSE BILL NO. 1073

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute—Delegate Rasoul)

A BILL to direct the State Corporation Commission to promulgate regulations establishing standards for the use of advanced leak detection technologies for intrastate natural gas distribution facilities operated by covered utilities.

Be it enacted by the General Assembly of Virginia:**1. § 1. As used in this act:**

"Advanced leak detection" means a program that is designed to allow a natural gas utility to deploy advanced leak detection technologies to more accurately identify active leaks as part of the natural gas utility's leak management program to address leaks that present a risk to safety or the environment.

"Commission" means the State Corporation Commission.

"Covered utility" means a natural gas public service company or other pipeline operator that (i) is subject to the jurisdiction of the Commission for ratemaking or safety regulation, (ii) meets the eligibility criteria established under Chapter 26 (§ 56-603 et seq.) of Title 56 of the Code of Virginia, and (iii) serves 25,000 or more natural gas services within the Commonwealth.

The Commission shall promulgate regulations establishing standards for the use of advanced leak detection technologies for intrastate natural gas distribution facilities operated by covered utilities. The purpose of such regulations shall be to establish performance-based standards for the use of advanced leak detection technologies informed by the U. S. Pipeline and Hazardous Materials Safety Administration's (PHMSA) rulemaking titled "Pipeline Safety: Gas Pipeline Leak Detection and Repair" (Docket No. PHMSA–2021–0039; RIN 2137–AF51).

Such regulations shall include explicit exemptions for (i) small master meter operators, as defined by the Commission by regulation and (ii) liquefied petroleum gas systems, including propane systems, to the extent not otherwise regulated as covered utilities. The Commission may establish additional exemptions, delayed applicability, or alternative compliance pathways for systems with a de minimis footprint or other characteristics demonstrating that application of the regulations would be impracticable or not cost-effective.

The Commission shall initiate a rulemaking within 12 months of the effective date of this act. The regulations adopted pursuant to this act shall become effective on a schedule established by the Commission.

32 **2. That the provisions of this act and any regulations adopted by the State Corporation Commission**
33 **pursuant to this act shall expire upon the effective date of any final rule under the U. S. Pipeline and**
34 **Hazardous Materials Safety Administration's "Pipeline Safety: Gas Pipeline Leak Detection and**
35 **Repair" rulemaking (Docket No. PHMSA–2021–0039; RIN 2137–AF51) or equivalent federal rule.**