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SENATE BILL NO. 407

Senate Amendments in [] - February 12, 2026

A BILL to amend the Code of Virginia by adding sections numbered 56-581.2 and 56-581.3, relating to electric utilities; transportation electrification; electric vehicle fast-charging stations.

Patron Prior to Engrossment—Senator Boysko

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 56-581.2 and 56-581.3 as follows:

§ 56-581.2. Transportation electrification; planning; cost recovery.

A. As used in this section:

"Electrical distribution infrastructure" means equipment, structures, and associated engineering and civil construction work designed to support electric vehicle charging stations, including poles, vaults, service drops, transformers, mounting pads, trenching, conduit, wire, cable, meters, and other necessary equipment.

"Fast-charging station" means a charging system capable of delivering at least 50 kilowatts of direct current electrical power to an electric vehicle's rechargeable battery at a voltage of 200 volts or greater.

"Historically economically disadvantaged community" has the same meaning as provided in § 56-576.

"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

"Rural community" means a city with a population density of less than 1,470 people per square mile or a county with a population density of less than 160 people per square mile.

"Transportation electrification" means the use of electricity from external sources to power all or part of passenger vehicles, trucks, buses, trains, boats, or other equipment that transport materials, goods, or people.

B. The Commission shall require each Phase I and Phase II Utility to maintain an accurate and full accounting of all expenses related to electrical distribution infrastructure as it relates to this section.

C. A Phase I or Phase II Utility may file a proposed tariff with the Commission to provide utility-owned and utility-operated electrical distribution infrastructure between the main overhead or underground lines and the customer electrical revenue meter available to customers installing separately metered infrastructure to support electric vehicle charging stations, other than those in single-family residences. The Commission shall issue an order on such filing within six months after filing. Such proposal and tariff shall provide that related costs incurred by the Phase I or Phase II Utility shall be tracked and reported separately and shall be eligible for cost recovery only pursuant to the Phase I or Phase II Utility's rates for generation and distribution. In any proceeding in which the Commission reviews such costs, such costs shall be evaluated by the same standards as costs incurred for other necessary and essential distribution infrastructure. Customers of the Phase I or Phase II Utility may elect to receive service under such tariff as an alternative to taking service under existing line extension rules. No provision of this section shall modify any arrangements for contributions in aid of construction or any other agreement in effect prior to the effective date of the tariff.

D. Each Phase I and Phase II Utility shall file by February 1, 2028, and every three years thereafter, transportation electrification plans to accelerate widespread transportation electrification across the Commonwealth in a manner designed to achieve the most reasonable and prudent utility investments in transportation electrification throughout the utility's service territory, which shall include rural communities and historically economically disadvantaged areas. Such transportation electrification plans shall consider potential rate designs, incentives, investments, and programs designed to accelerate transportation electrification in a reasonable and prudent manner and shall seek to minimize overall costs and maximize overall benefits to utility customers. Such plans shall include:

1. Programs to incentivize and facilitate the deployment of electric vehicle charging infrastructure for light-duty, medium-duty, and heavy-duty vehicles, including a program to provide incentives and technical assistance to, or partnerships with, petroleum distributors and convenience stores to expand such fueling services to include fast-charging stations;

2. Rate designs and programs that (i) encourage transportation electrification and electric vehicle charging; (ii) benefit rural communities and historically economically disadvantaged areas; (iii) support the off-peak utilization of the electric grid; (iv) facilitate fuel cost savings; and (v) support various categories of vehicles and charging use cases, including public level 2 and direct-current fast-charging, workplace charging, residential charging for single-family and multifamily dwellings, fleet and depot charging, vehicle-to-grid battery discharge designed to improve grid conditions including by alleviating peak demand, non-road industrial areas including ports, and charging for light-duty, medium-duty, and heavy-duty vehicles;

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59 3. Commercial and industrial rates designed for high-voltage charging applications, taking into account
 60 alternatives to traditional demand-based charges that appropriately recover the marginal costs associated
 61 with such applications;

62 4. Targeted and broad customer education and outreach programs that increase the awareness of related
 63 customer incentives and the ratepayer benefits of transportation electrification; and

64 5. Responses to Commission inquiries from any of the utility's previous transportation electrification
 65 plans or integrated resource plans, as applicable.

66 E. In reviewing transportation electrification plans filed pursuant to subsection D, the Commission shall
 67 consider whether such plans can be reasonably expected to:

68 1. Increase access to transportation electrification, including for rural communities and historically
 69 economically disadvantaged communities;

70 2. Provide lower costs to customers and fleet operators who charge electric vehicles during off-peak
 71 hours;

72 3. Improve the utility's electrical system efficiency, operational flexibility, and system utilization during
 73 off-peak hours while also mitigating increased peak demand;

74 4. Expand access to public charging in a manner that does not result in unreasonable competition with
 75 companies, as defined in § 56-265.1;

76 5. Improve air quality and reduce greenhouse gas emissions;

77 6. Increase transparency, including incorporating public reporting requirements to inform transportation
 78 electrification program design and Commission policy; and

79 7. Identify and address aggregate electric distribution grid capacity upgrades needed to support
 80 transportation electrification or other expenditures necessary to serve projected growth in transportation
 81 electrification.

82 F. In any biennial rate review proceeding conducted under § 56-585.1 for a Phase I Utility or § 56-585.8
 83 for Phase II Utility subsequently to the submission of a transportation electrification plan required under
 84 subsection D, the Phase I or Phase II Utility shall seek recovery of necessary and appropriate expenditures,
 85 distribution grid capacity upgrades, and rate designs to serve aggregate transportation electrification needs
 86 as identified in the transportation electrification plan. The cost of any such approved expenditures shall be
 87 recovered only through the utility's rates for generation and distribution services [; and] shall not be
 88 recovered through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 [; and shall not be
 89 eligible for a customer credit reinvestment offset pursuant to subdivision A 8 d of § 56-585.1]. To the extent
 90 that the provisions of this section are inconsistent with the provisions of § 56-585.1, the provisions of this
 91 section shall control.

92 **§ 56-581.3. Electric vehicle fast-charging stations; approval of expenditures; Commission to determine**
 93 **radial distance.**

94 Notwithstanding the provisions of subdivision B 1 of § 56-1.2:1, beginning January 1, 2028, no Phase I or
 95 Phase II Utility shall petition for approval of expenditures to [develop, own, maintain, or operate own and
 96 operate] public-facing electric vehicle fast-charging stations, as defined in § 56-581.2, unless such stations
 97 are located at or beyond a radial distance as determined by the Commission relative to the location of any
 98 privately owned fast-charging station.

99 **2. That no later than June 1, 2027, the State Corporation Commission (the Commission) shall initiate a**
 100 **rulemaking proceeding pursuant to § 56-581.3 of the Code of Virginia, as created by this act, to**
 101 **determine the appropriate radial distance between electric vehicle fast-charging stations that are**
 102 **privately owned and those that are owned [; maintained, or and] operated by a Phase I or Phase II**
 103 **Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia. In**
 104 **determining such radial distance, the Commission shall consider the policy of the Commonwealth,**
 105 **pursuant to Chapter 268 of the Acts of Assembly of 2021, Special Session I, to promote to the greatest**
 106 **extent possible private competition and investment in transportation electrification and to enable**
 107 **electric utilities and the public sector to complement such private investment [as where] most**
 108 **effective. In conducting such proceeding, the Commission's review shall include (i) an analysis of the**
 109 **adequacy of electric vehicle charging infrastructure throughout the Commonwealth and how equitably**
 110 **such infrastructure is distributed; (ii) a consideration of the impact of any federal grants or loans made**
 111 **to provide electric vehicle charging infrastructure in the Commonwealth; (iii) minimum requirements**
 112 **for direct current fast-charging equipment, including adherence to universal design guidelines and the**
 113 **minimum number of privately-owned direct current fast-charging stations at a single location that may**
 114 **prevent the development of direct current fast-charging stations by a Phase I or II Utility within the**
 115 **radial distance determined by the Commission; (iv) a consideration of similar radial distance**
 116 **arrangements or determinations made in other states with vertically integrated utilities; and (v) any**
 117 **other issues deemed relevant by the Commission. The Commission shall enter its final rule from such**
 118 **proceeding no later than December 31, 2027.**

119 **3. That no later than December 31, 2029, the State Corporation Commission shall review the final rule**
 120 **promulgated pursuant to the second enactment of this act to assess its effectiveness in promoting the**

121 adequacy of publicly available electric vehicle fast-charging infrastructure throughout the
122 Commonwealth and in promoting small business investment and competition in transportation
123 electrification, including by petroleum distributors and convenience stores.
124 4. That the provisions § 56-581.3 of the Code of Virginia, as created by this act, shall expire on July 1,
125 2031.

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