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SENATE BILL NO. 253

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on February 26, 2026)

(Patron Prior to Substitute—Senator Lucas)

A BILL to amend and reenact § 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.

Be it enacted by the General Assembly of Virginia:

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

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

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

Each Phase I and II Utility shall conduct a pilot program for energy assistance and weatherization for low income low-income, elderly, and disabled individuals in their respective service territories in the Commonwealth. Each pilot program shall be funded by the utility and shall commence September 1, 2015. Each Phase I Utility shall continue such pilot program at no less than the existing levels of funding as of July 1, 2018; \$1 million and no greater than \$1.5 million for each year that the utility provides such service. Each Phase II Utility shall continue such pilot program at no less than \$13 \$156 million and no greater than \$204 million for each year the utility is providing such service the time period beginning July 1, 2026, and ending July 1, 2038. The funding for the pilot programs established pursuant hereto for energy assistance and weatherization for low-income, elderly, and disabled individuals in the service territory in the Commonwealth of each respective utility shall continue until the earlier of amendment or repeal of this section or July 1, 2028 2038. Each such utility shall report on the status of its pilot program, including the number of individuals served thereby and the amount of annual expenditures for such program, to the Governor, the State Corporation Commission, the Chairman Chair of the House Committee on Labor and Commerce and the Chairman Chair of the Senate Committee on Commerce and Labor, and the Commission on Electric Utility Regulation by July 1, 2016, and of each year thereafter.

2. That notwithstanding subdivision A 6 of § 56-585.1 of the Code of Virginia, a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, may recover costs associated with any petition for cost recovery made pursuant to clause (iv) of subdivision A 6 of § 56-585.1 of the Code of Virginia that has been approved by the State Corporation Commission (the Commission) as of December 1, 2033, provided that, in connection with any such petition filed by a Phase II Utility between July 1, 2026, and March 1, 2033, the total costs for tap line conversion that are to be deemed reasonable, prudently incurred, and approved for recovery by the Commission pursuant to such petition shall not exceed an average cost per mile of tap lines converted, exclusive of financing costs, of \$900,000, and no such petition shall seek an annual incremental increase in the level of investments associated with such petition that exceeds four percent of the Phase II Utility's distribution rate base, as such rate base was determined for the most recently ended 12-month test period in the Phase II Utility's most recently concluded biennial review proceeding prior to the filing of such petition.

3. That any customer of a Phase II Utility, as defined in subdivision A 1 of § 56 585.1 of the Code of Virginia, that as of January 1, 2026, maintained a full-time equivalent employment workforce engaged in manufacturing or industrial activities of at least 200 individuals at facilities located within the Phase II Utility's service territory at a single or contiguous customer account location that is subject to migration to a principal rate schedule of the Phase II Utility applicable to customers with a contracted or measured electric demand of 25 megawatts or greater and an anticipated or measured average annual electric load factor of 75 percent or greater as of January 1, 2027, may, by providing notice to the Phase II Utility on or before July 1, 2026, elect to remain on its existing default rate schedule or any applicable voluntary rate schedule. Any such election shall be on a one-time basis and shall not be revocable at any time prior to December 31, 2033, after which time an electing customer may continue to remain on its existing default rate schedule or take service under any other qualifying rate schedule.

4. That, in any State Corporation Commission (the Commission) proceeding filed by an electric utility or third-party provider (i) for a generation facility that requires a certificate of public convenience and necessity pursuant to subsection D of § 56-580, (ii) pursuant to subdivision D 4 of § 56-585.5 of the Code of Virginia, or (iii) otherwise authorized by an act of the 2026 Session of the General Assembly and related to the development of generation, including distributed generation or energy storage, the Commission shall require to the greatest extent it finds in the public interest the use of wages, salaries, benefits, and other remuneration to any mechanic, laborer, or worker employed, retained, or otherwise hired to perform services in connection with a contract contemplated pursuant to such filing at the prevailing wage rate, as determined by the Commissioner of Labor and Industry in accordance with

60 § 2.2-4321.3 of the Code of Virginia, and shall require to the greatest extent practicable the use of a
61 skilled workforce through registered apprenticeship programs for any authorized demand flexibility
62 programs, utility-related procurement through utility-owned or third-party providers, and an
63 evaluation of other potential opportunities to develop Virginia's skilled workforce by requiring
64 minimum apprenticeship program requirements for such generation, including distributed generation,
65 or battery storage facility work.
66 5. That a Phase II Utility, as that term is defined in subdivision A 1 of § 56-585.1 of the Code of
67 Virginia, shall make best, reasonable efforts to coordinate and make complementary the program
68 established in § 56-585.1:2 of the Code of Virginia, as amended by this act, and the Percentage of
69 Income Payment Program established in § 56-585.6 of the Code of Virginia.