

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to reduce heating-related costs of living for low-income residents by requiring certain electric utilities*
 3 *to provide energy efficiency upgrades; report.*

4 [H 2]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. § 1.** *It shall be the policy of the Commonwealth to reduce, wherever feasible and cost-effective, heating-*
 8 *related costs of living for low-income residents. In furtherance of this policy, and in addition to other*
 9 *policies and programs to improve energy efficiency and lower costs of living for residents of the*
 10 *Commonwealth, Phase I and Phase II Utilities shall make best, reasonable efforts to provide by December*
 11 *31, 2031, prescriptive efficiency measures and related efficiency improvements to at least 30 percent of the*
 12 *qualifying households identified by the Phase I or Phase II Utility, or in the case of a Phase I Utility to*
 13 *2,000 qualifying households, whichever is less, or in the case of a Phase II Utility to 8,400 qualifying*
 14 *households, whichever is less, provided that such measures and improvements are determined by the State*
 15 *Corporation Commission (the Commission) to be in the public interest.*

16 **§ 2.** *Each Phase I and Phase II Utility shall incorporate prescriptive efficiency measures in its next*
 17 *applicable income-qualified and age-qualified energy efficiency program filing with the Commission and*
 18 *implement such prescriptive efficiency measures for qualifying households that are reasonably expected to (i)*
 19 *lower each household's total annual heating-related energy costs, which determination shall be subject to*
 20 *Commission review and approval, and based upon widely available and credible energy consumption and*
 21 *cost data, including data from the U.S. Department of Energy, as appropriate, and taking into account the*
 22 *housing stock and other relevant factors in the Phase I or Phase II Utility's service territory and (ii) reduce*
 23 *onsite air pollution, with special emphasis on improving indoor air quality where feasible. It shall be the duty*
 24 *of the Phase I or Phase II Utility or its designated agent, and shall not be the duty of an installer, to make*
 25 *best efforts to identify qualifying households in its respective territory and to make the determinations*
 26 *specified in clauses (i) and (ii).*

27 **§ 3.** *Each Phase I or Phase II Utility shall consult directly with the Department of Energy and the*
 28 *Department of Housing and Community Development (DHCD) to utilize, wherever feasible, state-derived or*
 29 *federally derived sources of funding to reduce the total utility program costs in implementing § 1 of this act.*
 30 *DHCD shall make available all low-income energy efficiency related programs administered by DHCD to*
 31 *support or enhance income-qualified and age-qualified energy efficiency programs by Phase I and Phase II*
 32 *Utilities.*

33 **§ 4.** *The Commission may in its discretion provide performance-based incentives to a Phase I or Phase II*
 34 *Utility in furtherance of this act, including early action credit for prescriptive efficiency measures installed*
 35 *before January 1, 2030, and the Commission may, at any time before January 1, 2030, make a determination*
 36 *on whether the target described in § 1 of this act is feasible and, based on that determination, may adjust the*
 37 *target at its sole discretion. The Commission shall not penalize a utility for its inability to meet the 30 percent*
 38 *target described in § 1 of this act.*

39 **§ 5.** *No later than January 1, 2028, and annually thereafter, and in any recurring filing that the*
 40 *Commission deems appropriate, each Phase I and Phase II Utility shall report to the Commission its*
 41 *activities, plans, and progress regarding the provisions of this act. In any such filing and at least triennially,*
 42 *each Phase I and Phase II Utility shall also report updated and aggregated ratepayer data regarding bill and*
 43 *energy savings from all energy efficiency and demand response programs, including actual and potential*
 44 *savings across each customer class, which may include actual and potential avoided costs of grid and*
 45 *transmission upgrades, pollution allowances, energy, capacity, and imported fuel purchases. For the*
 46 *purposes of estimating the potential for energy efficiency and demand response cost savings, any study of*
 47 *potential energy efficiency and demand response cost savings necessary to comply with the requirements of*
 48 *this section shall assume, in at least one projected scenario, 75 percent customer awareness of such energy*
 49 *efficiency and demand response programs across each customer class.*

50 **§ 6.** *A Phase I and Phase II Utility, in carrying out the provisions of this act and in reporting to the*
 51 *Commission its activities, plans, and progress regarding the provisions of this act, shall make reasonable*
 52 *efforts to incorporate any recommendations or feedback provided by a task force that evaluates barriers to*
 53 *access and enrollment in the current energy efficiency programs for income-qualified energy customers and*
 54 *that develops a plan to address any necessary improvements regarding coordination among programs for*
 55 *utility services that are available through utilities and state and federal government agencies and resources*
 56 *to more effectively deliver energy-efficient housing, weatherization resources, and energy efficiency upgrades*

57 *for income-qualified individuals and households in the Commonwealth, including small and large multifamily*
58 *buildings, single-family dwellings, and manufactured homes.*

59 *§ 7. As used in this act:*

60 *"Installer" means any entity that directly provides energy efficiency or weatherization upgrades to low-*
61 *income residents in the Commonwealth and that receives federal, state, or utility funding from a Phase I or*
62 *Phase II Utility, in whole or in part, to provide such upgrades.*

63 *"Low-income resident" means any individual or household with an income of no more than 60 percent of*
64 *the median state income, 80 percent of the median income of the locality in which such individual or*
65 *household resides, or 200 percent of the federal poverty level, whichever is greater.*

66 *"Phase I Utility" and "Phase II Utility" have the same meaning as provided in subdivision A 1 of*
67 *§ 56-585.1 of the Code of Virginia.*

68 *"Prescriptive efficiency measures" means utility-provided energy efficiency upgrades at qualifying*
69 *households that substantially reduce or eliminate the household's reliance on fuel delivered to the household*
70 *and stored on site and utilized for household heating, cooking, or water heating, and that thereby reduce the*
71 *total annual energy-related costs of living for that household, and that are combined, wherever feasible, with*
72 *additional energy efficiency measures, including insulation, when that household also qualifies for such*
73 *additional energy efficiency measures. "Prescriptive efficiency measures" does not include equipment that*
74 *utilizes fuel delivered and stored on site.*

75 *"Qualifying household" means any single-family or multifamily dwelling occupied by a low-income*
76 *resident that is a customer of a Phase I or Phase II Utility who (i) relies on fuel delivered to the household*
77 *and stored on site and utilized for household heating, cooking, or water heating; (ii) has measured or rated*
78 *appliance efficiency ratings of less than 83 percent; and (iii) is eligible for or has received building envelope*
79 *upgrades through federal, state, or utility funded energy efficiency or weatherization programs.*