

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to direct certain electric utilities to undertake comprehensive assessments and establish pilot*
 3 *programs related to surplus interconnection service; report.*

4 [H 1065]

5 Approved

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

7 **1.** *§ 1. That each Phase I and Phase II Utility shall undertake a comprehensive assessment of available*
 8 *interconnection capacity at each such utility's existing and planned intermittent electric generation facilities*
 9 *located in the Commonwealth. Such assessment shall (i) identify all of each such utility's solar generation*
 10 *facilities located in the certificated service territory of the Phase I or Phase II Utility that are interconnected*
 11 *pursuant to an interconnection agreement or that have executed an interconnection agreement; (ii)*
 12 *determine the capacity interconnection rights of each such solar generation facility pursuant to the filed or*
 13 *executed interconnection agreement; and (iii) determine how much, if any, surplus interconnection service*
 14 *may be available at each such solar generation facility's point of interconnection. In conducting such*
 15 *assessment, a Phase I Utility shall identify at least two points of interconnection and a Phase II Utility shall*
 16 *identify at least five points of interconnection at which utilizing surplus interconnection service may be*
 17 *feasible. In conducting such assessment and identifying such points of interconnection, the Phase I and*
 18 *Phase II Utility shall consider relevant factors, including the relative resource value expected from utilizing*
 19 *surplus interconnection service at each such point of interconnection and the potential for deferring other*
 20 *investments in electric generation or transmission infrastructure, the proximity to areas of highly*
 21 *concentrated electric load, environmental impacts, impacts to the existing generation facility, and the*
 22 *receptivity of local permitting. Additionally, the Phase I and Phase II Utility shall identify planned*
 23 *intermittent electric generation facilities operating pursuant to a power purchase agreement with the Phase*
 24 *I or Phase II Utility and shall, to the extent such information is reasonably available, list for each such*
 25 *facility the capacity interconnection rights and potential surplus interconnection service that may be*
 26 *available at the point of interconnection for such facility. The Phase I and Phase II Utility shall submit a*
 27 *report to the State Corporation Commission (the Commission) no later than January 1, 2027, describing the*
 28 *results of the assessments conducted pursuant to this section, including the preliminary identification of*
 29 *specific points of interconnection as required under this section.*

30 *§ 2. That a Phase I Utility shall establish a pilot program with a capacity of 100 megawatts and a Phase*
 31 *II Utility shall establish a pilot program with a capacity of 500 megawatts for energy storage resources and*
 32 *solar generation facilities, to the extent the Commission finds solar generation facilities to be practicable,*
 33 *that utilize surplus interconnection service and, as part of such pilot programs, evaluate the feasibility,*
 34 *effectiveness, and reliability benefits of such resources and facilities utilizing surplus interconnection service.*
 35 *As part of such pilot programs, the Commission shall approve an independent auditor to participate in the*
 36 *formulation of a request for proposals, including by formulating criteria for the request for proposals and*
 37 *reviewing results for energy storage resources and solar generation facilities to utilize surplus*
 38 *interconnection service, no later than March 1, 2027. Such request for proposals shall include proposals for*
 39 *(i) power purchase agreement projects that seek to utilize an existing point of interconnection of a Phase I or*
 40 *Phase II Utility for surplus interconnection service under an additional energy storage resource system*
 41 *tolling agreement and (ii) projects located adjacent to a utility-owned solar generation facility that seeks to*
 42 *utilize surplus interconnection service at an existing point of interconnection of a Phase I or Phase II Utility*
 43 *for acquisition. The results of such request for proposals shall be submitted to the Commission in each such*
 44 *utility's 2027 application required under subdivision D 4 of § 56-585.5 of the Code of Virginia to request the*
 45 *necessary approvals to construct or acquire capacity from the selected resources and facilities. Nothing in*
 46 *this section shall prohibit a Phase I or Phase II Utility from constructing, acquiring, or procuring more than*
 47 *100 megawatts or 500 megawatts, respectively, of surplus interconnection service project capacity, provided*
 48 *that the utility receives approval from the Commission for such additional capacity pursuant to §§ 56-580*
 49 *and 56-585.1 of the Code of Virginia.*

50 *§ 3. As used in this act:*

51 *"Capacity interconnection rights" means the permissions granted to entities to connect their energy*
 52 *generation facilities to the electric grid system, allowing such facilities to transmit a specified amount of*
 53 *generation capacity to the electric grid system.*

54 *"Interconnection agreement" means an interconnection service agreement or generator interconnection*
 55 *agreement to interconnect to the transmission system operated by the regional transmission entity.*

56 *"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of*

57 § 56-585.1 of the Code of Virginia.

58 *"Planned intermittent generation facility" means any project for which a Phase I or Phase II Utility has*
59 *signed an interconnection agreement with the regional transmission entity or a small generator*
60 *interconnection agreement.*

61 *"Surplus interconnection service" means any unused or unnecessary portion of interconnection service*
62 *capacity at a point of interconnection established in an interconnection agreement such that if such surplus*
63 *interconnection service is utilized, the total amount of interconnection service capacity at such point of*
64 *interconnection remains the same.*