VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

[S 508]

Approved

Be it enacted by the General Assembly of Virginia:

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

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

§ 3. As used in this act:

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

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

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

§ 56-585.1 of the Code of Virginia.

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

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