

HOUSE BILL NO. 1075

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute—Delegate Rasoul)

A BILL to direct the State Corporation Commission to consider certain requirements in the biennial rate review for a Phase I Utility; report.

Be it enacted by the General Assembly of Virginia:

1. § 1. A. That in conducting its 2026 review of the rates, terms, and conditions for the provision of generation and distribution services by a Phase I Utility (the utility), as that term is defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, pursuant to § 56-585.8 of the Code of Virginia, the State Corporation Commission (the Commission) shall consider the requirements described in this act.

B. The Commission shall review the decision of the utility or its parent company to satisfy its capacity obligations with the regional transmission entity through a fixed resource requirement alternative. The utility shall file a report explaining the basis for such decision and comparing the historical costs of the fixed resource requirement alternative with comparable capacity and energy market prices of the regional transmission entity.

C. The Commission may direct the utility to file any supplemental information that the Commission determines is necessary to comply with the provisions of this act as part of its rate review proceeding.

D. To ensure the lowest reasonable costs for customers and identify opportunities for cost savings, the Commission shall conduct a review of the utility's efforts to improve system efficiency, resilience, and reliability to address rising costs of severe weather events. Such review shall (i) evaluate the increased risk of severe weather events; (ii) identify best practices employed by electric utilities operating in geographically similar regions; (iii) identify options for the expansion of energy efficiency programs administered by the utility to enhance system resilience; and (iv) determine whether additional resources from the Commonwealth are necessary to offset reductions in federal funding, financing, or tax incentives for electric grid resilience investments. The Commission shall provide opportunity for public comment as part of such review. By September 1, 2027, the Commission shall provide a report to the Governor and the Commission on Electric Utility Regulation summarizing its review and providing any recommendations for actions by the utility, the Commission, and the General Assembly to reduce the costs of severe weather events.

E. The Commission may provide the report required by subsection D as part of an annual report prepared by the Commission pursuant to § 56-596 of the Code of Virginia.