Commission on Electric Utility Regulation

2025 Annual Report

To the Governor and the
General Assembly of Virginia

Commonwealth of Virginia

Richmond, Virginia

January 2026

CEUR
Commission on
Electric Utility Regulation

Code of Virginia

§ 30-201.

The Commission on Electric Utility Restructuring established pursuant to Chapter 885 of the Acts of Assembly of 2003, is continued, effective July 1, 2008, as the Commission on Electric Utility Regulation (the Commission) within the legislative branch of state government. The purpose of the Commission is to monitor the State Corporation Commission's implementation of the Virginia Electric Utility Regulation Act (§ 56-576 et seq.).

§ 30-205.

The Commission shall have the following powers and duties:

1. Monitor the work of the State Corporation Commission in implementing Chapter 23 (§ 56-576 et seq.) of Title 56. The Commission shall receive an annual report from the State Corporation Commission by November 1 regarding such implementation and shall receive such other reports as the Commission may be required to make, including reviews, analyses, and impact on consumers of electric utility regulation in other states.
2. Examine generation, transmission and distribution systems reliability concerns;
3. Establish one or more subcommittees, composed of its membership, persons with expertise in the matters under consideration by the Commission, or both, to meet at the direction of the chairman of the Commission, for any purpose within the scope of the duties prescribed to the Commission by this section, provided that such persons who are not members of the Commission shall serve without compensation but shall be entitled to be reimbursed from funds appropriated or otherwise available to the Commission for reasonable and necessary expenses incurred in the performance of their duties;
4. Monitor applications by the Commonwealth for grants and awards for energy projects from the federal government;
5. Consider legislation referred to it during any session of the General Assembly or other requests by members of the General Assembly;
6. Conduct studies and gather information and data in order to accomplish its purposes set forth in § 30-201 and in connection with the faithful execution of the laws of the Commonwealth;
7. Issue ratepayer impact statements pursuant to § 30-205.1; and
8. Report annually to the General Assembly and the Governor with such recommendations as may be appropriate for legislative and administrative consideration in order to maintain reliable service in the Commonwealth while preserving the Commonwealth's position as a low-cost electricity market.

Commission on Electric Utility Regulation

Members:

Chair
The Honorable Senator Scott A. Surovell

Vice Chair
The Honorable Delegate Terry G. Kilgore

Senate of Virginia
Appointed by Senate Committee on Rules. Appointment coincident with Senate term.
Senator L. Louise Lucas
Senator Mark D. Obenshain
Senator R. Creigh Deeds

Virginia House of Delegates
Appointed by Speaker of the House. Appointment coincident with House term.
Speaker Don Scott
Delegate Richard C. (Rip) Sullivan
Delegate Michael J. Webert
Delegate Charniele L. Herring
Delegate Candi Mundon King

Citizen Members:
Cassidy Rasnick (*appointed by Senate Committee on Rules*)
Josephus Allmond (*appointed by Speaker of the House*)
Howard Shafferman (*appointed by the Governor*) (through July 2025)
Jesse Lynch *(appointed by the Governor)* (August 2025 – present)

Ex Officio Member:
Meade Browder, Attorney General's Office (through December 31, 2025)

Staff:

Carrie Hearne, MBA, Executive Director
Jamie Bitz, MPP, Senior Energy Policy Analyst
Ana Christina Vivas Thomas, MPP, Energy Policy Analyst

The Commission acknowledges the generous support from leadership and staff at the Senate and House Clerks offices, Division of Legislative Services and Division of Legislative Automated Services.

CEUR
Commission on
Electric Utility Regulation

COMMISSION ON ELECTRIC UTILITY REGULATION

Senator Scott A. Surovell, Chair
Delegate Terry G. Kilgore, Vice Chair

January 14, 2026

The Honorable Glenn Youngkin
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Members of the Virginia General Assembly
General Assembly Building
Richmond, Virginia 23219

Dear Governor Youngkin and Members of the General Assembly:

Please find enclosed the annual report of the Commission on Electric Utility Regulation. This report summarizes the activities of the Commission in 2025 and legislative recommendations to the General Assembly in advance of the 2026 legislative session and fulfills the requirements of § 30-207 of the Code of Virginia.

This and all other reports and briefings of the Commission on Electric Utility Regulation can be found at dls.virginia.gov/commissions/eur.htm.

Respectfully submitted,

Scott A. Surovell, Chair

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Mission / Purpose

The purpose of the Commission on Electric Utility Regulation ("CEUR" or "the Commission") is to monitor the State Corporation Commission's implementation of the Virginia Electric Utility Regulation Act (§ 56-576 et seq.).

Authorizing Statute

The Commission is established within the Commonwealth of Virginia's legislative branch of state government in Title 30, Chapter 31 of the Code of Virginia. The full chapter can be viewed in **Appendix A**.

Staffing, Budget, and Operations

In the 2023 Special Session Budget Bill, the CEUR was allocated $345,525 for fiscal year 2024 (FY2024), along with six (6) general fund positions. The 2024 Session Budget Bill allocated $691,050 for FY2025 and $691,050 for FY2026.

CEUR hired Carrie Hearne in June 2024 to serve as its first executive director. Two additional staff members, Jamie Bitz and Ana Vivas Thomas, were hired as senior energy policy analyst and energy policy analyst positions, respectively, in October 2024. Additional capacity is currently being evaluated in the form of staffing and/or consulting services to deepen the expertise of the team and to fulfill the CEUR purpose and requirements.

The CEUR staff currently hold offices in Old City Hall at 1001 E. Broad Street in Richmond, Virginia.

Commission Meetings

The CEUR held full Commission meetings on the following dates:

- January 6, 2025 (culmination of 2024 work plan)
- May 22, 2025
- November 6, 2025
- December 4, 2025 (culmination of 20252 work plan)

The Energy Facility Permitting and Siting Committee ("Permitting Committee"), established for the 2024 workplan, met on the following date:

- January 6, 2025

Subcommittees were established at the May 2025 public meeting for the 2025 work plan. Each of the 2025 subcommittees conducted public meetings on the following dates:

- Subcommittee 1 – Energy Affordability

- September 10, 2025
- October 8, 2025
- December 2, 2025

❖ Subcommittee 2 – Advanced Energy Technologies
- September 10, 2025
- October 8, 2025
- December 2, 2025

❖ Subcommittee 3 – Solar and Energy Storage
- September 10, 2025
- October 8, 2025
- December 2, 2025

❖ Subcommittee 4 – Carryover Policy Recommendations
- October 30, 2025
- November 6, 2025
- November 10, 2025
- December 2, 2025

All meeting materials including meeting agendas, recordings, guest and staff presentations, and supporting documents can be found on the CEUR website (here) hosted with the Division of Legislative Services.

CEUR acknowledges and appreciates all the individuals who offered their time and expertise as invited guest presenters during public meetings in 2025:

❖ Virginia Dept. of Transportation (VDOT): Angel Deem
❖ Solar Energy Industries Association (SEIA): Ben Norris
❖ Dominion Energy Virginia: William Murray, Scott Gaskill, Todd Flowers, Brandon Martin
❖ The AES Corporation: Brittany West
❖ Solarix: Carlos Class
❖ Association of Energy Conservation Professionals (AECP): Chase Counts
❖ PJM Interconnection, LLC: Asim Z. Haque
❖ Virginia Energy Efficiency Council: Chelsea Harnish
❖ Appalachian Power Company (APCo): Amanda Cox, Will Castle
❖ Southern Environmental Law Center (SELC): Josephus Allmond
❖ IdeaSmiths LLC: Nick Laws
❖ Framatome Inc. and Virginia Nuclear Energy Consortium Authority (VNECA): Tom DePonty
❖ GeoExchange: Ryan Dougherty
❖ Coalition for Community Solar Access: Charlie Coggeshall
❖ American Clean Power (ACP): Bennett Fuson
❖ Lightshift Energy: Ricky Elder

- Virginia Poverty Law Center (VPLC): Dana Wiggins
- Virginia, Maryland & Delaware Association of Electric Cooperatives (VMDAEC): Kyle Shreve
- Nuclear Energy Institute (NEI): John Kotek
- Virginia Nuclear Energy Consortium (VNEC): April Wade
- SolarAPP Foundation: Patrick Hayakawa
- Rocky Mountain Institute (RMI): Tyler Fitch
- Northern Virginia Electric Cooperative (NOVEC): Katherine Bond
- State Corporation Commission (SCC) staff: Kim Pate, David Essah, Brian Pratt, Andy Farmer
- Weldon Cooper Center for Public Service, University of Virginia: Elizabeth Marshall
- Institute for Sustainable Energy and Environments, Virginia Commonwealth University: Damian Pitt
- Joint Legislative Audit & Review Commission (JLARC): Mark Gribbin
- Data Center Coalition (DCC): Nicole Riley
- Google LLC: Kaitlin Savage
- Iron Mountain: Chris Pennington
- Digital Realty: Ian Black
- CPower: Ken Schisler

CEUR staff and members of the Commission would also like to thank members of the public for engaging in public meetings and offering verbal and written comments, recommendations, and feedback on Commission topic areas and policy proposals.

Referred Bills from 2025

Four (4) bills from the 2025 session of the Virginia General Assembly were ultimately referred to the CEUR for further consideration. CEUR staff conducted background research on each referred bill as part of developing the CEUR's 2025 workplan. Each bill number, patron, summary description, and a link to bill history can be found in **Appendix B**.

Policy Research, Analysis, and Stakeholder Interviews

CEUR staff and member discussions on 2026 policy options began in May 2025. Staff conducted preliminary analysis of 2025 referred bills (as listed above) as well as other energy-related topics and made recommendations to the CEUR members on areas for consideration.

Members of the Commission on Electric Utility Regulation and staff reviewed many policy considerations through the work of the Subcommittees.

Each of these topic areas received dedicated staff analysis, including independent research and external interviews.

Policy Recommendations to 2026 General Assembly

On December 4, 2025, the Commission on Electric Utility Regulation members convened to discuss nineteen draft policy proposals as recommended and researched by CEUR staff. The membership voted to advance to the General Assembly the following sixteen policy recommendations:

Utility Disconnections Dashboard

Increase the transparency on electric utility disconnections in Virginia by developing a publicly accessible disconnections dashboard. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix C**.

- Require investor-owned utilities and electric cooperatives to report monthly data on involuntary residential disconnections to the SCC, including:
  - Total number of residential customers involuntarily disconnected due to nonpayment
  - Number of customers disconnected by unique 5-digit zip code
  - Number of customers reconnected in (i) less than 24 hours, (ii) at least 24 but less than 48 hours, (iii) at least 48 but less than 72 hours, and (iv) 72 hours or more
  - Average and total amounts of arrearages owed and the number of customers with arrearages of (i) less than $100, (ii) at least $100 but less than $500, (iii) at least $500 but less $1,000, and (iv) $1,000 or more
  - Number of customers participating in a payment assistance program, such as the Low Income Home Energy Assistance Program (LIHEAP), Percentage of Income Payment Program (PIPP), or a utility-funded program
  - Number of customers with a medically vulnerable person in the household
  - Number of customers in arrears but not disconnected, and the average and total amounts of arrearages owed
- Require the SCC to maintain the data in a comprehensive and easily accessible format (e.g., dashboard with visualization) on its website, with disconnection information displayed separately for each utility.
- Require the SCC to report annually to the Commission on Electric Utility Regulation and the Governor on trends in electric utility disconnections.

Energy Assistance and Utility Spending

Extend and update the electric utility spending commitments of Virginia's largest regulated investor-owned monopoly utilities—Appalachian Power Company (Phase I) and Dominion Energy (Phase II)—for energy assistance and weatherization programs. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix D**.

- Extend the statutory spending commitments an additional 10 years beyond their expiration, to July 1, 2038.
- Update the spending commitments in §56-585.1:2 to reflect changes in electricity costs since 2018.
- Require Phase I and Phase II utilities to report annually on the status of their pilot programs to the Governor, the SCC, the House Committee on Labor and Commerce, the Senate Committee on Commerce and Labor, and the CEUR.
- Extend to 2038 the statutory authorization for Dominion to recover the costs associated with undergrounding certain overhead distribution lines.

Geothermal Heating and Cooling Systems, Renewable Energy Portfolio Standard (RPS) Program

Require Phase I and Phase II utilities to annually procure and retire certain percentages of renewable energy certificates (REC) from geothermal heating and cooling systems. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix E**.

- Require Phase I and Phase II utilities to procure up to 1 percent of total RECs from geothermal systems by 2029.
- Amend the method by which RECs from geothermal systems are calculated.
- Require the SCC to evaluate the procurement of RECs from geothermal systems and submit a report to the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by November 1, 2028.
- Require the Real Estate Appraiser Board to develop regulations for the development of continuing education curriculum and training on determining the value of real estate associated with solar, geothermal, and solar water heating investments.

Virginia Brownfields and Coal Mine Renewable Energy Grant Fund

Increase the dollar amount a project developer can receive for projects located on brownfields from $100/kW of nameplate capacity to $200/kW. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix F.**

Solar Interconnection Grant Program

Establish the Solar Interconnection Grant Program. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix G**.

- Award grants on a competitive basis to public bodies to offset costs associated with the interconnection of solar facilities to the grid.
- Require that priority be given to solar facilities located on previously developed project sites.

Balcony Solar

Define small portable solar generation as exempt from interconnection rules and net metering agreements. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix H**.

- Define a new type of small portable solar system as under 1,200 watts.
- Exempt these systems from interconnection rules and from participating in net metering agreements.
- Meet the standards of the most recent version of the National Electric Code and be certified by a nationally recognized testing laboratory.
- Provide liability protections for electric utilities.
- Prohibit localities from banning portable solar systems if such systems are in compliance with (i) any height and setback requirements in the zoning district where such property is located and (ii) any provisions pertaining to any local historic, architectural preservation, or corridor protection district.
- Restrict landlords from prohibiting a tenant from installing a portable solar system on the exterior of the tenant's premises, provided that reasonable restrictions are established concerning size, manner, and placement.

Energy Storage

Increase the MW targets for short- and long-duration energy storage for Phase I and Phase II utilities and extend the timeframe for reaching the targets. Require Virginia Energy to create a model ordinance for energy storage projects. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix I.**

- Increase the MW targets for a Phase I utility to 780MW of short-duration storage by 2040 and 520MW of long-duration storage by 2045.
- Increase the MW targets for a Phase II utility to 5,220MW of short-duration storage by 2045 and 3,480MW of long-duration storage by 2045.
- Require the SCC to conduct a technology demonstration program for long-duration storage to determine if the targets are achievable.
- Require Virginia Energy to create a model ordinance for energy storage projects and include minimum safety standards in accordance with the National Fire Protection Association (NFPA) 855 Standards for the Installation of Stationary Energy Storage Systems.
- Direct Virginia Energy and the Department of Environmental Quality (DEQ) to develop recommendations and financial incentives for long-duration storage.
- Direct the Department of Fire Programs to lead a work group on fire safety and suppression for energy storage.
- Direct the University of Virginia Weldon Cooper Center to track energy storage projects, applications, and denials.

Virginia Clean Energy Research and Support Center

Establish a University Consortium that coordinates research among Virginia universities. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix J.**

- The Center should provide technical assistance to state agencies, planning district commissions, localities or other public bodies, businesses, and individuals in the Commonwealth.
- Functions and duties of the Center should include providing technical assistance in matters related to energy technologies, siting, permitting, project design, interconnection, electric infrastructure, electric utilities, ratepayer proceedings, environmental impacts of energy projects, energy facility siting, permitting, and project or program development.
- The Center should support the development and implementation of the Virginia Energy Plan as requested.
- Require the Center to submit an annual report to the Commission on Electric Utility Regulation summarizing its research activities and any funding received by the Center by November 1 of each year.

Solar Siting Standards

Require localities to permit solar generation facilities pursuant to various criteria included in a local ordinance. Require localities to provide the SCC with a record of special exception decisions. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix K**.

- Key criteria in a local ordinance should include:
  - Minimum setback distances between 100 and 250 feet from the edge of tidal and non-tidal wetlands, or perennial streams
  - Land disturbances conducted in compliance with a stormwater pollution prevention plan
- Require localities to provide a record of special exception decisions to the SCC, including:
  - Reason for any adverse decision
  - Any finding of nonconformity with the local comprehensive plan
  - Date of the last revision to the comprehensive plan
- Require the SCC to maintain on its public website a searchable database of all solar special exception decisions and the reasons for any adverse decisions made over a period of at least 5 years.

CEUR Scope and Name Change

Broaden the scope of the CEUR to include monitoring the SCC's regulation of both electric and natural gas utilities, rename the CEUR as the Energy Commission of Virginia, and repeal statute authorizing the Virginia Coal and Energy Commission. The following is a summary with excerpts

from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix L**.

- Key duties of the Energy Commission of Virginia should include:
  - Examining the production, transmission, distribution, storage, and use of energy, including energy efficiency and conservation
  - Monitoring the development and implementation of the Energy Policy of the Commonwealth and the Virginia Energy Plan
  - Monitoring the SCC's regulation of electric utilities and natural gas utilities
  - Acting in advisory capacity to the General Assembly on energy-related issues
  - Coordinating with other state entities and authorities (e.g., Virginia Nuclear Energy Consortium Authority, Clean Energy Advisory Board)

Performance-Based Regulation of Electric Utilities

Establish an SCC-led work group to design an effective regulatory framework for improving investor-owned electric utility performance. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix M**.

- Require the work group to examine:
  - Feasibility of consolidating rate adjustment clauses (RAC)
  - Incentives for fuel cost management and recommendations for fuel cost-sharing mechanisms
  - Incentives for utility compliance with energy efficiency and RPS requirements
  - Recommendations for performance-incentive mechanisms (PIM)
  - Use of an all-source competitive procurement framework
- Require the work group to submit a report with findings and recommendation to the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor by October 31, 2026.

Utility Planning: Reforming the Integrated Resource Plan

Reform the integrated resource plan (IRP) requirements for Phase I and Phase II utilities. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix N**.

- Reduce the planning requirements for IRPs in key areas, such as requiring utilities to file IRPs every 3 years rather than 2 years, requiring the SCC at least every 5 years to consider reducing previously issued orders, and exempting utilities from submitting RPS plans in the year after they submit an IRP.
- Expand the scope of an IRP to include transmission and distribution planning.
  - Lengthen the planning timeframe from 15 to 20 years.
  - Require a Phase I utility to file IRPs triennially.

- ❖ Require utilities to consider developing surplus interconnection service projects to maximize the use of existing transmission capacity.
- ❖ Require the SCC to convene a workgroup with CEUR staff, utilities, and stakeholders to develop guidelines for IRPs, including:
    - Content of an IRP that comprehensively addresses generation, transmission, and distribution planning
    - Modeling software that best enables utilities to incorporate transmission and distribution planning, including location-specific information and regional nodes
- ❖ Require that utilities model scenarios in their IRPs that meet the Virginia Clean Economy Act (VCEA) while allowing utilities to model "least cost" scenarios
    - Require utilities to identify a single preferred portfolio of generation and non-generation resources that meets the VCEA.
    - Allow utilities to model "least cost" scenarios that involve petitioning the SCC for relief from the VCEA requirement to retire carbon-emitting sources.
    - Require utilities to include at least one modeling scenario that achieves greater annual energy savings than required by statute.
- ❖ Require the stakeholder review of utility IRPs to be facilitated by a third-party selected by the SCC and require the review process to occur annually.
- ❖ Require utilities to provide a subset of stakeholders with the same modeling software and inputs that utilities use to develop modeling scenarios for their IRPs.
- ❖ Require the CEUR to convene a work group to make recommendations on planning procedures and requirements for electric cooperatives, including:
    - Projected load growth in electric cooperative service territories, including load growth from large-load users, and methods to accurately predict demand growth
    - Electric cooperatives' planning processes to meet the needs of existing and new users
    - Coordination between electric cooperatives and generation and transmission providers, including PJM
    - Appropriate threshold for determining which cooperatives, if any, should participate in planning and coordination

Utility Interconnection Delays for Large Load Customers

Clarify that utilities can delay load interconnection requests under some criteria. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix O**.

- ❖ Clarify that utilities can delay load interconnection requests due to insufficient available generation or transmission capacity.
    - This authority should be applicable only to customers with a load interconnection request over 90MW.
- ❖ Allow for direction from the Federal Energy Regulatory Commission (FERC) on load interconnections.

SCC Work Group on Load Flexibility for Large Load Customers

Create an SCC regulatory work group to study mechanisms to (i) facilitate serving the growing energy demands from data centers and large load users, while (ii) increasing participation in load flexibility programs. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix P.**

- Require the SCC to convene a work group to evaluate the following elements:
  - Participation requirements in a demand response program (e.g., whether voluntary or mandatory)
  - Participation parameters including but not limited to: minimums and maximums on percentage of time or hours per year, seasonal requirements, duration of event, number of events per year, number of years in program, notification period, and penalties for not responding to an event (to the extent necessary)
  - Feasibility of physical and non-physical technologies to participate in demand response (such as backup generation or storage), to what extent policy or regulatory measures are needed to incentivize them, the associated reliability of such technologies, the associated health impacts of such technologies, and their impact on cyber and physical security of the grid
  - Incentives and compensation mechanisms that do not threaten grid reliability, differentiated for various levels of demand response participation, including valuations for geographic and grid locations

Expanding Distributed Generation (DG) in the Renewable Portfolio Standard (RPS)

Amend certain renewable energy portfolio standard program requirements for a Phase II utility. The following is a summary with excerpts from the policy but is not comprehensive in nature. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix Q.**

- Increase the maximum size of behind-the-meter generation projects from 1MW to 3MW.
- Increase the annual percentage of program requirements to be met with behind-the-meter solar, wind, or anaerobic digestion resources of 3 megawatts or less to 5 percent for the 2026-2035 compliance year, and 6 percent for the 2036-2045 compliance year.
- Amend the date by which 75 percent of such requirements shall be met with resources located in Virginia from 2025 to 2027.
- Remove the 50kW capacity requirement for solar and wind power generation to qualify for third-party power purchase agreements (PPAs) under a pilot program.
- Require a Phase II utility to procure an additional 400MW of solar and onshore wind from previously developed project sites (from 200MW to 600MW).

Shared Solar in Appalachian Power Company Service Territory

Direct the SCC to establish a minimum bill for the Appalachian Power Company shared solar program by December 31, 2026. Require a new net crediting functionality to be established. Require APCo to file any tariffs, agreements, or forms necessary for implementation of their shared

solar program by March 1, 2027. See the full policy draft as endorsed by the CEUR through a majority vote on December 4, 2025 in **Appendix R.**

Budget Recommendations

- The Virginia Brownfields and Coal Mine Renewable Energy Grant Fund, which received the CEUR's endorsement, has an affiliated budget request of $20M (see 2025 budget amendment from Delegate Webert).
- The Solar Interconnection Grant Program, which received the CEUR's endorsement, has an affiliated budget request of $2M (see 2025 budget from Delegate Herring).
- The Virginia Clean Energy Research and Support Center, CEUR Policy Recommendation #8, has an affiliated budget request of $4M (see 2025 budget amendment from Senator Deeds).
- The CEUR endorsed an $8M budget request for advancing nuclear energy workforce and innovation (see supplemental materials from the Virginia Nuclear Energy Consortium and Authority).
- The CEUR is seeking an annual appropriation of $1.75M starting in FY27 (starting July 1, 2026).

Workgroup Participation

Staff from the CEUR participated in and/or monitored the following stakeholder workgroups relating to energy programs and policies, as convened by other entities:

- SCC and Virginia Energy: Performance-Based Regulation (Report on LIS here)
- Dominion IRP stakeholder workgroup established pursuant to Code § 56-599 D and run by Dominion.

Monitoring Federal Policies, Federal Funding, and State Energy Programs

Throughout 2025, staff of the Commission monitored various federally-funded energy programs and applications or implementation for new federal funding. These programs included, for example, funding for Virginia's low-income heating and energy assistance program (LIHEAP) through the Department of Social Services (DSS); funding for Virginia's electric vehicle charging infrastructure through the Virginia Department of Transportation (VDOT) from the National Electric Vehicle Infrastructure (NEVI) grant program; funding for low-income solar through the Virginia Department of Energy (Virginia Energy) from EPA's Solar for All program; and Virginia Energy's home energy rebates through the U.S. Department of Energy (US DOE).

Numerous changes took place throughout 2025 in the status of federally funded energy programs. Notably, the Virginia Energy award for the EPA Solar for All program, which was under contract for $156 million, has been terminated by EPA. While Virginia has not challenged the termination, many other grant recipients include dozens of other states have filed lawsuits against the EPA.

Federal infrastructure programming has resumed to support EV charging with the NEVI program moving forward for all 50 states, including Virginia. VDOT's grant for the deployment of electric vehicle (EV) infrastructure (53 fast chargers) received programmatic reapproval in September by the Federal Highway Administration (FHWA).

Appendix S demonstrates a set of federal grant programs across multiple agencies as a snapshot in time, though it should not be viewed as the current status of any particular federally-funded state program.

In addition to monitoring federal dollars for Virginia's various energy programs, CEUR staff documented key energy-related provisions of the 2025 H.R. 1, otherwise known as the "One Big Beautiful Bill Act" or "OBBBA" signed by President Trump in July 2025. The new policy made sweeping revisions to federal tax credit policy for energy projects, among other notable changes. Staff's summary of the OBBBA is posted at the CEUR website here and can be found on **Appendix T**.

Monitoring State Corporation Commission Cases

CEUR staff attended and monitored various key SCC proceedings throughout 2025 related to electric utility regulation. A select set of examples include:

- Virginia Electric and Power Company - For a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to VA Code section 56-585.1 (PUR-2025-00058)
- Virginia Electric and Power Company - 2024 Integrated Resource Plan filing pursuant to Va. Code section 56-597 et seq. (PUR-2024-00184)
- Ex Parte: Electric Utilities and Data Center Load Growth (PUR-2024-00144)
- Virginia Electric and Power Company - For approval of a CPCN to construct/operate the proposed Chesterfield Energy Reliability Center electric, generation/transmission facilities and approval of designated Rider CERC (PUR-2025-00037)
- Petition of Appalachian Power Company for approval of its 2025 RPS Plan and related requests (PUR-2025-00049)
- Rappahannock Electric Cooperative - For approval to implement a new Large Power Dedicated Facilities Rate Schedule (PUR-2025-00048)
- Rappahannock Electric Cooperative, Hyperscale Energy Services, LLC, Hyperscale Energy 1, LLC, and Hyperscale Energy 2, LLC - Application for approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Virginia Code (PUR-2025-00178)

Other Staff Activities

CEUR staff attended and/or spoke at a variety of conferences, workshops and events in 2025. Carrie Hearne, the Executive Director, served on the Board of Directors as Vice Chair for the Virginia

Alliance for Clean Energy, a big-tent clean energy non-profit which hosts the largest annual clean energy convening in the Commonwealth with attendance from non-profit, governmental and business leaders. Additionally, staff attended the following events:

- National Association of Regulatory Utility Commissioners (NARUC): Rate School (May)
- Virginia Manufacturers Association: 2025 Virginia Energy Summit (June)
- Transmission and Interconnection Summit (June)
- Virginia Renewable Energy Alliance (VA-REA) (now the Virginia Alliance for Clean Energy, VACE): 2025 Virginia Clean Energy Summit (September)
- Chesapeake Energy Storage and Solar Association (CHESSA): Solar Focus (November)
- Virginia Tech, MGI: Data Centers Center-Scale Proposal Planning Workshop (October)
- State Corporation Commission (SCC): Data Center Technical Conference (December)

State Corporation Commission Legislative Reports

The Code of Virginia requires the State Corporation Commission to submit a variety of annual reports to the Commission on Electric Utility Regulation to report on energy policy and program implementation progress. The 2024 reports from the SCC were submitted on time and can be found at the links below:

- 2025 Status Report: Implementation of the Virginia Electric Utility Regulation Act (October 31, 2025)
- 2025 Combined Annual Report (December 1, 2025)
    - The Annual Report on Grid Modernization, Reliability and Integration of Renewables (Code §§ 56-596.3 and 56-596.4);
    - The Annual Report on Construction of New Solar and Wind Projects (Code § 56-596.1); and
    - The Biennial Report on Third Party Power Purchase Agreement Pilot Program (2013 Va. Acts ch. 382).
- 2025 Combined Annual Report: Energy Efficiency Programs and Feasibility of Achieving Energy Efficiency Goals (October 1, 2025)
- Opportunities for Performance-Based and Alternative Regulatory Tools in Virginia (October 15, 2025)

2025 Commission Members

Senator Scott A. Surovell, Senate Majority Leader, Chair

Scott Surovell represents the 34th State Senate District representing Eastern Fairfax County and has served as the Senate Majority Leader since 2024. He currently serves on the Commerce and Labor, Finance, Rehabilitation and Social Services, and Rules Committees and is the Chairman of the Courts of Justice Committee. He also serves on the State Water Commission, Virginia-North Carolina High Speed Rail Compact Commission, Commission on Electric Utility Regulation, Health Insurance Reform Commission, Joint Subcommittee to Evaluate Tax Preferences, Virginia State Crime Commission, Board of Trustees Frontier Culture Museum of Virginia, Legislative Support Commission, School Facility Modernization Commission, Commission on Virginia Alcohol Safety Action Program, and the Booker T. Washington Commemorative Commission.

Before his election to the State Senate, Senator Scott Surovell served as the state delegate for the 44th District from 2009-2015. Senator Surovell served as the House Caucus Chairman from 2014-2015 and Campaign Chairman from 2012-2014. He also served in the Counties, Cities and Towns Committee and Science and Technology Committee for six years and the Militia, Police and Public Safety Committee for four years. Senator Surovell was appointed by the Speaker of the House to serve on the Virginia Broadband Advisory Council from 2014-2016.

Delegate Terry G. Kilgore, Vice Chair

Delegate Terry G. Kilgore has been a member of the Virginia House of Delegates, representing the citizens of the 45th legislative district since 1994 and in 2025 became House Minority Leader. As Delegate, Terry represents Scott, Lee and Wise Counties, the City of Norton and part of Dickenson County. Delegate Kilgore serves as a member of the House Committees on Courts of Justice, Commerce & Energy, and Rules. Delegate Kilgore is the 1st highest ranking member in the Virginia House of Delegates.

Delegate Kilgore serves on various boards and organizations in the Commonwealth, such as the Tobacco Region Revitalization Commission, GO Virginia, the Coal and Energy Commission, and the Southwest Virginia Health Authority. He also serves on the Appalachian Region Interstate Compact Commission.

Delegate Kilgore and his wife, Debbie, reside in Gate City, Virginia in Scott County. They have two grown children, Kayla and Kyle; and are the proud grandparents of Nola, Kylie, and Ruby Kilgore. Delegate Kilgore practices law in Gate City with Mitchell Kilgore.

Senator L. Louise Lucas, President Pro Tempore

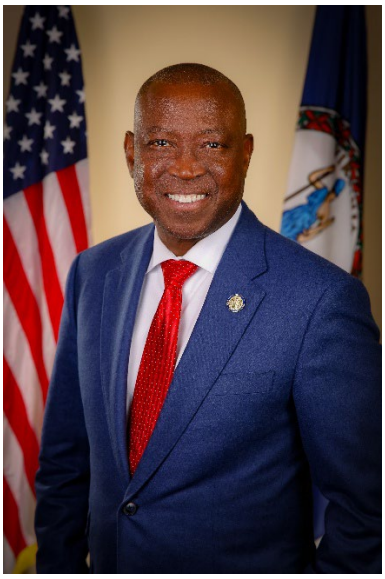
Senator L. Louise Lucas has been proudly serving Chesapeake and Portsmouth in the Virginia Senate for over three decades. Senator Lucas has made history as the first African American to serve as President Pro Tempore of the Virginia Senate. In January 2024, she became the first African American to chair the Senate Finance & Appropriations Committee; she continues to deliver for working families across Hampton Roads.

Born and raised in Portsmouth, Virginia, Senator Lucas started her career in public service in the Norfolk Naval Shipyard, becoming the first woman shipfitter in the Shipyard's history. She then served her community on the Portsmouth City Council from 1984 to 1991. As the top vote getter in her first election, she was the first African American woman to serve on the council.

Senator Lucas is a proud product of Portsmouth City Public Schools and a proud graduate of Norfolk State University. Senator Lucas is the mother of one son and two daughters. She has six grandchildren and nine great-grandchildren.

Delegate Don Scott, Speaker of the House

Don Scott has built a reputation for being a steadfast ally to his clients in the courtroom and has brought that same spirit to the House of Delegates where he is known for being an advocate for working Virginia families.



He was born in Houston, Texas, where he and his siblings were raised by a single mother. A product of public schools, Don attended Texas A&M University. Upon graduation, he joined the Navy and served as a Surface Warfare Officer. This ignited his interest in pursuing law, and upon completion of his service, he earned his law degree from LSU Law School in 1994. In 2024 he was awarded an honorary Doctorate of Humane Letters from Norfolk State University and in 2025 he received a second honorary Doctorate from Virginia Wesleyan University.

In 2002, Don took an entry-level job at a workforce development company, where he quickly moved up the ranks to Senior Vice President. However, his position required constant travel, and after the birth of his daughter, he decided to return to his original dream of practicing law to stay closer to home. In 2015 he opened his own law practice. Today, he is a partner at Breit Biniazan P.C. and serves his clients primarily as a personal injury attorney.

He entered public life in 2019 when he decided to run for the House of Delegates representing Portsmouth. Since that first election, he has had a meteoric rise from freshman to Minority Leader by his second term. After winning the majority in 2023, Don was unanimously selected by his colleagues as the first Black Speaker of the House of Delegates in its 405-year history. Don has made his mark running a tight ship. He is known for being efficient and tough but fair to his colleagues on both sides of the aisle.

He is a proud lifetime member of many civic and community boards and associations. He and his wife, Dr. Mellanda Colson Scott, reside in Portsmouth with their teenage daughter.

As Speaker of the House of Delegates, he is Chair of the Rules Committee and he serves on the Governor's Advisory Council on Revenue Estimates; Virginia Growth and Opportunity Board; Commemorative Commission to Honor the Contributions of the Women of Virginia; Virginia State Crime Commission; and Commission on Electric Utility Regulation.

In the community, Don is a member of many boards and commissions and has spent his time outside the courtroom giving back.

Don is a member of the Portsmouth Bar Association, the Old Dominion Bar Association, the Virginia State Bar Association, the Virginia Association of Criminal Defense Attorneys, and the Virginia Trial Lawyers Association. He is also the former Chair of the Portsmouth Economic Development Authority and former President of the Southeastern Employment and Training Association. He is also a member of the Eureka Club and holds lifetime memberships in the NAACP, Veterans of Foreign Wars Post 993, and American Legion Post 190.

Delegate Charniele Herring

Charniele Herring has represented the people of Alexandria & Fairfax in the Virginia House of Delegates for over a decade. She was first elected to the House in 2009 in a special election. In 2020, she was elected by her colleagues to serve as the Majority Leader of the Virginia House of Delegates, the first woman and African American to serve in the role. She previously chaired the House Courts of Justice Committee from 2020 to 2021 and she now serves as the Chair of the Virginia State Crime Commission.

Born into a military family, Delegate Herring moved often as a child before landing permanently in Northern Virginia. She and her mother became homeless while she was a teenager and stayed in a shelter while attending West Springfield High School.

Thanks to the STEP Program that allows students from disadvantaged backgrounds the opportunity to prove they are capable of college level work, she was able to attend George Mason University, where she earned a degree in Economics. She later earned a JD from Catholic University's Columbus School of Law. After law school, Charniele worked at the oldest African-American owned firm in Greater Washington. She now runs her own mediation practice, Herring Resolutions.

Senator R. Creigh Deeds

Senator Creigh Deeds represents the 11th Senate District, which includes the counties of Albemarle, Nelson, Amherst, part of Louisa and the city of Charlottesville. He is the Chair of the Commerce and Labor Committee and Chairs the Behavioral Health Commission and the Health and Human Resources Subcommittee. He also serves on the following standing committees: Courts of Justice, Finance and Appropriations, Privileges and Elections, and Rules.

Before being elected to the Senate of Virginia in 2001 in a special election, Senator Deeds served as the Commonwealth's Attorney of Bath County and for ten years in the House of Delegates.

Senator Deeds is also a member of the Commission on Electric Utility Regulation, the Joint Commission on Administrative Rules, the Joint Subcommittee for Health and Human Resources Oversight, the Intercollegiate Athletics Review Commission, the Governor's Advisory Council on Revenue Estimates, the Virginia Indigent Defense Commission, Virginia Growth and Opportunity Board, and others.

The National Alliance on Mental Illness honored Sen. Deeds with the Richard T. Greer Advocacy Award for his efforts to reform mental health, and the American Psychological Association Practice Organization named him the 2015 State Legislator of the Year Award. For his work on behalf of crime victims, he was awarded the Warren Stambaugh Award from Virginians United Against Crime. He also has received the Leadership in Public Policy Award from The Nature Conservancy, the Preservation Alliance of Virginia Delegate of the Year, and the Virginia Association for Parks Legislator of the Year.

Senator Deeds attended Virginia's public schools and graduated from Bath County High School in 1976. After completing undergraduate work at Concord College, he received his law degree from Wake Forest University in 1984. Senator Deeds is a lawyer in private practice and lives in the City of Charlottesville. He is married to Siobhan Deeds and has four children.

Senator Mark D. Obenshain

Mark Obenshain has served in the Senate of Virginia since 2003, making him the ranking Republican in the Senate. He represents the citizens of the 2nd District in the Senate of Virginia which includes the City of Harrisonburg, Rockingham County, Page County, Bath County, Highland County, and parts of Augusta County. He serves on the Senate Finance & Appropriations Committee, Courts of Justice; Commerce & Labor; and Agriculture, Natural Resources & Conservation Committees in the Senate. He was the Republican nominee for Attorney General in 2013.

Mark is the founder of the Obenshain Law Group, a statewide litigation firm based in Harrisonburg which focuses on tort, probate and commercial litigation work. He received his undergraduate education from Virginia Tech and his law degree in 1987 from Washington & Lee.

Delegate Richard C. “Rip” Sullivan Jr.

Richard C. “Rip” Sullivan, Jr. graduated magna cum laude from Amherst College and received his law degree from the University of Virginia. He is a partner in the law firm Bean Kinney & Korman, P.C., in Arlington.

Rip serves as Chair of the powerful Labor and Commerce Committee’s Energy Subcommittee, a role in which he has used his experience legislating in the energy space to help shape the way Virginia moves forward on these crucial issues. He also previously served as Chair of the Finance Committee’s Subcommittee which considers bills related to corporate and individual income tax. Currently, Rip serves on the Labor and Commerce Committee, the Courts of Justice Committee, the Rules Committee and the Finance Committee.

Rip is an experienced leader, with proven results. During the 2020 General Assembly session Rip introduced the historic Virginia Clean Economy Act to battle climate change and advance the Commonwealth’s clean energy sector and promote energy efficiency. He also was the author and patron of Virginia’s life-saving “Red Flag” law, which stops gun violence before a single shot is fired. In 2021, he was the Chief Co-Patron of the Clean Cars bill, which launched Virginia’s effort to up its game and increase the pace of our switch to electric vehicles. In 2019, he was the author of “Jacob’s Law,” which strengthens surrogacy rights for gay and straight couples (as well as single parents) who want to start a family in Virginia. Rip worked diligently with stakeholders and his colleagues to ensure that these landmark bills all became law.

Delegate Michael J. Webert

Delegate Webert is a farmer from Fauquier County who has served in the Virginia House of Delegates since 2012, currently representing all or part of Fauquier, Culpeper, and Rappahannock counties. He sits on the Agriculture, Chesapeake, and Natural Resources Committee, Public Safety Committee, Labor and Commerce Committee, and the Rules Committee as well as multiple joint committees and state commissions. He has served as the House Republican Caucus’ Whip since 2022.

Delegate Webert and his family have strong ties to the environment and conservation. He began managing his family farm, Locust Hill Farm, in 2007. Locust Hill Farm was awarded the Conservation Farm Award in 2010 by John Marshall Soil and Water Conservation District of which he is now an Associate Director. Delegate Webert currently sits on the board of the Fauquier Livestock Exchange, which is only fitting as his grandfather was an original stockholder.

Delegate Webert also serves on the Rappahannock River Basin Commission. He has been a champion for the Chesapeake Bay – in 2015 he was awarded the Chesapeake Bay Foundation Legislator of the year.

Since first being elected in 2011, he has passed several pieces of legislation. Delegate Webert has a proven track record of bipartisan accomplishments in the General Assembly and is honored to continue serving the people of the 61st District.

Originally born in Denver, Colorado, Delegate Webert has called Virginia home for over twenty years. He moved to Fauquier County in 1999 where his mothers' family has called home since the early 1930s. He and his wife Rebecca reside in Warrenton, VA with their two young sons. He is a graduate of George Mason University where he obtained a bachelor's degree in Communications.

Delegate Candi Mundon King

Candi Mundon King represents Virginia's 23rd District (Prince William and Stafford Counties) in the House of Delegates. With over two decades of experience in government and community relations, she has successfully secured millions in funding for underserved educational programs and is widely recognized as a champion for her constituents.

In the House of Delegates, Candi serves as Chair of the Counties, Cities, and Towns Committee, Vice Chair of Public Safety, and as a member of the Labor and Commerce Committee. Her legislative achievements include:

- Securing pay raises for teachers, state, and local employees
- Standardizing special education eligibility criteria to promote equity for students
- Protecting victims of human trafficking
- Providing paid sick leave for home health care workers
- Safeguarding renters from unauthorized home access

Outside her legislative work, Candi has been a Girl Scouts Troop Leader and Vice-Chair of the Woodbridge Democratic Committee. She is also a member of Delta Sigma Theta Sorority, Inc., and serves on the Virginia Commission on Unemployment Compensation. Born and raised in Virginia, Candi earned her degree in political science from Norfolk State University.

Cassidy Rasnick

Cassidy Rasnick joined the National Telecommunications and Information Administration (NTIA) in June 2023 as the federal program officer (FPO) for the Commonwealth of Virginia. In this role, Cass works with Virginia's state broadband office in building and implementing the Commonwealth's plan to ensure Internet for All and deploy funding efficiently and effectively. She also coordinates partnerships with the state and local governments, community groups, and other entities with a vested interest on NTIA's high-speed internet grant programs and policy issues. Cass brings more than 15 years of leadership, management, and oversight of complex projects and multidisciplinary teams across dozens of state agencies and initiatives.

Prior to joining the NTIA, Cass served as Virginia's Deputy Secretary of Commerce and Trade, where she advised the Governor on economic and community development, housing, rural development, broadband

deployment, entrepreneurship, international trade, small business assistance, and tourism. She was a key part of the team that led Virginia to be named Best State for Business by CNBC 2019-2021, and that won Amazon's HQ2 for the Commonwealth. Rasnick also served as Deputy Secretary of Agriculture and Forestry and as head of the economic development team at the state's Department of Agriculture. Before joining the Governor's Office, she worked on public policy for the Virginia Manufacturers Association and the Virginia Craft Brewers Guild.

Ms. Rasnick received an appointment to the Virginia Commission on Electric Utility Regulation by the Senate Committee on Rules. She also spent more than five years working for United States Senator Mark Warner. A native of Botetourt County, Rasnick is a graduate of James Madison University, the Virginia Executive Institute, and the Sorensen Institute for Political Leadership at the University of Virginia.

Josephus Allmond

Josephus Allmond is a Staff Attorney at the Southern Environmental Law Center, where he focuses on energy regulatory and environmental justice litigation. He attended Duke Law School, where he was involved with the Environmental Law and Policy Clinic, the Graduate and Professional Student Council, and the Black Law Students Association.

In addition to litigation at the State Corporation Commission, Josephus lobbies at the Virginia General Assembly on solar and other clean energy issues. He also serves as the Membership Chair for the 100 Black Men of Central Virginia; the Community Advisory Committee, Impact Investing Committee, and Governing Board at the Charlottesville Area Community Foundation; and the Board of the Northern Arizona University Alumni Association. He received an appointment to the Virginia Commission on Electric Utility Regulation by the Speaker of the House in 2024. In December, Josephus graduated from the Sorensen Institute's Political Leadership Program.

Jesse Lynch

Jesse Lynch is a government affairs professional whose work centers on the practical demands of public policy and governance. At Broad Street Group, he advises clients on communications, political, and legislative matters, helping them navigate the complex interactions among government officials, businesses, trade associations, and nonprofit organizations.

Before joining Broad Street Group, Jesse served as both Director of Policy and Legislative Affairs for Governor Glenn Youngkin. In that role, he led the Governor's policy and legislative team and coordinated closely with state agencies, the General Assembly, and the Attorney General's Office. He oversaw the development of executive orders and regulations, managed legislative negotiations, and guided policy initiatives across the executive branch.

Jesse previously served on the Governor-elect's transition team and worked as a legislative director and consultant for multiple members of the General Assembly. He has also advised political campaigns on public policy at the local, state, and federal levels in multiple states.

In 2025, Governor Youngkin appointed him to the Commission on Electric Utility Regulation. Born in Salem, Virginia, Jesse is a graduate of Radford University and lives in Richmond with his wife, Bethany, and their dachshund, Georgie.

Howard H. Shafferman

Howard Shafferman is the Founder and Principal of The Haswell Group, LLC, and is a coach for executives and business leaders.

Howard was a partner for many years in the Washington office of the national law firm of Ballard Spahr LLP. He led the firm's Energy and Project Finance practice group and served two terms on the elected board of the firm. Prior to joining Ballard Spahr, Howard served as Chief of Staff and Counselor of the Federal Energy Regulatory Commission, and as Deputy Solicitor of the Department of the Interior, during the administrations of George H.W. Bush and Ronald Reagan, respectively.

Howard lives in Richmond and is a graduate of Princeton University and the University of Virginia School of Law. In addition to serving as a citizen member of the Commission on Electric Utility Regulation, he serves as a board member of the Virginia Offshore Wind Development Authority, and of Veritas School in Richmond.

Mr. Shafferman's appointment ended at the end of July, 2025. The Commission thanks him for his service!

C. Meade Browder Jr.

Meade Browder heads the Office of the Attorney General of Virginia's Insurance & Utilities Regulatory Section where he is responsible for the Office's participation, through its Division of Consumer Counsel, in utility and insurance matters before the Virginia State Corporation Commission (SCC), other state and federal regulatory agencies and courts, and the Virginia General Assembly. He serves as an ex officio member on the Commission on Electric Utility Regulation.

Prior to joining the Attorney General's Office in 2002, Mr. Browder was an Associate General Counsel at the SCC where he practiced in all areas of utility regulation.

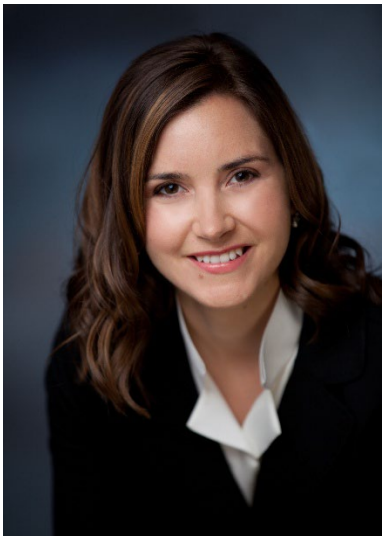
He was licensed to practice law in Virginia in 1993 and has been admitted to practice in the Supreme Court of the United States, the federal Courts of Appeals for the Fourth Circuit and the District of Columbia Circuit, and the Federal District Courts in Virginia.

Mr. Browder received his undergraduate degree in Economics from Wake Forest University, and his law degree from the University of Richmond where he was on the Law Review.

Mr. Browder retired from the Office of Attorney General at the end of 2025 and thus concluded his service as ex officio member of the Commission on Electric Utility Regulation on behalf of the Office's Division of Consumer Counsel. The Commission thanks him for his years of service!

Staff of the Commission

Carrie Ella Hearne, Executive Director



Carrie Hearne serves as Executive Director at the Virginia Commission on Electric Utility Regulation. The CEUR is a 14-member Commission within the legislative branch of Virginia's state government, with the purpose of monitoring the State Corporation Commission's implementation of the Virginia Electric Utility Regulation Act and related energy system opportunities and barriers.

Prior to joining the CEUR, Carrie spent nearly five years at the Virginia Department of Energy ("Virginia Energy") helping to model pathways to reach clean energy goals, advance energy affordability for Virginia's residents, and support local government policies and permitting for clean energy. She led many of Virginia Energy's successful applications for federal funding competitions and formula grants including the EPA Solar for All program, US DOE's Grid Resilience and Innovation Partnerships, as well as developments for the Home Energy Rebates program.

Carrie supported the development of Governor Youngkin's Virginia Energy Plan and the rollout of the Virginia Clean Economy Act under Governor Northam. Carrie led research on low- and moderate-income solar

programs for the Clean Energy Advisory Board and facilitated a shared solar workgroup with the State Corporation Commission to ensure low-income customer participation in the newly established program.

Originally from rural West Virginia, Carrie moved to Virginia in 2019 after working in sustainable business operations and clean energy policy in Portland, Oregon. She holds a Master's in Business Administration in sustainable systems and finance from Presidio Graduate School and a bachelor's degree from Earlham College. She serves as Vice Chair for the Virginia Alliance for Clean Energy (VACE) and is a lifelong Senior Fellow of ELP, the Environmental Leadership Program. Carrie lives in a solar-powered home in Richmond, Virginia, with her two dogs Timber and Odie.

Jamie Bitz, Senior Energy Policy Analyst

Jamie Bitz is the Senior Energy Policy Analyst for the Virginia Commission on Electric Utility Regulation (CEUR). Before joining the Commission, Jamie spent 19 years as a legislative analyst for the Joint Legislative Audit and Review Commission (JLARC). For the past 5 years, he has served as the chief analyst responsible for JLARC's ongoing oversight of the Virginia Retirement System, Virginia529, and the Virginia Information Technologies Agency. Prior to that, he spent 8 years as a JLARC project leader managing research projects on a range of topics of interest to the General Assembly.

Jamie received a Master's in Public Policy from the University of Minnesota.

Ana Christina Vivas Thomas, Energy Policy Analyst

Ana Christina Vivas Thomas is an energy policy analyst at the Commission on Electric Utility Regulation (CEUR). In her role at CEUR, she analyzes energy legislation and develops policy recommendations for the Commission members to facilitate the transition to renewable energy. She also supports the Commission's work by fostering collaboration among key stakeholders across the state government, the non-governmental organization community, and the private sector for the purpose of advancing affordable clean energy policies.

Prior to joining CEUR, Ms. Vivas Thomas worked as a policy analyst at Citizens for Responsible Energy Solutions (CRES Forum), where she focused on federal energy policy, researching incentives for innovative technologies and challenges to clean energy projects. Prior to CRES, she interned with the Center for Climate and Energy Solutions (C2ES) where she studied the international climate regime and the work streams of the United Nations Framework Convention on Climate Change (UNFCCC).

Ms. Vivas Thomas has a B.A. in International Development Studies from UCLA, and a M.A. in Public Policy from Georgetown University, where she was a member of the Georgetown delegation to the UNFCCC's 27th Conference of the Parties (COP27) in Sharm El-Sheikh.

CEUR

Commission on
Electric Utility Regulation

COMMISSION ON ELECTRIC UTILITY REGULATION

1001 E. Broad Street, Suite 321

RICHMOND, VIRGINIA 23219

804-967-3948

dls.virginia.gov/commissions/eur.htm

APPENDIX A

Chapter 31. Commission on Electric Utility Regulation.

§ 30-201. (Expires July 1, 2029) Commission on Electric Utility Restructuring continued as Commission on Electric Utility Regulation; purpose.

The Commission on Electric Utility Restructuring established pursuant to Chapter 885 of the Acts of Assembly of 2003, is continued, effective July 1, 2008, as the Commission on Electric Utility Regulation (the Commission) within the legislative branch of state government. The purpose of the Commission is to monitor the State Corporation Commission's implementation of the Virginia Electric Utility Regulation Act (§ 56-576 et seq.).
2003, c. 885; 2008, c. 883; 2023, cc. 753, 793.

§ 30-202. (Expires July 1, 2029) Membership; terms.

The Commission shall have a total membership of 14 members that shall consist of 10 legislative members, three nonlegislative citizen members, and one ex officio member. Members shall be appointed as follows: four members of the Senate to be appointed by the Senate Committee on Rules that consist of three members from the majority party and one member from the minority party or an equal number from each in the event the chamber is evenly divided; six members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one nonlegislative citizen member with expertise in economic development and ratepayer advocacy to be appointed by the Senate Committee on Rules; one nonlegislative citizen member with expertise in energy affordability and ratepayer advocacy to be appointed by the Speaker of the House of Delegates; and one nonlegislative citizen member with expertise in public utility regulation and ratepayer advocacy to be appointed by the Governor. The Attorney General or his designee shall serve ex officio. Any such designee shall be an attorney employed within the Department of Law's Division of Consumer Counsel. Nonlegislative citizen members of the Commission shall be citizens of the Commonwealth. Each member of the Commission shall annually complete an orientation on electric utility regulation provided by the State Corporation Commission.

Legislative members of the Commission and the ex officio member shall serve terms coincident with their terms of office. Nonlegislative citizen members shall be appointed for a term of two years. All members may be reappointed. Appointments to fill vacancies, other than by expiration of a term, shall be made for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments.

The Commission shall annually elect a chairman and vice-chairman from among its membership, who shall be members of the General Assembly. The chairman of the Commission shall be authorized to designate one or more members of the Commission to observe and participate in the discussions of any work group convened by the State Corporation Commission in furtherance of its duties under the Virginia Electric Utility Regulation Act (§ 56-576 et seq.) and this chapter.

Members participating in such discussions shall be entitled to compensation and reimbursement provided in § 30-204, if approved by the Joint Rules Committee or its Budget Oversight Subcommittee.
2003, c. 885; 2004, c. 1000; 2008, c. 883; 2023, cc. 753, 793.

§ 30-203. (Expires July 1, 2029) Quorum; meetings; voting on recommendations.

A majority of the members shall constitute a quorum. The Commission shall meet at least twice per year; meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request.

No recommendation of the Commission shall be adopted if a majority of the Senate members or a majority of the House members appointed to the Commission (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the Commission.

2003, c. 885; 2004, c. 1000; 2023, cc. 753, 793.

§ 30-204. (Expires July 1, 2029) Compensation; expenses.

Legislative members of the Commission shall receive such compensation as provided in § 30-19.12 and shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Unless otherwise approved in writing by the chairman of the Commission and the executive director of the Commission, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth for the purpose of attending meetings. However, all such compensation and expenses shall be paid from existing appropriations to the Commission or, if unfunded, shall be approved by the Joint Rules Committee.
2003, c. 885; 2023, cc. 753, 793.

§ 30-205. (Expires July 1, 2029) Powers and duties of the Commission.

The Commission shall have the following powers and duties:

1. Monitor the work of the State Corporation Commission in implementing Chapter 23 (§ 56-576 et seq.) of Title 56. The Commission shall receive an annual report from the State Corporation Commission by November 1 regarding such implementation and shall receive such other reports as the Commission may be required to make, including reviews, analyses, and impact on consumers of electric utility regulation in other states;
2. Examine generation, transmission and distribution systems reliability concerns;

3. Establish one or more subcommittees, composed of its membership, persons with expertise in the matters under consideration by the Commission, or both, to meet at the direction of the chairman of the Commission, for any purpose within the scope of the duties prescribed to the Commission by this section, provided that such persons who are not members of the Commission shall serve without compensation but shall be entitled to be reimbursed from funds appropriated or otherwise available to the Commission for reasonable and necessary expenses incurred in the performance of their duties;

4. Monitor applications by the Commonwealth for grants and awards for energy projects from the federal government;

5. Consider legislation referred to it during any session of the General Assembly or other requests by members of the General Assembly;

6. Conduct studies and gather information and data in order to accomplish its purposes set forth in § 30-201 and in connection with the faithful execution of the laws of the Commonwealth;
7. Issue ratepayer impact statements pursuant to § 30-205.1; and
8. Report annually to the General Assembly and the Governor with such recommendations as may be appropriate for legislative and administrative consideration in order to maintain reliable service in the Commonwealth while preserving the Commonwealth's position as a low-cost electricity market.

2003, c. 885; 2006, c. 812; 2008, c. 883; 2023, cc. 753, 793.

§ 30-205.1. (Expires July 1, 2029) Ratepayer impact statements for electric utility regulation.

A. As used in this section:

"Ratepayer" means a residential, commercial, or industrial customer who is billed for the consumption of electricity by an electric utility in the Commonwealth.

"Ratepayer impact statement" means a statement prepared using data or other relevant information to estimate the potential impact on ratepayers' electric bills of proposed legislation related to electric utilities.

B. Upon the request by the Chairman for the House Committee on Labor and Commerce or the Senate Committee on Commerce and Labor, the Commission shall prepare a ratepayer impact statement for any proposed legislation related to electric utility regulation specified by such Chairman. Each such Chairman may request up to five ratepayer impact statements in any given regular or special session of the General Assembly. Additionally, upon the request of any other member of the General Assembly, the Commission, at the Commission's discretion, may prepare a ratepayer impact statement for any proposed legislation related to electric utility regulation specified by such member.

C. The Commission shall provide any such ratepayer impact statement to the requesting Chairman or member, the patron of the legislation, and the members of any committee considering the legislation.

D. Upon request of the Commission, the State Corporation Commission, the Office of the Attorney General, and all agencies of the Commonwealth shall expeditiously provide the Commission with assistance in the preparation of any ratepayer impact statement including providing the Commission with any necessary data or other relevant information.

E. The Commission shall ensure that any ratepayer impact statement provides a neutral and accurate analysis of the potential impact on ratepayers' electric bills of the proposed legislation. Any ratepayer impact statement shall include the methodology used by the Commission to prepare such ratepayer impact statement.

2023, cc. 753, 793.

§ 30-206. (Expires July 1, 2029) Staffing.

The Commission may appoint, employ, and remove an executive director and such other persons as it deems necessary, subject to funding in the appropriation act, and shall determine the duties and fix the salaries or compensation of such executive director and other persons, within the amounts appropriated for such purpose. The Commission may also employ experts who have knowledge of the issues before it. All agencies of the Commonwealth shall provide assistance to the Commission, upon request, subject to funding in the appropriation act.

2003, c. 885; 2023, cc. 753, 793.

§ 30-207. (Expires July 1, 2029) Chairman's executive summary of activity and work of the Commission.

The chairman of the Commission shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Commission no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

2003, c. 885; 2008, c. 883; 2023, cc. 753, 793.

§ 30-208. Repealed.

Repealed by Acts 2008, c. 883, cl. 2.

§ 30-209. (Expires July 1, 2029) Sunset.

This chapter shall expire on July 1, 2029.

2003, c. 885; 2008, c. 883; 2010, c. 388; 2012, Sp. Sess. I, c. 1; 2015, c. 628; 2018, c. 633; 2020, c. 627; 2022, c. 177; 2023, cc. 753, 793.

APPENDIX B

Bills Referred to CEUR from 2025 Session

H.B. 2281
Patron: McNamara

Electric utilities; municipal and state power aggregation; State Corporation Commission. Permits municipalities to aggregate the electric energy load of residential, commercial, and industrial retail customers within its boundaries on an opt-in or opt-out basis if the retail electric customers are not already being served by a licensed supplier. The bill also requires the State Corporation Commission to promulgate rules as necessary to ensure that the provisions of the bill do not create an unreasonable shifting of costs to nonparticipating customers and to ensure that in all integrated resource plans and cost recovery proceedings no incumbent electric utility is improperly incorporating the loads of retail electric customers into its forecasts or load projections.

S.B. 1216
Patron: Pekarsky

Retail electric energy; renewable energy certificates. Requires competitive service providers, as defined in the bill, to serve 100 percent of their customers' energy and capacity needs from electric generating units located within the PJM transmission region. Under the bill, a competitive service provider must ensure that 100 percent of its customers' energy is either zero-carbon electricity or matched with renewable energy certificates. A certain percentage of a retail customer's annual load must be matched with zero-carbon electricity or renewable energy certificates from within the PJM transmission region. The bill allows certain retail customers to be exempt from non-bypassable charges associated with the renewable energy portfolio standard. The bill also requires the State Corporation Commission to promulgate rules as necessary to ensure that the provisions of the bill do not create an unreasonable shifting of costs to nonparticipating customers and to ensure that in all integrated resource plans and cost recovery proceedings no incumbent electric utility is improperly incorporating the loads of retail electric customers into its forecasts or load projections.

S.B. 1281
Patron: Hackworth

Electric utilities; retail competition. Authorizes a customer who is a customer of a Phase I Utility that had a typical residential customer bill for a residential customer using 1,000 kWh per month

that exceeded 125 percent of the statewide average during the most recent calendar year to purchase electric energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth. The bill also decreases the period that such a customer who switches from an investor-owned electric utility to a competing supplier is barred from returning as a customer of its utility from five years to 90 days.

S.B. 1485
Patron: Srinivasan

Electric utilities; customer energy choice; customer return to service; subscription cap and queue. Removes certain restrictions on the ability of individual retail customers of electric energy within the Commonwealth, regardless of customer class, to purchase electric energy matched 100 percent by renewable energy certificates from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth. The bill requires a licensed supplier to match a percentage of each retail electric customer's annual load with renewable energy certificates from within the PJM transmission region. The bill decreases from five years to six months the required written notice period for certain electric energy customers to return to service by an incumbent electric utility after purchasing electric energy from other suppliers.

The bill also directs the Commission, by October 1, 2026, to establish a subscription cap allowance for certain utility customers seeking to participate in purchasing electric energy from a licensed supplier. The Commission is required to review the subscription cap allowance every two years starting on January 1, 2028, and electric utilities are required to file their subscription queues with the Commission by January 15, 2027, and annually thereafter. The bill contains an exception to the subscription cap allowance for customers seeking to expand usage at an existing or new facility. The bill has a delayed effective date of July 1, 2026, unless the rules and regulations of the Commission promulgated pursuant to the bill specify a commencement date.

APPENDIX C

Policy recommendation #1 to 2026 General Assembly as adopted on December 4, 2025:

Utility Disconnections

House Bill 828 – Legislative Draft Number 26101400

Senate Bill 516 – Legislative Draft Number 26104599

SUMMARY

Electric utilities; disconnection reports; State Corporation Commission database; annual summary. Requires each investor-owned utility and electric cooperative operating in the Commonwealth to provide a monthly report on residential customer disconnections to the State Corporation Commission (the Commission). The monthly report is required to include specific information outlined in the bill, including the number of residential customers involuntarily disconnected due to nonpayment, the amount of time in which such customers were reconnected to service, the amounts of arrearages attributable to such disconnected customers and other residential customers, and information related to how many of the disconnected customers participate in a payment assistance program or have a serious medical condition certification form on file with the electric utility. The bill requires the Commission to publish the information from such monthly reports in a comprehensive and easily accessible online database. The bill also requires the Commission to submit an annual executive summary to the Governor and the Commission on Electric Utility Regulation on trends in electric utility disconnections based on the reports submitted by electric utilities, the first of which is due by September 1, 2026. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend the Code of Virginia by adding a section numbered 56-249.01, relating to electric utilities; disconnection reports; State Corporation Commission database; annual summary.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-249.01 as follows:

§ 56-249.01. Disconnection reports by electric utilities; Commission database; annual summary.

A. As used in this section, "electric utility" means an investor-owned electric utility or electric cooperative formed under Article 1 of Chapter 9.1 (§ 56-231.15 et seq.).

B. Each electric utility operating in the Commonwealth shall provide a monthly report on residential customer disconnections to the Commission. Such report shall include the following information with totals based on the last day of the month:

1. The total number of residential customers served by the electric utility;

2. The total number of residential customers involuntarily disconnected due to nonpayment;

3. The number of residential customers involuntarily disconnected due to nonpayment within each 5-digit ZIP code, unless the utility is exempted by the Commission from providing such information in the report to protect customer privacy;

4. The number of residential customers involuntarily disconnected due to nonpayment that were reconnected to service (i) within less than 24 hours, (ii) in 24 hours or more but less than 48 hours, (iii) in 48 hours or more but less than 72 hours, or (iv) in 72 hours or more from the time of disconnection;

5. The average and total amounts of arrearages owed by residential customers involuntarily disconnected due to nonpayment;

6. The number of residential customers involuntarily disconnected due to nonpayment that have arrearage amounts of (i) less than $100, (ii) $100 or more but less than $500, (iii) $500 or more but less than $1000, and (iv) $1,000 or more;

7. The number of residential customers involuntarily disconnected due to nonpayment that participate in a payment assistance program, including utility-funded programs, the Low-Income Home Energy Assistance Program, or the Percentage of Income Payment Program;

8. The number of residential customers involuntarily disconnected due to nonpayment that have a serious medical condition certification form on file with the electric utility;

9. The total number of residential customers that have arrearage amounts but are not disconnected; and

10. The average and total amounts of arrearages owed by residential customers that have arrearage amounts but are not disconnected.

C. The monthly report required to be submitted by an electric utility under subsection B shall be filed with the Commission within 60 days following the close of the reference month.

D. The Commission shall publish the information pursuant to subsection B in a comprehensive and easily accessible online database with the information displayed separately for each electric utility.

E. The Commission may promulgate new regulations or updates to existing regulations related to the monthly report required to be submitted by an electric utility under subsection B, including by prescribing the form and manner of submission and any processes needed to facilitate uniform monthly reporting of the information outlined in subsection B.

F. No later than September 1, 2026, and annually thereafter, the Commission shall submit an executive summary to the Commission on Electric Utility Regulation and the Governor on trends in electric utility disconnections based on information from reports submitted pursuant to this section. The executive summary shall include the following information:

1.Any seasonal, annual, or long-term changes in the number of residential customers involuntarily disconnected from service due to nonpayment;

2. Any notable differences between electric utilities and their disconnection rates;

3. The geographic locations of residential customers involuntarily disconnected from service due to nonpayment;

4. The average length of time between disconnection and reconnection for residential customers involuntarily disconnected from service due to nonpayment;

5. The average and total amounts of arrearages owed by residential customers involuntarily disconnected from service due to nonpayment;

6. The average and total amounts of arrearages owed by residential customers that are not disconnected from service;

7. The number of residential customers involuntarily disconnected from service due to nonpayment that are participating in payment assistance programs, as known to the utility;

8. The number of residential customers involuntarily disconnected from service due to nonpayment that have a serious medical condition certification form on file with the electric utility; and

9. Any other information that the Commission deems relevant to assessing electric utility disconnections for residential customers in the Commonwealth.

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APPENDIX D

Policy recommendation #2 to 2026 General Assembly as adopted on December 4, 2025:

Utility Funded Energy Assistance and Strategic Undergrounding

House Bill 634 – Legislative Draft Number 26101933

Senate Bill 253 – Legislative Draft Number 26104601

SUMMARY

Electric utilities; pilot programs for energy assistance and weatherization for certain individuals. Amends annual funding commitments for the purposes of the annual pilot program for energy assistance and weatherization for low-income, elderly, and disabled individuals conducted by Dominion Energy and Appalachian Power Company. Under the bill, Dominion Energy shall conduct its pilot program at no less than $13 million and no greater than $17 million annually, and Appalachian Power Company shall conduct its pilot program at no less than $1 million and no greater than $1.5 million annually. The bill extends the sunset date of such pilot programs from July 1, 2028 to July 1, 2038.

The bill also provides that Dominion Energy may recover costs associated with certain electrical facilities that have been approved by the State Corporation Commission as of December 1, 2038, notwithstanding any time limitations on such cost recovery in current law.

This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

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 million and no greater than $17 million for each year the utility is providing such service. 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 Commission on Electric Utility Regulation, the Chairman of the House Committee on Labor and Commerce, and the Chairman of the Senate Committee on Commerce and Labor by July 1~~, 2016, and~~ of each year ~~thereafter~~.

2. That 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 Commission as of December 1, 2038, notwithstanding any time limitations on such cost recovery under subdivision A 6 of § 56-585.1 of the Code of Virginia

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APPENDIX E

Policy recommendation #3 to 2026 General Assembly as adopted on December 4, 2025:

Geothermal Carveout in RPS

House Bill 1102 – Legislative Draft Number 26104329

Senate Bill 252 – Legislative Draft Number 26104602

SUMMARY

Renewable energy portfolio standard program; geothermal heating and cooling systems; report. For purposes of the renewable energy portfolio standard program, requires Dominion Energy Virginia and American Electric Power to annually procure and retire certain percentages of renewable energy certificates from geothermal heating and cooling systems, as defined in the bill. The bill amends the method by which renewable energy certificates from geothermal heating and cooling systems are calculated and directs the State Corporation Commission to prepare and deliver a report evaluating the procurement and retirement of renewable energy certificates from geothermal heating and cooling systems in the Commonwealth on or before November 1, 2028. The bill also directs the Real Estate Appraiser Board to promulgate regulations requiring the development of a continuing education curriculum and required training for all licensees that includes how to properly determine the increase in value of real estate created by reductions in building energy costs associated with solar, geothermal, and solar water heating investments. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact §§ 56-576 and 56-585.5 of the Code of Virginia, relating to renewable energy portfolio standard program; geothermal heating and cooling systems; report.

Be it enacted by the General Assembly of Virginia:

1. That §§ 56-576 and 56-585.5 of the Code of Virginia are amended and reenacted as follows:

§ 56-576. Definitions.

As used in this chapter:

"Affiliate" means any person that controls, is controlled by, or is under common control with an electric utility.

"Aggregator" means a person that, as an agent or intermediary, (i) offers to purchase, or purchases, electric energy or (ii) offers to arrange for, or arranges for, the purchase of electric energy, for sale to, or on behalf of, two or more retail customers not controlled by or under common control with such person. The following activities shall not, in and of themselves, make a person an aggregator under this chapter: (i) furnishing legal services to two or more retail customers, suppliers or aggregators; (ii) furnishing educational, informational, or analytical services to two or more retail customers, unless direct or indirect compensation for such services is paid by an aggregator or supplier of electric energy; (iii) furnishing educational, informational, or analytical services to two or more suppliers or aggregators; (iv) providing default service under § 56-585; (v) engaging in activities of a retail electric energy supplier,

licensed pursuant to § 56-587, which are authorized by such supplier's license; and (vi) engaging in actions of a retail customer, in common with one or more other such retail customers, to issue a request for proposal or to negotiate a purchase of electric energy for consumption by such retail customers.

"Business park" means a land development containing a minimum of 100 contiguous acres classified as a Tier 4 site under the Virginia Economic Development Partnership's Business Ready Sites Program that is developed and constructed by a locality, an industrial development authority, or a similar political subdivision of the Commonwealth created pursuant to § 15.2-4903 or other act of the General Assembly, in order to promote business development.

"Combined heat and power" means a method of using waste heat from electrical generation to offset traditional processes, space heating, air conditioning, or refrigeration.

"Commission" means the State Corporation Commission.

"Community in which a majority of the population are people of color" means a U.S. Census tract where more than 50 percent of the population comprises individuals who identify as belonging to one or more of the following groups: Black, African American, Asian, Pacific Islander, Native American, other non-white race, mixed race, Hispanic, Latino, or linguistically isolated.

"Cooperative" means a utility formed under or subject to Chapter 9.1 (§ 56-231.15 et seq.).

"Covered entity" means a provider in the Commonwealth of an electric service not subject to competition but does not include default service providers.

"Covered transaction" means an acquisition, merger, or consolidation of, or other transaction involving stock, securities, voting interests or assets by which one or more persons obtains control of a covered entity.

"Curtailment" means inducing retail customers to reduce load during times of peak demand so as to ease the burden on the electrical grid.

"Customer choice" means the opportunity for a retail customer in the Commonwealth to purchase electric energy from any supplier licensed and seeking to sell electric energy to that customer.

"Demand response" means measures aimed at shifting time of use of electricity from peak-use periods to times of lower demand by inducing retail customers to curtail electricity usage during periods of congestion and higher prices in the electrical grid.

"Distribute," "distributing," or "distribution of" electric energy means the transfer of electric energy through a retail distribution system to a retail customer.

"Distributor" means a person owning, controlling, or operating a retail distribution system to provide electric energy directly to retail customers.

"Electric distribution grid transformation project" means a project associated with electric distribution infrastructure, including related data analytics equipment, that is designed to accommodate or facilitate the integration of utility-owned or customer-owned renewable electric generation resources with the utility's electric distribution grid or to otherwise enhance electric distribution grid reliability, electric distribution grid security, customer service, or

energy efficiency and conservation, including advanced metering infrastructure; intelligent grid devices for real time system and asset information; automated control systems for electric distribution circuits and substations; communications networks for service meters; intelligent grid devices and other distribution equipment; distribution system hardening projects for circuits, other than the conversion of overhead tap lines to underground service, and substations designed to reduce service outages or service restoration times; physical security measures at key distribution substations; cyber security measures; energy storage systems and microgrids that support circuit-level grid stability, power quality, reliability, or resiliency or provide temporary backup energy supply; electrical facilities and infrastructure necessary to support electric vehicle charging systems; LED street light conversions; and new customer information platforms designed to provide improved customer access, greater service options, and expanded access to energy usage information.

"Electric utility" means any person that generates, transmits, or distributes electric energy for use by retail customers in the Commonwealth, including any investor-owned electric utility, cooperative electric utility, or electric utility owned or operated by a municipality.

"Electrification" means measures that (i) electrify space heating, water heating, cooling, drying, cooking, industrial processes, and other building and industrial end uses that would otherwise be served by onsite, nonelectric fuels, provided that the electrification measures reduce site energy consumption; (ii) to the maximum

extent practical, seek to combine with federally authorized customer rebates for heat pump technology; and (iii) for those measures that provide measurable and verifiable energy savings to low-income customers or elderly customers, to the maximum extent practical, seek to combine with either contemporaneously installed measures or previously installed measures that are or were provided under federally funded weatherization programs or state-provided, locality-provided, or utility-provided energy efficiency programs.

"Energy efficiency program" means a program that reduces the total amount of energy that is required for the same process or activity implemented after the expiration of capped rates but does not include electrification of any process or activity primarily fueled by natural gas. Energy efficiency programs include equipment, physical, or program change designed to produce measured and verified reductions in the amount of site energy required to perform the same function and produce the same or a similar outcome. Energy efficiency programs may include (i) electrification; (ii) programs that result in improvements in lighting design, heating, ventilation, and air conditioning systems, appliances, building envelopes, and industrial and commercial processes; (iii) measures, such as the installation of advanced meters, implemented or installed by utilities, that reduce fuel use or losses of electricity and otherwise improve internal operating efficiency in generation, transmission, and distribution systems; and (iv) customer engagement programs that result in measurable and verifiable energy savings that lead to efficient use patterns and practices. Energy efficiency programs include demand response, combined heat and power and waste heat

recovery, curtailment, or other programs that are designed to reduce site energy consumption so long as they reduce the total amount of site energy that is required for the same process or activity. Utilities shall be authorized to install and operate such advanced metering technology and equipment on a customer's premises; however, nothing in this chapter establishes a requirement that an energy efficiency program be implemented on a customer's premises and be connected to a customer's wiring on the customer's side of the inter-connection without the customer's expressed consent. Electricity consumption increases that result from Commission-approved electrification measures shall not be considered as a reduction in energy savings under the energy savings requirements set forth in subsection B of § 56-596.2. Utilities may apply verified total site energy reductions that are attributable to Commission-approved electrification measures to the energy savings requirements set forth in subsection B of § 56-596.2, subject to a conversion of British thermal unit-based energy savings to an equivalent kilowatt-hour-based energy savings, which conversion shall be subject to Commission approval.

"Generate," "generating," or "generation of" electric energy means the production of electric energy.

"Generator" means a person owning, controlling, or operating a facility that produces electric energy for sale.

"Geothermal electric generating resource" means an electric generating unit that is powered by geothermal energy as defined in § 45.2-2000.

"Geothermal heating and cooling system" means a system that:

1. Exchanges thermal energy from groundwater or a shallow ground source to generate thermal energy through an electric geothermal heat pump or a system of electric geothermal heat pumps interconnected with any geothermal extraction facility that is (i) a closed loop or a series of closed loop systems in which fluid is permanently confined within a pipe or tubing and does not come in contact with the outside environment or (ii) an open loop system in which ground or surface water is circulated in an environmentally safe manner directly into the facility and returned to the same aquifer or surface water source;

2. Meets or exceeds the current federal Energy Star product specification standards;

3. Replaces or displaces less efficient space or water heating systems, regardless of fuel type;

4. Replaces or displaces less efficient space cooling systems ~~that do not meet federal Energy Star product specification standards~~; and

5. Does not feed electricity back to the grid, as defined at the level of the geothermal heat pump.

"Historically economically disadvantaged community" means (i) a community in which a majority of the population are people of color or (ii) a low-income geographic area.

"Incremental annual savings" means the total combined kilowatt-hour savings achieved by electric utility energy efficiency

and demand response programs and measures in the program year in which they are installed.

"Incumbent electric utility" means each electric utility in the Commonwealth that, prior to July 1, 1999, supplied electric energy to retail customers located in an exclusive service territory established by the Commission.

"Independent system operator" means a person that may receive or has received, by transfer pursuant to this chapter, any ownership or control of, or any responsibility to operate, all or part of the transmission systems in the Commonwealth.

"In the public interest," for purposes of assessing energy efficiency programs prior to the 2029 program year, describes an energy efficiency program if the Commission determines that the net present value of the benefits exceeds the net present value of the costs as determined by not less than any three of the following four tests: (i) the Total Resource Cost Test; (ii) the Utility Cost Test (also referred to as the Program Administrator Test); (iii) the Participant Test; and (iv) the Ratepayer Impact Measure Test. Such determination shall include an analysis of all four tests, and a program or portfolio of programs shall be approved if the net present value of the benefits exceeds the net present value of the costs as determined by not less than any three of the four tests. For programs proposed for the 2029 program year and all subsequent years, the Commission shall establish targets pursuant to subdivision B 4 of § 56-596.2, and a program shall be approved if the Commission determines it is cost-effective pursuant to applicable Commission regulations and that the net present value of the benefits exceeds the

net present value of the costs as determined by the Total Resource Cost Test. If the Commission determines that an energy efficiency program or portfolio of programs is not in the public interest, its final order shall include all work product and analysis conducted by the Commission's staff in relation to that program, including testimony relied upon by the Commission's staff, that has bearing upon the Commission's decision. If the Commission reduces the proposed budget for a program or portfolio of programs, its final order shall include an analysis of the impact such budget reduction has upon the cost-effectiveness of such program or portfolio of programs. An order by the Commission (a) finding that a program or portfolio of programs is not in the public interest or (b) reducing the proposed budget for any program or portfolio of programs shall adhere to existing protocols for extraordinarily sensitive information. In addition, an energy efficiency program may be deemed to be "in the public interest" if the program (1) provides measurable and verifiable energy savings to low-income customers or elderly customers or (2) is a pilot program of limited scope, cost, and duration, that is intended to determine whether a new or substantially revised program or technology would be cost-effective.

"Low-income geographic area" means any locality, or community within a locality, that has a median household income that is not greater than 80 percent of the local median household income, or any area in the Commonwealth designated as a qualified opportunity zone by the U.S. Secretary of the Treasury via his delegation of authority to the Internal Revenue Service.

"Low-income utility customer" means any person or household whose income is no more than 80 percent of the median income of the locality in which the customer resides. The median income of the locality is determined by the U.S. Department of Housing and Urban Development.

"Measured and verified" means a process determined pursuant to methods accepted for use by utilities and industries to measure, verify, and validate energy savings and peak demand savings. This may include the protocol established by the United States Department of Energy, Office of Federal Energy Management Programs, Measurement and Verification Guidance for Federal Energy Projects, measurement and verification standards developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE), or engineering-based estimates of energy and demand savings associated with specific energy efficiency measures, as determined by the Commission.

"Municipality" means a city, county, town, authority, or other political subdivision of the Commonwealth.

"New underground facilities" means facilities to provide underground distribution service. "New underground facilities" includes underground cables with voltages of 69 kilovolts or less, pad-mounted devices, connections at customer meters, and transition terminations from existing overhead distribution sources.

"Peak-shaving" means measures aimed solely at shifting time of use of electricity from peak-use periods to times of lower demand by inducing retail customers to curtail electricity usage during periods of congestion and higher prices in the electrical grid.

"Percentage of Income Payment Program (PIPP) eligible utility customer" means any person or household whose income does not exceed 150 percent of the federal poverty level.

"Person" means any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity, and the Commonwealth or any municipality.

"Previously developed project site" means any property, including related buffer areas, if any, that has been previously disturbed or developed for non-single-family residential, non-agricultural, or non-silvicultural use, regardless of whether such property currently is being used for any purpose.

"Previously developed project site" includes a brownfield as defined in § 10.1-1230 or any parcel that has been previously used (i) for a retail, commercial, or industrial purpose; (ii) as a parking lot; (iii) as the site of a parking lot canopy or structure; (iv) for mining, which is any lands affected by coal mining that took place before August 3, 1977, or any lands upon which extraction activities have been permitted by the Department of Energy under Title 45.2; (v) for quarrying; or (vi) as a landfill.

"Qualified waste heat resource" means (i) exhaust heat or flared gas from an industrial process that does not have, as its primary purpose, the production of electricity and (ii) a pressure drop in any gas for an industrial or commercial process.

"Renewable energy" means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, geothermal

heating and cooling systems, and geothermal electric generating resources and does not include energy derived from coal, oil, natural gas, or nuclear power. "Renewable energy" also includes the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass. "Renewable energy" does not include waste heat from fossil-fired facilities or electricity generated from pumped storage but includes run-of-river generation from a combined pumped-storage and run-of-river facility.

"Renewable thermal energy" means the thermal energy output from (i) a renewable-fueled combined heat and power generation facility that is (a) constructed, or renovated and improved, after January 1, 2012, (b) located in the Commonwealth, and (c) utilized in industrial processes other than the combined heat and power generation facility or (ii) a solar energy system, certified to the OG-100 standard of the Solar Ratings and Certification Corporation or an equivalent certification body, that (a) is constructed, or renovated and improved, after January 1, 2013, (b) is located in the Commonwealth, and (c) heats water or air for residential, commercial, institutional, or industrial purposes.

"Renewable thermal energy equivalent" means the electrical equivalent in megawatt hours of renewable thermal energy calculated by dividing (i) the heat content, measured in British thermal units (BTUs), of the renewable thermal energy at the point of transfer to a residential, commercial, institutional, or industrial process by (ii) the standard conversion factor of 3.413 million BTUs per megawatt hour.

"Renovated and improved facility" means a facility the components of which have been upgraded to enhance its operating efficiency.

"Retail customer" means any person that purchases retail electric energy for its own consumption at one or more metering points or nonmetered points of delivery located in the Commonwealth.

"Retail electric energy" means electric energy sold for ultimate consumption to a retail customer.

"Revenue reductions related to energy efficiency programs" means reductions in the collection of total non-fuel revenues, previously authorized by the Commission to be recovered from customers by a utility, that occur due to measured and verified decreased consumption of electricity caused by energy efficiency programs approved by the Commission and implemented by the utility, less the amount by which such non-fuel reductions in total revenues have been mitigated through other program-related factors, including reductions in variable operating expenses.

"Rooftop solar installation" means a distributed electric generation facility, storage facility, or generation and storage facility utilizing energy derived from sunlight, with a rated capacity of not less than 50 kilowatts, that is installed on the roof structure of an incumbent electric utility's commercial or industrial class customer, including host sites on commercial buildings, multifamily residential buildings, school or university buildings, and buildings of a church or religious body.

"Solar energy system" means a system of components that produces heat or electricity, or both, from sunlight.

"Supplier" means any generator, distributor, aggregator, broker, marketer, or other person who offers to sell or sells electric energy to retail customers and is licensed by the Commission to do so, but it does not mean a generator that produces electric energy exclusively for its own consumption or the consumption of an affiliate.

"Supply" or "supplying" electric energy means the sale of or the offer to sell electric energy to a retail customer.

"Total annual energy savings" means (i) the total combined kilowatt-hour savings achieved by electric utility energy efficiency and demand response programs and measures installed in that program year, as well as savings still being achieved by measures and programs implemented in prior years, or (ii) savings attributable to newly installed combined heat and power facilities, including waste heat-to-power facilities, and any associated reduction in transmission line losses, provided that biomass is not a fuel and the total efficiency, including the use of thermal energy, for eligible combined heat and power facilitates must meet or exceed 65 percent and have a nameplate capacity rating of less than 25 megawatts.

"Transmission of," "transmit," or "transmitting" electric energy means the transfer of electric energy through the Commonwealth's interconnected transmission grid from a generator to either a distributor or a retail customer.

"Transmission system" means those facilities and equipment that are required to provide for the transmission of electric energy.

"Waste heat to power" means a system that generates electricity through the recovery of a qualified waste heat resource.

§ 56-585.5. Generation of electricity from renewable and zero carbon sources.

A. As used in this section:

"Accelerated renewable energy buyer" means a commercial or industrial customer of a Phase I or Phase II Utility, irrespective of generation supplier, with an aggregate load over 25 megawatts in the prior calendar year, that enters into arrangements pursuant to subsection G, as certified by the Commission.

"Aggregate load" means the combined electrical load associated with selected accounts of an accelerated renewable energy buyer with the same legal entity name as, or in the names of affiliated entities that control, are controlled by, or are under common control of, such legal entity or are the names of affiliated entities under a common parent.

"Control" has the same meaning as provided in § 56-585.1:11.

"Elementary or secondary" has the same meaning as provided in § 22.1-1.

"Falling water" means hydroelectric resources, including run-of-river generation from a combined pumped-storage and run-of-river facility. "Falling water" does not include electricity generated from pumped-storage facilities.

"Low-income qualifying projects" means a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in § 56-576.

"Phase I Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Phase II Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Previously developed project site" means any property, including related buffer areas, if any, that has been previously disturbed or developed for non-single-family residential, nonagricultural, or nonsilvicultural use, regardless of whether such property currently is being used for any purpose. "Previously developed project site" includes a brownfield as defined in § 10.1-1230 or any parcel that has been previously used (i) for a retail, commercial, or industrial purpose; (ii) as a parking lot; (iii) as the site of a parking lot canopy or structure; (iv) for mining, which is any lands affected by coal mining that took place before August 3, 1977, or any lands upon which extraction activities have been permitted by the Department of Energy under Title 45.2; (v) for quarrying; or (vi) as a landfill.

"Total electric energy" means total electric energy sold to retail customers in the Commonwealth service territory of a Phase I or Phase II Utility, other than accelerated renewable energy buyers, by the incumbent electric utility or other retail supplier of electric energy in the previous calendar year, excluding an amount equivalent to the annual percentages of the electric energy that was supplied to such customer from nuclear generating plants located within the Commonwealth in the previous calendar year, provided such nuclear units were operating by July 1, 2020, or from any zero-carbon

electric generating facilities not otherwise RPS eligible sources and placed into service in the Commonwealth after July 1, 2030.

"Zero-carbon electricity" means electricity generated by any generating unit that does not emit carbon dioxide as a by-product of combusting fuel to generate electricity.

B. 1. By December 31, 2024, except for any coal-fired electric generating units (i) jointly owned with a cooperative utility or (ii) owned and operated by a Phase II Utility located in the coalfield region of the Commonwealth that co-fires with biomass, any Phase I and Phase II Utility shall retire all generating units principally fueled by oil with a rated capacity in excess of 500 megawatts and all coal-fired electric generating units operating in the Commonwealth.

2. By December 31, 2045, except for biomass-fired electric generating units that do not co-fire with coal, each Phase I and II Utility shall retire all other electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity.

3. A Phase I or Phase II Utility may petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers. The Commission shall consider in-state and regional transmission entity resources and shall evaluate the reliability of each proposed retirement on a case-by-case basis in ruling upon any such petition.

C. Each Phase I and Phase II Utility shall participate in a renewable energy portfolio standard program (RPS Program) that

establishes annual goals for the sale of renewable energy to all retail customers in the utility's service territory, other than accelerated renewable energy buyers pursuant to subsection G, regardless of whether such customers purchase electric supply service from the utility or from suppliers other than the utility. To comply with the RPS Program, each Phase I and Phase II Utility shall procure and retire Renewable Energy Certificates (RECs) originating from renewable energy standard eligible sources (RPS eligible sources). For purposes of complying with the RPS Program from 2021 to 2024, a Phase I and Phase II Utility may use RECs from any renewable energy facility, as defined in § 56-576, provided that such facilities are located in the Commonwealth or are physically located within the PJM Interconnection, LLC (PJM) region. However, at no time during this period or thereafter may any Phase I or Phase II Utility use RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, or (iii) biomass-fired facilities that are outside the Commonwealth. From compliance year 2025 and all years after, each Phase I and Phase II Utility may only use RECs from RPS eligible sources for compliance with the RPS Program.

In order to qualify as RPS eligible sources, such sources must be (a) electric-generating resources that generate electric energy derived from solar or wind located in the Commonwealth or off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth or physically located within the PJM region; (b) falling water resources located in the Commonwealth or physically located within the PJM region that were in operation as of January 1, 2020, that are owned by a Phase I

or Phase II Utility or for which a Phase I or Phase II Utility has entered into a contract prior to January 1, 2020, to purchase the energy, capacity, and renewable attributes of such falling water resources; (c) non-utility-owned resources from falling water that (1) are less than 65 megawatts, (2) began commercial operation after December 31, 1979, or (3) added incremental generation representing greater than 50 percent of the original nameplate capacity after December 31, 1979, provided that such resources are located in the Commonwealth or are physically located within the PJM region; (d) waste-to-energy or landfill gas-fired generating resources located in the Commonwealth and in operation as of January 1, 2020, provided that such resources do not use waste heat from fossil fuel combustion; (e) geothermal heating and cooling systems located in the Commonwealth; (f) geothermal electric generating resources located in the Commonwealth or physically located within the PJM region; or (g) biomass-fired facilities in operation in the Commonwealth and in operation as of January 1, 2023, that (1) supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected and are fueled by forest-product manufacturing residuals, including pulping liquor, bark, paper recycling residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass

developed and enforced by the State Forester pursuant to § 10.1-1105, or (2) are owned by a Phase I or Phase II Utility, have less than 52 megawatts capacity, and are fueled by forest-product manufacturing residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass developed and enforced by the State Forester pursuant to § 10.1-1105. Regardless of any future maintenance, expansion, or refurbishment activities, the total amount of RECs that may be sold by any RPS eligible source using biomass in any year shall be no more than the number of megawatt hours of electricity produced by that facility in 2022; however, in no year may any RPS eligible source using biomass sell RECs in excess of the actual megawatt-hours of electricity generated by such facility that year. In order to comply with the RPS Program, each Phase I and Phase II Utility may use and retire the environmental attributes associated with any existing owned or contracted solar, wind, falling water, or biomass electric generating resources in operation, or proposed for operation, in the Commonwealth or solar, wind, or falling water resources physically located within the PJM region, with such resource qualifying as a Commonwealth-located resource for purposes of this subsection, as of January 1, 2020, provided that such renewable attributes are verified as RECs consistent with the PJM-EIS Generation Attribute Tracking System.

1. a. The RPS Program requirements shall be a percentage of the total electric energy sold in the previous calendar year and shall

be implemented in accordance with the following schedule:

a	Phase I Utilities		Phase II Utilities	
a	Year	RPS Program Requirement	Year	RPS Program Requirement
b	2021	6%	2021	14%
c	2022	7%	2022	17%
d	2023	8%	2023	20%
e	2024	10%	2024	23%
f	2025	14%	2025	26%
g	2026	17%	2026	29%
h	2027	20%	2027	32%
i	2028	24%	2028	35%
j	2029	27%	2029	38%
k	2030	30%	2030	41%
l	2031	33%	2031	45%
m	2032	36%	2032	49%

n	2033	39%	2033	52%
o	2034	42%	2034	55%
p	2035	45%	2035	59%
q	2036	53%	2036	63%
r	2037	53%	2037	67%
s	2038	57%	2038	71%
t	2039	61%	2039	75%
u	2040	65%	2040	79%
v	2041	68%	2041	83%
w	2042	71%	2042	87%
x	2043	74%	2043	91%
y	2044	77%	2044	95%
z	2045	80%	2045 and thereafter	100%
aa	2046	84%		
ab	2047	88%		

ac 2048 92%

ad 2049 96%

ae 2050 and thereafter 100%

b. Beginning with the 2027 compliance year and thereafter, each Phase II Utility shall procure and retire RECs from geothermal heating and cooling systems located in the Commonwealth, as a percentage of the total number of RECs used for RPS program compliance, in the following amounts, at minimum: (i) 0.5 percent in 2027, (ii) 0.75 percent in 2028, and (iii) one percent in and after 2029. Beginning with the 2027 compliance year and thereafter, each Phase I Utility shall procure and retire RECs from geothermal heating and cooling systems located within its own service territory, as a percentage of the total number of RECs used for RPS program compliance, in the following amounts, at minimum: (a) 0.5 percent in 2027, (b) 0.75 percent in 2028, and (c) one percent in and after 2029.

2. A Phase II Utility shall meet one percent of the RPS Program requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt or less located in the Commonwealth, with not more than 3,000 kilowatts at any single location or at contiguous locations owned by the same entity or affiliated entities and, to the extent that low-income qualifying projects are available, then no less than 25 percent of such one percent shall be composed of low-income qualifying projects. To the extent that low-income qualifying projects are not available and

projects located on or adjacent to public elementary or secondary schools are available, the remainder of no less than 25 percent of such one percent shall be composed of projects located on or adjacent to public elementary or secondary schools. A project located on or adjacent to a public elementary or secondary school shall have a contractual relationship with such school in order to qualify for the provisions of this section.

3. Beginning with the 2025 compliance year and thereafter, at least 75 percent of all RECs used by a Phase II Utility in a compliance period shall come from RPS eligible resources located in the Commonwealth.

4. Any Phase I or Phase II Utility may apply renewable energy sales achieved or RECs acquired in excess of the sales requirement for that RPS Program to the sales requirements for RPS Program requirements in the year in which it was generated and the five calendar years after the renewable energy was generated or the RECs were created. To the extent that a Phase I or Phase II Utility procures RECs for RPS Program compliance from resources the utility does not own, the utility shall be entitled to recover the costs of such certificates at its election pursuant to § 56-249.6 or subdivision A 5 d of § 56-585.1.

5. Energy derived from a geothermal heating and cooling system is eligible for inclusion in meeting the requirements of the RPS Program. RECs from a geothermal heating and cooling system ~~are created based on the amount of energy, converted from BTUs to kilowatt-hours, that is generated by a geothermal heating and cooling system for space heating and cooling or water heating~~ shall be the

product of the performance rating of the geothermal heating and cooling system and the energy usage of the geothermal heating and cooling system that is required for space heating, cooling, and water heating. The Commission shall determine the form and manner in which such RECs are verified.

D. Each Phase I or Phase II Utility shall petition the Commission for necessary approvals to procure zero-carbon electricity generating capacity as set forth in this subsection and energy storage resources as set forth in subsection E. To the extent that a Phase I or Phase II Utility constructs or acquires new zero-carbon generating facilities or energy storage resources, the utility shall petition the Commission for the recovery of the costs of such facilities, at the utility's election, either through its rates for generation and distribution services or through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1. All costs not sought for recovery through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 associated with generating facilities provided by sunlight or onshore or offshore wind are also eligible to be applied by the utility as a customer credit reinvestment offset as provided in subdivision A 8 of § 56-585.1. Costs associated with the purchase of energy, capacity, or environmental attributes from facilities owned by the persons other than the utility required by this subsection shall be recovered by the utility either through its rates for generation and distribution services or pursuant to § 56-249.6.

1. Each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 600

megawatts of generating capacity using energy derived from sunlight or onshore wind.

a. By December 31, 2023, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

b. By December 31, 2027, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

c. By December 31, 2030, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional

generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

d. Nothing in this subdivision 1 shall prohibit such Phase I Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 600 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's

Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts. At least 200 megawatts of the 16,100 megawatts shall be placed on previously developed project sites.

a. By December 31, 2024, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

b. By December 31, 2027, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

c. By December 31, 2030, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or

enter into agreements to purchase the energy, capacity, and environmental attributes of at least 4,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

d. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 6,100 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

e. Nothing in this subdivision 2 shall prohibit such Phase II Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. Nothing in this section shall prohibit a utility from petitioning the Commission to construct or acquire zero-carbon electricity or from entering into contracts to procure the energy, capacity, and environmental attributes of zero-carbon electricity generating resources in excess of the requirements in subsection B. The Commission shall determine whether to approve such petitions on a stand-alone basis pursuant to §§ 56-580 and 56-585.1, provided that the Commission's review shall also consider whether the proposed generating capacity (i) is necessary to meet the utility's native load, (ii) is likely to lower customer fuel costs, (iii) will provide economic development opportunities in the Commonwealth, and (iv) serves a need that cannot be more affordably met with demand-side or energy storage resources.

Each Phase I and Phase II Utility shall, at least once every year, conduct a request for proposals for new solar and wind resources. Such requests shall quantify and describe the utility's need for energy, capacity, or renewable energy certificates. The requests for proposals shall be publicly announced and made available for public review on the utility's website at least 45 days prior to the closing of such request for proposals. The requests for proposals shall provide, at a minimum, the following information: (a) the size, type, and timing of resources for which the utility anticipates contracting; (b) any minimum thresholds that must be met by respondents; (c) major assumptions to be used by the utility in the bid evaluation process, including environmental emission standards; (d) detailed instructions for preparing bids so that bids can be evaluated on a consistent basis; (e) the preferred general location of

additional capacity; and (f) specific information concerning the factors involved in determining the price and non-price criteria used for selecting winning bids. A utility may evaluate responses to requests for proposals based on any criteria that it deems reasonable but shall at a minimum consider the following in its selection process: (1) the status of a particular project's development; (2) the age of existing generation facilities; (3) the demonstrated financial viability of a project and the developer; (4) a developer's prior experience in the field; (5) the location and effect on the transmission grid of a generation facility; (6) benefits to the Commonwealth that are associated with particular projects, including regional economic development and the use of goods and services from Virginia businesses; and (7) the environmental impacts of particular resources, including impacts on air quality within the Commonwealth and the carbon intensity of the utility's generation portfolio.

4. In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities.

Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage projects behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section; (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development; and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

5. If, in any year, a Phase I or Phase II Utility is unable to meet the compliance obligation of the RPS Program requirements or if the cost of RECs necessary to comply with RPS Program requirements exceeds $45 per megawatt hour, such supplier shall be obligated to make a deficiency payment equal to $45 for each megawatt-hour shortfall for the year of noncompliance, except that the deficiency payment for any shortfall in procuring RECs for solar, wind, or anaerobic digesters located in the Commonwealth shall be $75 per ~~megawatts~~ megawatt hour for resources one megawatt and lower, and the deficiency payment for any shortfall in procuring RECs for geothermal heating and cooling systems, as required by subdivision C 1 b, shall be $100 per megawatt hour. A Phase I or

Phase II Utility shall issue a quarterly request for proposals regarding the procurement of RECs produced by geothermal heating and cooling systems as a portion of its efforts to meet the requirements of subdivision C 1 b. A Phase I or Phase II Utility shall be exempt from making an annual deficiency payment for the quantity of required RECs produced by geothermal heating and cooling systems that are not made available in each request for proposals at a price that is equal to or below the price of such deficiency payment in a compliance year. The amount of any deficiency payment shall increase by one percent annually after 2021. A Phase I or Phase II Utility shall be entitled to recover the costs of such payments as a cost of compliance with the requirements of this subsection pursuant to subdivision A 5 d of § 56-585.1. All proceeds from the deficiency payments shall be deposited into an interest-bearing account administered by the Department of Energy. In administering this account, the Department of Energy shall manage the account as follows: (i) 50 percent of total revenue shall be directed to job training programs in historically economically disadvantaged communities; (ii) 16 percent of total revenue shall be directed to energy efficiency measures for public facilities; (iii) 30 percent of total revenue shall be directed to renewable energy programs located in historically economically disadvantaged communities; and (iv) four percent of total revenue shall be directed to administrative costs.

For any project constructed pursuant to this subsection or subsection E, a utility shall, subject to a competitive procurement process, procure equipment from a Virginia-based or United States-based manufacturer using materials or product components made in

Virginia or the United States, if reasonably available and competitively priced.

E. To enhance reliability and performance of the utility's generation and distribution system, each Phase I and Phase II Utility shall petition the Commission for necessary approvals to construct or acquire new, utility-owned energy storage resources.

1. By December 31, 2035, each Phase I Utility shall petition the Commission for necessary approvals to construct or acquire 400 megawatts of energy storage capacity. Nothing in this subdivision shall prohibit a Phase I Utility from constructing or acquiring more than 400 megawatts of energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct or acquire 2,700 megawatts of energy storage capacity. Nothing in this subdivision shall prohibit a Phase II Utility from constructing or acquiring more than 2,700 megawatts of energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. No single energy storage project shall exceed 500 megawatts in size, except that a Phase II Utility may procure a single energy storage project up to 800 megawatts.

4. All energy storage projects procured pursuant to this subsection shall meet the competitive procurement protocols established in subdivision D 3.

5. After July 1, 2020, at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than the public utility or (ii) owned by a party other than a public utility, with the capacity from such facilities sold to the public utility. By January 1, 2021, the Commission shall adopt regulations to achieve the deployment of energy storage for the Commonwealth required in subdivisions 1 and 2, including regulations that set interim targets and update existing utility planning and procurement rules. The regulations shall include programs and mechanisms to deploy energy storage, including competitive solicitations, behind-the-meter incentives, non-wires alternatives programs, and peak demand reduction programs.

F. All costs incurred by a Phase I or Phase II Utility related to compliance with the requirements of this section or pursuant to § 56-585.1:11, including (i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired by a Phase I or Phase II Utility after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of RECs associated with RPS Program requirements pursuant to this section shall be recovered from all retail customers in the service territory of a Phase I or Phase II Utility as a non-bypassable charge, irrespective of the generation supplier of such customer, except (a) as provided in subsection G for an

accelerated renewable energy buyer or (b) as provided in subdivision C 3 of § 56-585.1:11, with respect to the costs of an offshore wind generation facility, for a PIPP eligible utility customer or an advanced clean energy buyer or qualifying large general service customer, as those terms are defined in § 56-585.1:11. If a Phase I or Phase II Utility serves customers in more than one jurisdiction, such utility shall recover all of the costs of compliance with the RPS Program requirements from its Virginia customers through the applicable cost recovery mechanism, and all associated energy, capacity, and environmental attributes shall be assigned to Virginia to the extent that such costs are requested but not recovered from any system customers outside the Commonwealth.

By September 1, 2020, the Commission shall direct the initiation of a proceeding for each Phase I and Phase II Utility to review and determine the amount of such costs, net of benefits, that should be allocated to retail customers within the utility's service territory which have elected to receive electric supply service from a supplier of electric energy other than the utility, and shall direct that tariff provisions be implemented to recover those costs from such customers beginning no later than January 1, 2021. Thereafter, such charges and tariff provisions shall be updated and trued up by the utility on an annual basis, subject to continuing review and approval by the Commission.

G. 1. An accelerated renewable energy buyer may contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain (i) RECs from RPS eligible resources or (ii) bundled capacity, energy, and RECs from solar or, wind, or zero-

carbon electricity generation resources located within the PJM region and initially placed in commercial operation after January 1, 2015, including any contract with a utility for such generation resources that does not allocate the cost of such resources to or recover the cost of such resources from any other customers of the utility that have not voluntarily agreed to pay such cost. Such an accelerated renewable energy buyer may offset all or a portion of its electric load for purposes of RPS compliance through such arrangements. An accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS compliance costs pursuant to subsection F, with the exception of the costs of an offshore wind generating facility pursuant to § 56-585.1:11, based on the amount of RECs obtained pursuant to this subsection in proportion to the customer's total electric energy consumption, on an annual basis. An accelerated renewable energy buyer may also contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain capacity from energy storage facilities located within the network service area of the utility pursuant to this subsection, provided that the costs of such resources are not recovered from any of the utility's customers who have not voluntarily agreed to pay for such costs. Such accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS Program compliance costs specifically associated with energy storage facilities pursuant to this subsection in proportion to the customer's total capacity demand on an annual basis. An accelerated renewable energy buyer obtaining RECs only shall not be exempt from costs related to procurement of new solar or onshore wind generation capacity, energy, or

environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, however, an accelerated renewable energy buyer that is a customer of a Phase II Utility and was subscribed, as of March 1, 2020, to a voluntary companion experimental tariff offering of the utility for the purchase of renewable attributes from renewable energy facilities that requires a renewable facilities agreement and the purchase of a minimum of 2,000 renewable attributes annually, shall be exempt from allocation of the net costs related to procurement of new solar or onshore wind generation capacity, energy, or environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, based on the amount of RECs associated with the customer's renewable facilities agreements associated with such tariff offering as of that date in proportion to the customer's total electric energy consumption, on an annual basis. To the extent that an accelerated renewable energy buyer contracts for the capacity of new solar or wind generation resources or energy storage facilities pursuant to this subsection, the aggregate amount of such nameplate capacity shall be offset from the utility's procurement requirements pursuant to subsection D. All RECs associated with contracts entered into by an accelerated renewable energy buyer with the utility, or a person other than the utility, for an RPS Program shall not be credited to the utility's compliance with its RPS requirements, and the calculation of the utility's RPS Program requirements shall not include the electric load covered by customers certified as accelerated renewable energy buyers.

2. Each Phase I or Phase II Utility shall certify, and verify as necessary, to the Commission that the accelerated renewable energy buyer has satisfied the exemption requirements of this subsection for each year, or an accelerated renewable energy buyer may choose to certify satisfaction of this exemption by reporting to the Commission individually. The Commission may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection.

3. Provided that no incremental costs associated with any contract between a Phase I or Phase II Utility and an accelerated renewable energy buyer is allocated to or recovered from any other customer of the utility, any such contract with an accelerated renewable energy buyer that is a jurisdictional customer of the utility shall not be deemed a special rate or contract requiring Commission approval pursuant to § 56-235.2.

4. The State Corporation Commission shall ensure that any distribution and transmission costs associated with new energy generation resources procured pursuant to subsection G of § 56-585.5 of the Code of Virginia, as amended by this act, are justly and reasonably allocated.

H. No customer of a Phase II Utility with a peak demand in excess of 100 megawatts in 2019 that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to April 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS

Program requirements. No customer of a Phase I Utility that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to February 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS Program requirements.

I. In any petition by a Phase I or Phase II Utility for a certificate of public convenience and necessity to construct and operate an electrical generating facility that generates electric energy derived from sunlight submitted pursuant to § 56-580, such utility shall demonstrate that the proposed facility was subject to competitive procurement or solicitation as set forth in subdivision D 3.

J. Notwithstanding any contrary provision of law, for the purposes of this section, any falling water generation facility located in the Commonwealth and commencing commercial operations prior to July 1, 2024, shall be considered a renewable energy portfolio standard (RPS) eligible source.

K. Nothing in this section shall apply to any entity organized under Chapter 9.1 (§ 56-231.15 et seq.).

L. The Commission shall adopt such rules and regulations as may be necessary to implement the provisions of this section, including a requirement that participants verify whether the RPS Program requirements are met in accordance with this section.

2. That the State Corporation Commission (the Commission) shall prepare a report evaluating the procurement and

retirement of renewable energy certificates from geothermal heating and cooling systems in the Commonwealth pursuant to subdivision C 1 b of § 56-585.5 of the Code of Virginia, as amended by this act. The Commission shall deliver such report to the Chairs of the House Committee on Labor and Commerce and Senate Committee on Commerce and Labor on or before November 1, 2028.

3. That pursuant to § 54.1-2014 of the Code of Virginia, the Real Estate Appraiser Board (the Board) shall promulgate regulations requiring the development of a continuing education curriculum and required training for all licensees that includes how to properly determine the increase in value of real estate created by reductions in building energy costs associated with solar, geothermal, and solar water heating investments for the purposes of real estate appraisals. On or before November 1, 2026, the Board shall report on the implementation of such curriculum and training to the Chairs of the House Committees on Labor and Commerce and General Laws, the Senate Committees on Commerce and Labor and General Laws and Technology, and the Commission on Electric Utility Regulation.

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APPENDIX F

Policy recommendation #4 to 2026 General Assembly as adopted on December 4, 2025:

Virginia Brownfields and Coal Mine Renewable Energy Grant Fund

House Bill 1089 – Legislative Draft Number 26104372

Senate Bill 415 – Legislative Draft Number 26104603

SUMMARY

Virginia Brownfield and Coal Mine Renewable Energy Grant Fund. Increases from $100 per kilowatt of nameplate capacity from renewable energy sources that are located on brownfields to $200 per kilowatt of nameplate capacity from renewable energy sources that are located on brownfields the grant amount a project developer can receive from the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 45.2-1725 of the Code of Virginia, relating to Virginia Brownfield and Coal Mine Renewable Energy Grant Fund.

Be it enacted by the General Assembly of Virginia:

1. That § 45.2-1725 of the Code of Virginia is amended and reenacted as follows:

§ 45.2-1725. Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program.

A. For the purposes of this section:

"Brownfield" means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

"Fund" means the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund.

"Previously coal mined lands" means lands, associated waters, and surrounding watersheds where coal extraction, beneficiation, or processing has occurred.

"Program" means Virginia Brownfield and Coal Mine Renewable Energy Grant Program.

"Project" means all or any part of the following activities necessary or desirable for the restoration and redevelopment of a brownfield site or previously coal mined lands for renewable energy purposes: (i) environmental or cultural resource site assessments; (ii)

the monitoring, remediation, cleanup, or containment of property to remove hazardous substances, hazardous wastes, solid wastes, or petroleum; (iii) the appropriate treatment of grave sites, and the appropriate and necessary treatment of significant archaeological resources, or the stabilization or restoration of structures listed on or eligible for the Virginia Landmarks Register; (iv) the demolition and removal of existing structures, or other site work necessary to make a site or certain real property usable for economic development; (v) the development of a remediation and reuse plan; and (vi) the development or operation of such site for renewable energy generation or storage.

"Renewable energy" means energy derived from sunlight, wind, and geothermal power.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) awarding grants on a competitive basis through the Virginia Brownfield and Coal Mine Renewable Energy Grant Program established pursuant to subsection C or (ii) implementing and

administering the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program. Moneys used for implementing and administering the Fund and Program shall be limited to 10 percent of the amount available in the Fund each year. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

C. The Virginia Brownfield and Coal Mine Renewable Energy Grant Program is hereby established for the purpose of awarding grants on a competitive basis from such funds as may be available from the Fund to renewable energy projects located on brownfields or previously coal mined lands. The Program shall be administered by the Department. In administering the Program, the Department shall consult with the Department of Environmental Quality and establish and publish guidelines and criteria for grant awards, including guidelines and criteria governing agreements between the Department and grant recipients relating to the development of renewable energy projects on brownfields or previously coal mined lands. The criteria for grant recipients shall include requirements for project developers to hire local residents. The Department shall oversee each grant awarded through the Program and ensure thorough annual reporting on each such grant.

D. Grants shall be awarded in an amount of $500 per kilowatt of nameplate capacity from renewable energy sources that are located on previously coal mined lands and ~~$100~~ $200 per kilowatt of nameplate capacity from renewable energy sources that are located on brownfields. No more than $10 million shall be awarded

to any single previously coal mined lands project and no more than $5 million shall be awarded to any single brownfield project that is not located on previously coal mined lands. If a project is eligible to receive a grant as a previously coal mined lands project, it shall not be eligible to receive a grant as a brownfields project, and vice versa.

No more than $35 million per year shall be allocated by the Program. Of this amount, $20 million shall be reserved for projects sited on previously coal mined lands. However, if less than $20 million is distributed to previously coal mined lands projects in a given year, any remaining funds may be reallocated to brownfield projects.

E. The Department shall, in consultation with the Department of Environmental Quality, localities, interest groups, private businesses, and other stakeholders, develop an online handbook for renewable energy and energy storage development on brownfields and previously coal mined lands. The online handbook shall include a discussion of coal mining permit types and reclamation requirements, permitting requirements for development on brownfields and previously coal mined lands, and policy recommendations for encouraging renewable energy development on brownfields and coal mines. The handbook shall be completed no later than July 1, 2022, and shall be updated as needed at the discretion of the Department.

F. The Department shall submit an annual report to the General Assembly regarding administration of the Fund and Program for the preceding fiscal year. The report shall include the number of grants awarded, the number of acres reclaimed or revitalized, the

amount of nameplate capacity constructed, the number of jobs created, and the general economic impact of the Fund and Program. The report shall be furnished to the Chairmen of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor no later than November 1 of each year. However, no annual report shall be required if the Fund and Program do not receive funding.

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APPENDIX G

Policy recommendation #5 to 2026 General Assembly as adopted on December 4, 2025:

Solar Interconnection Grant Program

House Bill 683 – Legislative Draft Number 26104373

Senate Bill 659 – Legislative Draft Number 26104604

SUMMARY

Solar Interconnection Grant Fund and Program established; report; sunset. Establishes the Solar Interconnection Grant Program for the purpose of awarding grants on a competitive basis to public bodies to offset costs associated with the interconnection of solar facilities to the grid. The Program is administered by the Division of Renewable Energy and Energy Efficiency of the Department of Energy. The bill requires that priority be given to solar facilities located on previously developed project sites and requires the Division to establish and publish guidelines and criteria for the awarding of grants and general requirements of the Program. The bill has an expiration date of July 1, 2027, and is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend the Code of Virginia by adding in Chapter 19 of Title 45.2 an article numbered 4, consisting of a section numbered 45.2-1918, relating to Solar Interconnection Grant Program established; report; sunset.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 19 of Title 45.2 an article numbered 4, consisting of a section numbered 45.2-1918, as follows:

Article 4.

Solar Interconnection Grant Program.

§ 45.2-1918. Solar Interconnection Grant Program; report.

A. As used in this section:

"Division" means the Division of Renewable Energy and Energy Efficiency of the Department.

"Previously developed project site" means the same as that term is defined in § 56-576.

"Program" means the Solar Interconnection Grant Program established in this section.

"Public body" means a locality or other political subdivision of the Commonwealth or a school board.

"Solar facility" means a facility that generates electricity by means of a solar photovoltaic device, including any additions or

enhancements such as battery storage or a smart inverter, and is located on land owned or leased by the public body.

B. The Solar Interconnection Grant Program is hereby established for the purpose of awarding grants on a competitive basis to public bodies to offset costs associated with the interconnection of solar facilities to the grid. In the allocation of funds, priority shall be given to solar facilities located on previously developed project sites. The Division shall administer the Program and shall establish and publish guidelines and criteria for the awarding of grants and general requirements of the Program.

C. The Division shall submit an annual report to the General Assembly regarding administration of the Program for the preceding fiscal year. The report shall be furnished to the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations no later than November 1 of each year.

2. That the provisions of this act shall expire on July 1, 2027.

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APPENDIX H

Policy recommendation #6 to 2026 General Assembly as adopted on December 4, 2025: Balcony Solar

Senate Bill 250 – Legislative Draft Number 26104605

SUMMARY

Electric utilities; small portable solar generation devices; local regulation; Residential Landlord and Tenant Act. Permits any electric utility customer to own and operate a small portable solar generation device, defined in the bill as a nationally certified, plug-in solar photovoltaic device with a maximum power output of no more than 1,200 watts that is not designed to be interconnected with the electric grid and is intended primarily to offset part of the customer's electricity consumption. The bill prohibits an investor-owned utility, municipal utility, or electric cooperative from imposing interconnection requirements, charging any fee related to the device, or requiring that the customer obtain the utility's approval before installing or using the device. Under the bill, no electric utility or electric cooperative shall be liable for damage or injury caused by a small portable solar generation device.

The bill also restricts (i) localities from prohibiting the use of a small portable solar generation device on a residential structure, provided that certain requirements are met, and (ii) landlords owning more than four rental dwelling units from prohibiting a tenant from installing a small portable solar generation device on the exterior of the tenant's premises, provided that reasonable restrictions may be established concerning size, manner, and placement.

This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 15.2-2288.7 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 55.1-1212.1 and by adding in Chapter 23 of Title 56 a section numbered 56-596.7, relating to electric utilities; small portable solar generation devices; local regulation; Residential Landlord and Tenant Act.

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-2288.7 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 55.1-1212.1 and by adding in Chapter 23 of Title 56 a section numbered 56-596.7 as follows:

§ 15.2-2288.7. Local regulation of solar facilities and small portable solar generation devices.

A. An owner of a residential dwelling unit may install a solar facility on the roof of such dwelling to serve the electricity or thermal needs of that dwelling, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Unless a local ordinance provides otherwise, a ground-mounted solar energy generation facility to be located on property zoned residential shall be permitted, provided that such installation is (a) in compliance with any height

and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as provided herein, any other solar facility proposed on property zoned residential, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

B. An owner of real property zoned agricultural may install a solar facility on the roof of a residential dwelling on such property, or on the roof of another building or structure on such property, to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Unless a local ordinance provides otherwise, a ground-mounted solar energy generation facility to be located on property zoned agricultural and to be operated under § 56-594 or 56-594.2 shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located.

Except as otherwise provided herein, any other solar facility proposed on property zoned agricultural, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

C. An owner of real property zoned commercial, industrial, or institutional may install a solar facility on the roof of one or more buildings located on such property to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Unless a local ordinance provides otherwise, a ground-mounted solar energy generation facility to be located on property zoned commercial, industrial, or institutional shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as otherwise provided herein, any other solar facility proposed on property zoned commercial, industrial, or institutional, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property

where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

D. An owner of real property zoned mixed-use may install a solar facility on the roof of one or more buildings located on such property to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Unless a local ordinance provides otherwise, a ground-mounted solar energy generation facility to be located on property zoned mixed-use shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as provided herein, any other solar facility proposed on property zoned mixed-use, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

E. No locality shall prohibit the use of a small portable solar generation device, as defined in § 56-596.7, on a residential structure, provided that such device (i) is in compliance with any height and setback requirements in the zoning district where such

property is located; (ii) is in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located; and (iii) meets the requirements of this section and subsection C of § 56-596.7.

F. Nothing in this section shall be construed to supersede or limit contracts or agreements between or among individuals or private entities related to the use of real property, including recorded declarations and covenants, the provisions of condominium instruments of a condominium created pursuant to the Virginia Condominium Act (§ 55.1-1900 et seq.), the declaration of a common interest community as defined in § 54.1-2345, the cooperative instruments of a cooperative created pursuant to the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or any declaration of a property owners' association created pursuant to the Property Owners' Association Act (§ 55.1-1800 et seq.).

~~F.~~ G. A locality, by ordinance, may provide by-right authority for installation of solar facilities or devices in any zoning classification in addition to that provided in this section. A locality may also, by ordinance, require a property owner or an applicant for a permit pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) who removes solar panels or devices to dispose of such panels or devices in accordance with such ordinance in addition to other applicable laws and regulations affecting such disposal.

§ 55.1-1212.1. Installation of small portable solar generation devices.

A. As used in this section, "small portable solar generation device" means a moveable photovoltaic generation device that (i) has a maximum power output of not more than 1,200 watts, (ii) is designed to be connected to the electrical system of a building through a standard 120-volt alternating current outlet, (iii) is not designed to be interconnected with the electric grid, (iv) is located on the customer's side of the electric meter and intended primarily to offset part of the customer's electricity consumption, (v) meets the standards of the most recent version of the National Electrical Code, and (vi) is certified by a nationally recognized testing laboratory, as described in 29 C.F.R. § 1910.7, or an equivalent nationally recognized testing laboratory.

B. No landlord who owns more than four rental dwelling units or more than a 10 percent interest in more than four rental dwelling units, whether individually or through a business entity, in the Commonwealth shall prohibit a tenant from installing a small portable solar generation device on the exterior of the tenant's premises. However, a landlord may establish reasonable restrictions concerning the size, place, and manner or placement of such small portable solar generation devices. The landlord may prohibit or restrict the installation of such small portable solar generation devices elsewhere on the premises.

C. The tenant shall be responsible for any damages sustained to the rental dwelling unit or the premises as a result of any small portable solar generation device installed pursuant to this section.

§ 56-596.7. Small portable solar generation devices; exempt from interconnection.

A. As used in this section, a "small portable solar generation device" means a moveable photovoltaic generation device that (i) has a maximum power output of not more than 1,200 watts, (ii) is designed to be connected to the electrical system of a building through a standard 120-volt alternating current outlet, (iii) is not designed to be interconnected with the electric grid, (iv) is located on the customer's side of the electric meter and intended primarily to offset part of the customer's electricity consumption, (v) meets the standards of the most recent version of the National Electrical Code, and (vi) is certified by a nationally recognized testing laboratory, as described in 29 C.F.R. § 1910.7, or an equivalent nationally recognized testing laboratory.

B. Any customer of an investor-owned utility, municipal utility, or electric cooperative may own and operate a small portable solar generation device that meets the requirements of this section without being subject to interconnection requirements, net energy metering provisions, or any other provision of law requiring reimbursement to or approval from the electric utility to own and operate the small portable solar generation device. No investor-owned utility, municipal utility, or electric cooperative shall require a customer using a small portable solar generation device to obtain the utility's approval before installing or using the device, pay any fee or charge related to the device, or install any additional controls or equipment beyond what is integrated with the device.

C. A customer that owns and operates a small portable solar generation device shall ensure that the device includes a device or

feature that prevents the device from affecting the electrical system of the building during a power outage.

D. No investor-owned utility, municipal utility, or electric cooperative shall be liable for any damage or injury caused by a small portable solar generation device.

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APPENDIX I

Policy recommendation #7 to 2026 General Assembly as adopted on December 4, 2025:

Energy Storage

SUMMARY

Electric utilities; energy storage requirements; Department of Energy to develop model ordinance; work groups; reports. Increases the targets for energy storage capacity that Appalachian Power and Dominion Energy Virginia are required to petition the State Corporation Commission (the Commission) for approval to construct, acquire, or procure and extends the time frame by which such capacity must be met. Under the bill, (i) Appalachian Power shall petition the Commission for approval to construct, acquire, or procure at least 780 megawatts of short-duration energy storage capacity by 2040 and 520 megawatts of long-duration energy storage capacity by 2045 and (ii) Dominion Energy Virginia shall petition the Commission for approval to construct, acquire, or procure at least 5,220 megawatts of short-duration energy storage capacity by 2045 and 3,480 megawatts of long-duration energy storage capacity by 2045. "Long-duration energy storage" and "short-duration energy storage" are defined in the bill. The bill requires the Commission to conduct a technology demonstration program for long-duration energy storage resources and initiate a proceeding to determine if such technology is viable and that the targets in the bill are reasonably achievable, for which a final order shall be entered no later than March 1, 2030. Certain provisions of the bill are only effective upon such determination by the Commission.

The bill requires the Department of Energy, in consultation with the Department of Environmental Quality and the Department of Fire Programs, to create a model ordinance for use by localities in their regulation of energy storage projects and to submit a report to the General Assembly by December 1, 2026. The bill directs the Department of Energy and the Department of Environmental Quality to convene a work group to develop recommendations and financial incentives related to the development of long-duration energy storage projects and submit a report to the General Assembly by December 1, 2026. The bill also directs the Department of Energy to engage

with PJM Interconnection, LLC, in reviewing regional market conditions related to energy storage resources and permits Dominion Energy Virginia to propose a partnership with institutions of higher education to deploy energy storage resources.

This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 56-585.5 of the Code of Virginia and to amend the Code of Virginia by adding in Subtitle V of Title 45.2 a chapter numbered 22, consisting of a section numbered 45.2-2120, relating to electric utilities; energy storage resources; Department of Energy to develop model ordinances; work groups; reports.

Be it enacted by the General Assembly of Virginia:

1. That § 56-585.5 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Subtitle V of Title 45.2 a chapter numbered 22, consisting of a section numbered 45.2-2120, as follows:

CHAPTER 22.

ENERGY STORAGE.

§ 45.2-2120. Model ordinances for energy storage resources.

By December 1, 2026, the Department, in consultation with the Department of Environmental Quality and the Department of Fire Programs, shall develop model ordinances suggested for use by localities in their regulation of energy storage projects, as described in subsection E of § 56-585.5, and shall update such model ordinances every three years. Such model ordinances shall include minimum safety standards in accordance with the most recently published edition of the National Fire Protection Association 855 Standard for the Installation of Stationary Energy Storage Systems.

§ 56-585.5. Generation of electricity from renewable and zero carbon sources.

A. As used in this section:

"Accelerated renewable energy buyer" means a commercial or industrial customer of a Phase I or Phase II Utility, irrespective of generation supplier, with an aggregate load over 25 megawatts in the prior calendar year, that enters into arrangements pursuant to subsection G, as certified by the Commission.

"Aggregate load" means the combined electrical load associated with selected accounts of an accelerated renewable energy buyer with the same legal entity name as, or in the names of affiliated entities that control, are controlled by, or are under common control of, such legal entity or are the names of affiliated entities under a common parent.

"Control" has the same meaning as provided in § 56-585.1:11.

"Elementary or secondary" has the same meaning as provided in § 22.1-1.

"Falling water" means hydroelectric resources, including run-of-river generation from a combined pumped-storage and run-of-river facility. "Falling water" does not include electricity generated from pumped-storage facilities.

"Low-income qualifying projects" means a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in § 56-576.

"Phase I Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Phase II Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Previously developed project site" means any property, including related buffer areas, if any, that has been previously disturbed or developed for non-single-family residential, nonagricultural, or nonsilvicultural use, regardless of whether such property currently is being used for any purpose. "Previously developed project site" includes a brownfield as defined in § 10.1-1230 or any parcel that has been previously used (i) for a retail, commercial, or industrial purpose; (ii) as a parking lot; (iii) as the site of a parking lot canopy or structure; (iv) for mining, which is any lands affected by coal mining that took place before August 3, 1977, or any lands upon which extraction activities have been permitted by the Department of Energy under Title 45.2; (v) for quarrying; or (vi) as a landfill.

"Total electric energy" means total electric energy sold to retail customers in the Commonwealth service territory of a Phase I or Phase II Utility, other than accelerated renewable energy buyers, by the incumbent electric utility or other retail supplier of electric energy in the previous calendar year, excluding an amount equivalent to the annual percentages of the electric energy that was supplied to such customer from nuclear generating plants located within the Commonwealth in the previous calendar year, provided such nuclear units were operating by July 1, 2020, or from any zero-carbon electric generating facilities not otherwise RPS eligible sources and placed into service in the Commonwealth after July 1, 2030.

"Zero-carbon electricity" means electricity generated by any generating unit that does not emit carbon dioxide as a by-product of combusting fuel to generate electricity.

B. 1. By December 31, 2024, except for any coal-fired electric generating units (i) jointly owned with a cooperative utility or (ii) owned and operated by a Phase II Utility located in the coalfield region of the Commonwealth that co-fires with biomass, any Phase I and Phase II Utility shall retire all generating units principally fueled by oil with a rated capacity in excess of 500 megawatts and all coal-fired electric generating units operating in the Commonwealth.

2. By December 31, 2045, except for biomass-fired electric generating units that do not co-fire with coal, each Phase I and II Utility shall retire all other electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity.

3. A Phase I or Phase II Utility may petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers. The Commission shall consider in-state and regional transmission entity resources and shall evaluate the reliability of each proposed retirement on a case-by-case basis in ruling upon any such petition.

C. Each Phase I and Phase II Utility shall participate in a renewable energy portfolio standard program (RPS Program) that establishes annual goals for the sale of renewable energy to all retail customers in the utility's service territory, other than accelerated

renewable energy buyers pursuant to subsection G, regardless of whether such customers purchase electric supply service from the utility or from suppliers other than the utility. To comply with the RPS Program, each Phase I and Phase II Utility shall procure and retire Renewable Energy Certificates (RECs) originating from renewable energy standard eligible sources (RPS eligible sources). For purposes of complying with the RPS Program from 2021 to 2024, a Phase I and Phase II Utility may use RECs from any renewable energy facility, as defined in § 56-576, provided that such facilities are located in the Commonwealth or are physically located within the PJM Interconnection, LLC (PJM) region. However, at no time during this period or thereafter may any Phase I or Phase II Utility use RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, or (iii) biomass-fired facilities that are outside the Commonwealth. From compliance year 2025 and all years after, each Phase I and Phase II Utility may only use RECs from RPS eligible sources for compliance with the RPS Program.

In order to qualify as RPS eligible sources, such sources must be (a) electric-generating resources that generate electric energy derived from solar or wind located in the Commonwealth or off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth or physically located within the PJM region; (b) falling water resources located in the Commonwealth or physically located within the PJM region that were in operation as of January 1, 2020, that are owned by a Phase I or Phase II Utility or for which a Phase I or Phase II Utility has entered into a contract prior to January 1, 2020, to purchase the

energy, capacity, and renewable attributes of such falling water resources; (c) non-utility-owned resources from falling water that (1) are less than 65 megawatts, (2) began commercial operation after December 31, 1979, or (3) added incremental generation representing greater than 50 percent of the original nameplate capacity after December 31, 1979, provided that such resources are located in the Commonwealth or are physically located within the PJM region; (d) waste-to-energy or landfill gas-fired generating resources located in the Commonwealth and in operation as of January 1, 2020, provided that such resources do not use waste heat from fossil fuel combustion; (e) geothermal heating and cooling systems located in the Commonwealth; (f) geothermal electric generating resources located in the Commonwealth or physically located within the PJM region; or (g) biomass-fired facilities in operation in the Commonwealth and in operation as of January 1, 2023, that (1) supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected and are fueled by forest-product manufacturing residuals, including pulping liquor, bark, paper recycling residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass developed and enforced by the State Forester pursuant to § 10.1-1105, or (2) are owned by a Phase I or Phase II Utility, have less than

52 megawatts capacity, and are fueled by forest-product manufacturing residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass developed and enforced by the State Forester pursuant to § 10.1-1105. Regardless of any future maintenance, expansion, or refurbishment activities, the total amount of RECs that may be sold by any RPS eligible source using biomass in any year shall be no more than the number of megawatt hours of electricity produced by that facility in 2022; however, in no year may any RPS eligible source using biomass sell RECs in excess of the actual megawatt-hours of electricity generated by such facility that year. In order to comply with the RPS Program, each Phase I and Phase II Utility may use and retire the environmental attributes associated with any existing owned or contracted solar, wind, falling water, or biomass electric generating resources in operation, or proposed for operation, in the Commonwealth or solar, wind, or falling water resources physically located within the PJM region, with such resource qualifying as a Commonwealth-located resource for purposes of this subsection, as of January 1, 2020, provided that such renewable attributes are verified as RECs consistent with the PJM-EIS Generation Attribute Tracking System.

1. The RPS Program requirements shall be a percentage of the total electric energy sold in the previous calendar year and shall be implemented in accordance with the following schedule:

a	Phase I Utilities		Phase II Utilities	
a	Year	RPS Program Requirement	Year	RPS Program Requirement
b	2021	6%	2021	14%
c	2022	7%	2022	17%
d	2023	8%	2023	20%
e	2024	10%	2024	23%
f	2025	14%	2025	26%
g	2026	17%	2026	29%
h	2027	20%	2027	32%
i	2028	24%	2028	35%
j	2029	27%	2029	38%
k	2030	30%	2030	41%
l	2031	33%	2031	45%
m	2032	36%	2032	49%

n	2033	39%	2033	52%
o	2034	42%	2034	55%
p	2035	45%	2035	59%
q	2036	53%	2036	63%
r	2037	53%	2037	67%
s	2038	57%	2038	71%
t	2039	61%	2039	75%
u	2040	65%	2040	79%
v	2041	68%	2041	83%
w	2042	71%	2042	87%
x	2043	74%	2043	91%
y	2044	77%	2044	95%
z	2045	80%	2045 and thereafter	100%
aa	2046	84%		
ab	2047	88%		

ac 2048 92%

ad 2049 96%

ae 2050 and thereafter 100%

2. A Phase II Utility shall meet one percent of the RPS Program requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt or less located in the Commonwealth, with not more than 3,000 kilowatts at any single location or at contiguous locations owned by the same entity or affiliated entities and, to the extent that low-income qualifying projects are available, then no less than 25 percent of such one percent shall be composed of low-income qualifying projects. To the extent that low-income qualifying projects are not available and projects located on or adjacent to public elementary or secondary schools are available, the remainder of no less than 25 percent of such one percent shall be composed of projects located on or adjacent to public elementary or secondary schools. A project located on or adjacent to a public elementary or secondary school shall have a contractual relationship with such school in order to qualify for the provisions of this section.

3. Beginning with the 2025 compliance year and thereafter, at least 75 percent of all RECs used by a Phase II Utility in a compliance period shall come from RPS eligible resources located in the Commonwealth.

4. Any Phase I or Phase II Utility may apply renewable energy sales achieved or RECs acquired in excess of the sales requirement for that RPS Program to the sales requirements for RPS Program requirements in the year in which it was generated and the five calendar years after the renewable energy was generated or the RECs were created. To the extent that a Phase I or Phase II Utility procures RECs for RPS Program compliance from resources the utility does not own, the utility shall be entitled to recover the costs of such certificates at its election pursuant to § 56-249.6 or subdivision A 5 d of § 56-585.1.

5. Energy from a geothermal heating and cooling system is eligible for inclusion in meeting the requirements of the RPS Program. RECs from a geothermal heating and cooling system are created based on the amount of energy, converted from BTUs to kilowatt-hours, that is generated by a geothermal heating and cooling system for space heating and cooling or water heating. The Commission shall determine the form and manner in which such RECs are verified.

D. Each Phase I or Phase II Utility shall petition the Commission for necessary approvals to procure zero-carbon electricity generating capacity as set forth in this subsection and energy storage resources as set forth in subsection E. To the extent that a Phase I or Phase II Utility constructs or acquires new zero-carbon generating facilities or energy storage resources, the utility shall petition the Commission for the recovery of the costs of such facilities, at the utility's election, either through its rates for generation and distribution services or through a rate adjustment

clause pursuant to subdivision A 6 of § 56-585.1. All costs not sought for recovery through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 associated with generating facilities provided by sunlight or onshore or offshore wind are also eligible to be applied by the utility as a customer credit reinvestment offset as provided in subdivision A 8 of § 56-585.1. Costs associated with the purchase of energy, capacity, or environmental attributes from facilities owned by the persons other than the utility required by this subsection shall be recovered by the utility either through its rates for generation and distribution services or pursuant to § 56-249.6.

1. Each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 600 megawatts of generating capacity using energy derived from sunlight or onshore wind.

a. By December 31, 2023, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

b. By December 31, 2027, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or

enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

c. By December 31, 2030, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

d. Nothing in this subdivision 1 shall prohibit such Phase I Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 600 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts. At least 200 megawatts of the 16,100 megawatts shall be placed on previously developed project sites.

a. By December 31, 2024, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

b. By December 31, 2027, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

c. By December 31, 2030, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 4,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

d. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 6,100 megawatts of additional generating capacity located in the Commonwealth using energy

derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

e. Nothing in this subdivision 2 shall prohibit such Phase II Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. Nothing in this section shall prohibit a utility from petitioning the Commission to construct or acquire zero-carbon electricity or from entering into contracts to procure the energy, capacity, and environmental attributes of zero-carbon electricity generating resources in excess of the requirements in subsection B. The Commission shall determine whether to approve such petitions on a stand-alone basis pursuant to §§ 56-580 and 56-585.1, provided that the Commission's review shall also consider whether the proposed generating capacity (i) is necessary to meet the utility's native load, (ii) is likely to lower customer fuel costs, (iii) will provide economic development opportunities in the Commonwealth, and (iv) serves a need that cannot be more affordably met with demand-side or energy storage resources.

Each Phase I and Phase II Utility shall, at least once every year, conduct a request for proposals for new solar and wind resources. Such requests shall quantify and describe the utility's need for energy, capacity, or renewable energy certificates. The requests for proposals shall be publicly announced and made available for public review on the utility's website at least 45 days prior to the closing of such request for proposals. The requests for proposals shall provide, at a minimum, the following information: (a) the size, type, and timing of resources for which the utility anticipates contracting; (b) any minimum thresholds that must be met by respondents; (c) major assumptions to be used by the utility in the bid evaluation process, including environmental emission standards; (d) detailed instructions for preparing bids so that bids can be evaluated on a consistent basis; (e) the preferred general location of additional capacity; and (f) specific information concerning the factors involved in determining the price and non-price criteria used for selecting winning bids. A utility may evaluate responses to requests for proposals based on any criteria that it deems reasonable but shall at a minimum consider the following in its selection process: (1) the status of a particular project's development; (2) the age of existing generation facilities; (3) the demonstrated financial viability of a project and the developer; (4) a developer's prior experience in the field; (5) the location and effect on the transmission grid of a generation facility; (6) benefits to the Commonwealth that are associated with particular projects, including regional economic development and the use of goods and services from Virginia businesses; and (7) the environmental impacts of particular

resources, including impacts on air quality within the Commonwealth and the carbon intensity of the utility's generation portfolio.

4. In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage projects petitioned for pursuant to subdivisions E 1 and 2 behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section; (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development; and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated

requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

5. If, in any year, a Phase I or Phase II Utility is unable to meet the compliance obligation of the RPS Program requirements or if the cost of RECs necessary to comply with RPS Program requirements exceeds $45 per megawatt hour, such supplier shall be obligated to make a deficiency payment equal to $45 for each megawatt-hour shortfall for the year of noncompliance, except that the deficiency payment for any shortfall in procuring RECs for solar, wind, or anaerobic digesters located in the Commonwealth shall be $75 per megawatts hour for resources one megawatt and lower. The amount of any deficiency payment shall increase by one percent annually after 2021. A Phase I or Phase II Utility shall be entitled to recover the costs of such payments as a cost of compliance with the requirements of this subsection pursuant to subdivision A 5 d of § 56-585.1. All proceeds from the deficiency payments shall be deposited into an interest-bearing account administered by the Department of Energy. In administering this account, the Department of Energy shall manage the account as follows: (i) 50 percent of total revenue shall be directed to job training programs in historically economically disadvantaged communities; (ii) 16 percent of total revenue shall be directed to energy efficiency measures for public facilities; (iii) 30 percent of total revenue shall be directed to renewable energy programs located in historically economically disadvantaged communities; and (iv) four percent of total revenue shall be directed to administrative costs.

For any project constructed pursuant to this subsection or subsection E, a utility shall, subject to a competitive procurement process, procure equipment from a Virginia-based or United States-based manufacturer using materials or product components made in Virginia or the United States, if reasonably available and competitively priced.

E. To enhance reliability and performance of the utility's generation and distribution system, each Phase I and Phase II Utility shall petition the Commission for necessary approvals to construct ~~or~~, acquire ~~new~~, or procure utility-owned energy storage resources. For the purposes of this subsection, "long-duration energy storage" means energy storage resources with 10 hours or more of generation capacity operating at full nameplate capacity and "short-duration energy storage" means energy storage resources with less than 10 hours of generation capacity.

1. By December 31, ~~2035~~ 2040, each Phase I Utility shall petition the Commission for necessary approvals to construct ~~or~~, acquire ~~400~~, or procure 780 megawatts of short-duration energy storage capacity. Nothing in this subdivision shall prohibit a Phase I Utility from constructing ~~or~~, acquiring, or procuring more than ~~400~~ 780 megawatts of short-duration energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, ~~2035~~ 2040, each Phase II Utility shall petition the Commission for necessary approvals to construct ~~or~~, acquire ~~2,700~~, or procure 4,000 megawatts of short-duration energy storage capacity, and by December 31, 2045, each Phase II Utility

shall petition the Commission for necessary approvals to construct, acquire, or procure 5,220 megawatts of short-duration energy storage capacity. Nothing in this subdivision shall prohibit a Phase II Utility from constructing ~~or~~, acquiring, or procuring more than ~~2,700~~ 5,220 megawatts of short-duration energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. By December 31, 2045, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or procure 520 megawatts of long-duration energy storage capacity, half of which shall be petitioned to the Commission for necessary approvals to be constructed, acquired, or procured by December 31, 2035. Of such 520 megawatts, half shall have between 10 and 24 hours of storage capacity and the other half shall have more than 24 hours of storage capacity. Nothing in this subdivision shall prohibit a Phase I Utility from constructing, acquiring, or procuring more than 520 megawatts of long-duration energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

4. By December 31, 2045, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or procure 3,480 megawatts of long-duration energy storage capacity, half of which shall be petitioned to the Commission for necessary approvals to be constructed, acquired, or procured by December 31, 2035. Of such 3,480 megawatts, half shall have between 10 and 24 hours of storage capacity and the other half shall have more than 24 hours of storage capacity. Nothing in this subdivision shall prohibit a

Phase II Utility from constructing, acquiring, or procuring more than 3,480 megawatts of long-duration energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

5. For all energy storage projects proposed for construction, acquisition, or procurement pursuant to this subsection, the Phase I or Phase II Utility shall demonstrate compliance with the minimum safety standards set forth in the most recently published edition of the National Fire Protection Association 855 Standard for the Installation of Stationary Energy Storage Systems (NFPA 855). However, if the safety standards included in the utility's proposal exceed NFPA 855 and implementation of such proposed safety standards is expected to increase total project costs by more than 10 percent compared to implementation of NFPA 855, the Commission may reject the utility's petition or require that the proposed safety standards be revised to more closely align with NFPA 855 to reduce total project costs and ensure project safety.

6. No single energy storage project shall exceed 500 megawatts in size, except that a Phase II Utility may procure a single energy storage project up to 800 megawatts.

~~4.~~ 7. All energy storage projects procured pursuant to this subsection shall meet the competitive procurement protocols established in subdivision D 3.

~~5.~~ 8. After July 1, 2020, at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than the public utility or (ii) owned by a party other than a public utility, with the capacity from such

facilities sold to the public utility. By January 1, 2021, the Commission shall adopt regulations to achieve the deployment of energy storage for the Commonwealth required in subdivisions 1 and 2, including regulations that set interim targets and update existing utility planning and procurement rules. The regulations shall include programs and mechanisms to deploy energy storage, including competitive solicitations, behind-the-meter incentives, non-wires alternatives programs, and peak demand reduction programs. The Commission shall update such regulations every five years.

F. All costs incurred by a Phase I or Phase II Utility related to compliance with the requirements of this section or pursuant to § 56-585.1:11, including (i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired by a Phase I or Phase II Utility after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of RECs associated with RPS Program requirements pursuant to this section shall be recovered from all retail customers in the service territory of a Phase I or Phase II Utility as a non-bypassable charge, irrespective of the generation supplier of such customer, except (a) as provided in subsection G for an accelerated renewable energy buyer or (b) as provided in subdivision C 3 of § 56-585.1:11, with respect to the costs of an offshore wind generation facility, for a PIPP eligible utility customer or an

advanced clean energy buyer or qualifying large general service customer, as those terms are defined in § 56-585.1:11. If a Phase I or Phase II Utility serves customers in more than one jurisdiction, such utility shall recover all of the costs of compliance with the RPS Program requirements from its Virginia customers through the applicable cost recovery mechanism, and all associated energy, capacity, and environmental attributes shall be assigned to Virginia to the extent that such costs are requested but not recovered from any system customers outside the Commonwealth.

By September 1, 2020, the Commission shall direct the initiation of a proceeding for each Phase I and Phase II Utility to review and determine the amount of such costs, net of benefits, that should be allocated to retail customers within the utility's service territory which have elected to receive electric supply service from a supplier of electric energy other than the utility, and shall direct that tariff provisions be implemented to recover those costs from such customers beginning no later than January 1, 2021. Thereafter, such charges and tariff provisions shall be updated and trued up by the utility on an annual basis, subject to continuing review and approval by the Commission.

G. 1. An accelerated renewable energy buyer may contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain (i) RECs from RPS eligible resources or (ii) bundled capacity, energy, and RECs from solar or, wind, or zero-carbon electricity generation resources located within the PJM region and initially placed in commercial operation after January 1, 2015, including any contract with a utility for such generation resources

that does not allocate the cost of such resources to or recover the cost of such resources from any other customers of the utility that have not voluntarily agreed to pay such cost. Such an accelerated renewable energy buyer may offset all or a portion of its electric load for purposes of RPS compliance through such arrangements. An accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS compliance costs pursuant to subsection F, with the exception of the costs of an offshore wind generating facility pursuant to § 56-585.1:11, based on the amount of RECs obtained pursuant to this subsection in proportion to the customer's total electric energy consumption, on an annual basis. An accelerated renewable energy buyer may also contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain capacity from energy storage facilities located within the network service area of the utility pursuant to this subsection, provided that the costs of such resources are not recovered from any of the utility's customers who have not voluntarily agreed to pay for such costs. Such accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS Program compliance costs specifically associated with energy storage facilities pursuant to this subsection in proportion to the customer's total capacity demand on an annual basis. An accelerated renewable energy buyer obtaining RECs only shall not be exempt from costs related to procurement of new solar or onshore wind generation capacity, energy, or environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, however, an accelerated renewable energy buyer that is a customer of a Phase II Utility and was

subscribed, as of March 1, 2020, to a voluntary companion experimental tariff offering of the utility for the purchase of renewable attributes from renewable energy facilities that requires a renewable facilities agreement and the purchase of a minimum of 2,000 renewable attributes annually, shall be exempt from allocation of the net costs related to procurement of new solar or onshore wind generation capacity, energy, or environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, based on the amount of RECs associated with the customer's renewable facilities agreements associated with such tariff offering as of that date in proportion to the customer's total electric energy consumption, on an annual basis. To the extent that an accelerated renewable energy buyer contracts for the capacity of new solar or wind generation resources or energy storage facilities pursuant to this subsection, the aggregate amount of such nameplate capacity shall be offset from the utility's procurement requirements pursuant to subsection D. All RECs associated with contracts entered into by an accelerated renewable energy buyer with the utility, or a person other than the utility, for an RPS Program shall not be credited to the utility's compliance with its RPS requirements, and the calculation of the utility's RPS Program requirements shall not include the electric load covered by customers certified as accelerated renewable energy buyers.

2. Each Phase I or Phase II Utility shall certify, and verify as necessary, to the Commission that the accelerated renewable energy buyer has satisfied the exemption requirements of this subsection for each year, or an accelerated renewable energy buyer may choose to

certify satisfaction of this exemption by reporting to the Commission individually. The Commission may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection.

3. Provided that no incremental costs associated with any contract between a Phase I or Phase II Utility and an accelerated renewable energy buyer is allocated to or recovered from any other customer of the utility, any such contract with an accelerated renewable energy buyer that is a jurisdictional customer of the utility shall not be deemed a special rate or contract requiring Commission approval pursuant to § 56-235.2.

4. The State Corporation Commission shall ensure that any distribution and transmission costs associated with new energy generation resources procured pursuant to subsection G of § 56-585.5 of the Code of Virginia, as amended by this act, are justly and reasonably allocated.

H. No customer of a Phase II Utility with a peak demand in excess of 100 megawatts in 2019 that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to April 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS Program requirements. No customer of a Phase I Utility that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to February 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for

such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS Program requirements.

I. In any petition by a Phase I or Phase II Utility for a certificate of public convenience and necessity to construct and operate an electrical generating facility that generates electric energy derived from sunlight submitted pursuant to § 56-580, such utility shall demonstrate that the proposed facility was subject to competitive procurement or solicitation as set forth in subdivision D 3.

J. Notwithstanding any contrary provision of law, for the purposes of this section, any falling water generation facility located in the Commonwealth and commencing commercial operations prior to July 1, 2024, shall be considered a renewable energy portfolio standard (RPS) eligible source.

K. Nothing in this section shall apply to any entity organized under Chapter 9.1 (§ 56-231.15 et seq.).

L. The Commission shall adopt such rules and regulations as may be necessary to implement the provisions of this section, including a requirement that participants verify whether the RPS Program requirements are met in accordance with this section.

2. That it is the policy of the Commonwealth to further the evaluation and growth of existing and new energy storage technologies, including short-duration energy storage and long-duration energy storage, as those terms are defined in subsection E of § 56-585.5 of the Code of Virginia, as amended by this act, in bolstering reliability of the electric grid and resource adequacy

needs. The State Corporation Commission shall consider such policy in evaluating petitions by a Phase I or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, to construct, acquire, or procure short-duration or long-duration energy storage resources pursuant to subsection E of § 56-585.5 of the Code of Virginia, as amended by this act.

3. That the Department of Energy, in consultation with the Department of Environmental Quality (the Departments), shall convene a work group to determine recommendations and financial incentives for the development of long-duration energy storage projects, as defined in subsection E of § 56-585.5 of the Code of Virginia, as amended by this act. The work group shall include representatives from electric utilities, localities, interest groups, private businesses, and other stakeholders to develop recommendations and financial incentives related to the development of long-duration energy storage projects. In developing such recommendations and financial incentives, the work group shall give special consideration to projects on previously disturbed land, projects that connect directly to the electric distribution grid, and projects seeking to leverage the exemption for storage facilities provided in subsection G of § 58.1-3660 of the Code of Virginia and whether the threshold for such exemption should change. The Departments shall submit a report from the work group to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor no later than December 1, 2026.

4. That the Department of Energy, in consultation with the Department of Environmental Quality and the Department of Fire Programs (the Departments), shall convene a work group to develop energy storage model ordinances suggested for use by localities in their regulation of energy storage projects pursuant to § 45.2-2120 of the Code of Virginia, as amended by this act. The work group shall include representatives from the Departments, Virginia Association of Counties, the Virginia Fire Prevention Association, the Virginia Farm Bureau Federation, the Piedmont Environmental Council, the Chesapeake Solar and Storage Association, the Solar Energy Industries Association, the American Clean Power Association, Advanced Energy United, storage project engineers, electric utilities, and any other stakeholders deemed relevant by the Departments, the State Corporation Commission, or the Virginia Economic Development Partnership Authority. The Departments shall make available online the resources and studies developed by the work group and shall develop and maintain online resources to educate localities, developers, contractors, residents, businesses, researchers, and other stakeholders about energy storage. The Departments shall publish the final model ordinance and submit a report from the work group to the Chairs of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor no later than December 1, 2026.

5. That the State Corporation Commission (the Commission) shall establish a technology demonstration program for long-duration energy storage resources, as defined in subsection E of §

56-585.5 of the Code of Virginia, as amended by this act, to evaluate the feasibility, effectiveness, and reliability benefits of such resources. Such program shall provide for a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, to petition the Commission for approval to construct, acquire, or procure one or more long-duration energy storage resources with a discharge capacity of at least 3,000 megawatt-hours, unless the Commission in its discretion determines that long-duration energy storage resources are not reasonably available in sufficient quantities to support such petitions. Such program shall also provide that the Phase II Utility may include any long-duration energy storage resources existing at the time of such petition in such aggregate capacity. In performing the technology demonstration as established by the Commission, a Phase II Utility shall make a reasonable good-faith effort to secure appropriate sources of funding from the U.S. Department of Energy. A Phase II Utility shall report technology demonstration program outcomes to the Commission no later than October 1, 2029. Such report may include data regarding the costs of projects included in the technology demonstration program, the ease and ability to procure necessary supply chain elements supporting long-duration energy storage, the relative ease associated with siting long-duration energy storage resources, and any other data that the Commission deems relevant.

6. That the provisions of subdivisions E 3 and 4 of § 56-585.5 of the Code of Virginia, as amended by this act, shall become

effective only upon a determination by the State Corporation Commission (the Commission) that the technology referenced in such subdivisions is technically viable and that the construction, acquisition, or procurement targets referenced in such subdivisions are reasonably achievable. The Commission shall initiate a proceeding to make such determination or alternatively propose modified targets for the construction, acquisition, or procurement of such technology upon receipt of the report by a Phase II Utility as required by the fifth enactment of this act and shall enter its final order in such proceeding no later than March 1, 2030. As part of such proceeding, the Commission shall also determine whether an additional technology demonstration program for long-duration energy storage is necessary to further the goal of evaluating the role for energy storage technologies in bolstering reliability of the electric grid. If the Commission so determines, the Commission shall establish the duration and scope of an additional technology demonstration program, including an incremental amount of discharge capacity from long-duration energy storage projects eligible to be deployed. The Commission shall use all available data and information relating to such technology in the proceeding. In the event the Commission does not determine that such technology and targets are viable and achievable, nothing in this act shall prohibit the Commission from initiating future proceedings in its own discretion or upon a petition by an interested party to assess such technology and targets.

7. That the State Corporation Commission (the Commission) shall update its regulations to achieve the deployment of energy storage in the Commonwealth, including regulations that set interim targets consistent with the provisions of subdivisions E 3 and 4 of § 56-585.5 of the Code of Virginia, as amended by this act. Upon making the determination pursuant to the sixth enactment of this act, the Commission shall promulgate regulations, including interim targets, reflecting the provisions of subdivisions E 3 and 4 of § 56-585.5 of the Code of Virginia, as amended by this act.

8. That the Department of Energy shall, through the Independent State Agencies Committee, engage with PJM Interconnection, LLC, and other state-level utility regulators within the PJM region in reviewing regional market conditions for the energy storage market, including existing cost signals and interconnection related to energy storage technology.

9. That, in order to promote research and workforce development in the energy storage industry, a Phase II Utility, as defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, may propose an energy storage partnership with institutions of higher education in the Commonwealth, which may include energy storage deployment at such institutions, internships related to the energy storage industry, and involvement as appropriate in new and ongoing research in the energy storage industry. Such proposal shall be subject to approval by the State Corporation Commission and shall include at least one historically black college or university, as defined in § 2.2-1604 of

the Code of Virginia, and one comprehensive community college, as defined in § 23.1-100 of the Code of Virginia.

10. That the Department of Energy shall develop a full-time staff position to support the development of short-duration energy storage and long-duration energy storage projects, as defined in subsection E of § 56-585.5 of the Code of Virginia, as amended by this act, in the Commonwealth and local review of such development in accordance with the provisions of this act.

11. That the Weldon Cooper Center for Public Service shall monitor the deployment of short-duration energy storage and long-duration energy storage projects, as defined in subsection E of § 56-585.5 of the Code of Virginia, as amended by this act, including by tracking energy storage project applications, approvals, and denials.

12. That the Department of Fire Programs (the Department) shall convene a work group to review requirements and develop recommendations for state and local regulations related to fire safety and suppression for short-duration energy storage and long-duration energy storage projects, as defined in subsection E of § 56-585.5 of the Code of Virginia, as amended by this act. The work group shall include representatives from other agencies, localities, industry partners, and other stakeholders to assess the demands that an increased volume of energy storage projects will place on fire safety and to develop recommendations to ensure fire safety throughout the Commonwealth. The Department shall submit a report from the work group to the Chairs of the House

Committee on Labor and Commerce and the Senate Committee on Commerce and Labor no later than December 1, 2026.

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APPENDIX J

Policy recommendation #8 to 2026 General Assembly as adopted on December 4, 2025:

Virginia Clean Energy Research and Support Center

House Bill 918 – Legislative Draft Number 26102694

Senate Bill 510 – Legislative Draft Number 26104608

SUMMARY

Virginia Clean Energy Research and Support Center; established. Establishes the Virginia Clean Energy Research and Support Center (the Center) as an interdisciplinary study, research, and informational resource for individuals and businesses in the Commonwealth. The Center is governed by a board of directors that includes representatives from several colleges and universities in the Commonwealth, the Department of Energy, the Department of Environmental Quality, and the Commission on Electric Utility Regulation. The board is directed to establish an advisory council to provide expertise and guidance related to the functions and duties of the Center. Functions and duties of the Center include providing technical assistance in matters related to energy technologies, siting, permitting, project design, interconnection, electric infrastructure, electric utilities, ratepayer proceedings, and environmental impacts of energy projects. Under the bill, the Center shall conduct an annual evaluation and collaborate with state agencies and institutions of higher education to provide technical assistance, research, or support in matters related to siting and permitting, programs to improve electric grid reliability, energy programs established at a participating institution of higher education, and administration and implementation of the Virginia Energy Plan. The bill also requires the Center to submit an annual report to the Commission on Electric Utility Regulation summarizing its research activities and any funding received by the Center by November 1 of each year.

This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend the Code of Virginia by adding in Chapter 17 of Title 45.2 an article numbered 10, consisting of sections numbered 45.2-1735, 45.2-1736, and 45.2-1737, relating to establishment of the Virginia Clean Energy Research and Support Center.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 17 of Title 45.2 an article numbered 10, consisting of sections numbered 45.2-1735, 45.2-1736, and 45.2-1737, as follows:

Article 10.

Virginia Clean Energy Research and Support Center.

§ 45.2-1735. Virginia Clean Energy Research and Support Center established.

The Virginia Clean Energy Research and Support Center (the Center) is hereby established as an interdisciplinary study, research, and informational resource for individuals and businesses in the Commonwealth to provide technical assistance and conduct evaluations as outlined in § 45.2-1737, and shall include Christopher Newport University, George Mason University, James Madison University, Longwood University, the University of Mary Washington, Norfolk State University, Old Dominion University, Radford University, the University of Virginia, Virginia Commonwealth University, Virginia Military Institute, Virginia

Polytechnic Institute and State University, Virginia State University, and The College of William and Mary in Virginia.

§ 45.2-1736. Board of directors; advisory council.

A. The Center shall be governed by a board of directors (the Board), which shall consist of 18 voting members as follows: the executive director of the Center or his designee, the president of Christopher Newport University or his designee, the president of George Mason University or his designee, the president of James Madison University or his designee, the president of Longwood University or his designee, the president of the University of Mary Washington or his designee, the president of Norfolk State University or his designee, the president of Old Dominion University or his designee, the president of Radford University or his designee, the president of the University of Virginia or his designee, the president of Virginia Commonwealth University or his designee, the Superintendent of Virginia Military Institute or his designee, the president of Virginia Polytechnic Institute and State University or his designee, the president of Virginia State University or his designee, the president of The College of William and Mary in Virginia or his designee, the Director of the Department or his designee, the Director of the Department of Environmental Quality or his designee, and the executive director of the Commission on Electric Utility Regulation or his designee.

B. The Board shall appoint an executive director to serve as the principal administrative officer of the Center. The executive director shall report to the Board and be under its supervision. The executive director shall employ such personnel and secure such

office location and services as may be required to carry out the purposes of the Center, expend appropriated funds, and accept moneys from federal or private sources for carrying out the purposes of the Center.

C. The Board and executive director shall establish an advisory council to provide expertise and guidance on (i) energy research and technical assistance; (ii) opportunities for funding, partnerships, and collaboration; and (iii) the functions of the Center.

§ 45.2-1737. Functions, powers, and duties of the Center; annual evaluation and report.

A. The Center shall serve as an interdisciplinary study, research, and information resource for individuals and businesses in the Commonwealth and shall provide technical assistance to state agencies, planning district commissions, localities, other public bodies, and individuals and businesses in the Commonwealth in matters related to energy technologies, siting of energy facilities, permitting processes, project design, interconnection procedures, generation and transmission infrastructure, coordination with electric utilities, electric utility ratepayer proceedings, and any provision of law regarding environmental impacts of energy generation, distribution, or transmission in the Commonwealth. Upon the request of any planning district commission, the Center shall provide technical assistance, research, or support in developing its comprehensive energy plan.

B. The Center shall conduct an annual evaluation relating to current and proposed interconnection requests and procedures in the Commonwealth, including matters related to siting of energy

facilities, permitting processes, resource development, financing, energy efficiency, economic development impacts, supply chains and manufacturing, and innovation, and any other topics deemed necessary by the Center to advance the clean energy goals of the Commonwealth.

C. The Center shall collaborate with the Department, the Department of Environmental Quality, the Commission on Electric Utility Regulation, and any other state agency or public institution of higher education to provide technical assistance, research, and support for:

1. Coordinating interdisciplinary research on topics related to energy;

2. Gathering reliable data, conducting analysis, and disseminating information to inform policies related to energy and the implementation of such policies;

3. Developing and implementing recommendations related to siting of energy facilities, permitting processes, and programs to improve the reliability of the electric grid in the Commonwealth;

4. Project development related to state or federally funded energy programs established at any participating public institution of higher education;

5. Implementing and administering the Virginia Energy Plan (§ 45.2-1710 et seq.).

D. The Center shall provide an annual report to the Commission on Electric Utility Regulation summarizing its research activities and detailing each source and specific amounts of any

funding received by the Center during the preceding year by November 1 of each year.

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APPENDIX K

Policy recommendation #9 to 2026 General Assembly as adopted on December 4, 2025:

Solar Siting Standards

House Bill 711 – Legislative Draft Number 26104367

Senate Bill 347 – Legislative Draft Number 26104614

SUMMARY

Local regulation of solar facilities; special exceptions. Provides that a ground-mounted solar energy generation facility to be located on property zoned agricultural, commercial, industrial, or institutional shall be permitted pursuant to various criteria to be included in a local ordinance, such as specifications for setbacks, fencing, solar panel height, visual impacts, and grading, and a decommissioning plan for solar energy equipment and facilities, unless otherwise permitted by right. The bill requires localities to furnish the State Corporation Commission a record of special exception decisions reached pursuant to these provisions that includes (i) the reason for any adverse decision, (ii) any finding of nonconformity with the local comprehensive plan, and (iii) the date of the last revision to the comprehensive plan. Finally, the bill requires the State Corporation Commission to compile and maintain on the Commission's public website a searchable database of all solar special exception decisions and the reasons for any adverse decisions made over a period of not less than five years. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact §§ 15.2-2241.2, 15.2-2288.7, and 15.2-2288.8 of the Code of Virginia, relating to local regulation of solar facilities; special exceptions.

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-2241.2, 15.2-2288.7, and 15.2-2288.8 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-2241.2. Bonding provisions for decommissioning of solar energy equipment, facilities, or devices.

A. As used in this section, unless the context requires a different meaning:

"Decommission" means the removal and proper disposal of solar energy equipment, facilities, or devices on real property that has been determined by the locality to be subject to § 15.2-2232 and therefore subject to this section. "Decommission" includes the reasonable restoration of the real property upon which such solar equipment, facilities, or devices are located, including (i) soil stabilization and (ii) revegetation of the ground cover of the real property disturbed by the installation of such equipment, facilities, or devices.

"Solar energy equipment, facilities, or devices" means any personal property designed and used primarily for the purpose of collecting, generating, or transferring electric energy from sunlight.

B. As part of the local legislative approval process or as a condition of approval of a site plan, a locality shall require an owner,

lessee, or developer of real property subject to this section to enter into a written agreement to decommission solar energy equipment, facilities, or devices upon the following terms and conditions: (i) if the party that enters into such written agreement with the locality defaults in the obligation to decommission such equipment, facilities, or devices in the timeframe set out in such agreement, the locality has the right to enter the real property of the record title owner of such property without further consent of such owner and to engage in decommissioning, and (ii) such owner, lessee, or developer provides financial assurance of such performance to the locality in the form of certified funds, cash escrow, bond, letter of credit, or parent guarantee, based upon an estimate of a professional engineer licensed in the Commonwealth, who is engaged by the applicant, with experience in preparing decommissioning estimates and approved by the locality; such estimate shall not exceed the total of the projected cost of decommissioning, which may include the net salvage value of such equipment, facilities, or devices, plus a reasonable allowance for estimated administrative costs related to a default of the owner, lessee, or developer, and an annual inflation factor.

C. The owner, lessee, or operator shall hire a professional engineer licensed in the Commonwealth to update the decommissioning plan cost estimate and corresponding approved financial instrument every five years after the approval of the first decommissioning plan to adjust for inflation, account for advancements in technologies and processes for decommissioning, salvaging, or re-powering of renewable energy facilities, and make any other necessary changes. The decommissioning plan shall

provide for the removal of the facility's equipment from the landowner's property and return of the property to a useful condition similar to the preconstruction condition unless otherwise agreed to by the landowner. After the decommissioning process is complete, the facility shall comply with all stormwater provisions in state law. The project shall provide an up-to-date decommissioning plan to the locality any time there is project ownership outside of the current developer. Notice shall be provided to the local government within 30 days of the sale or transfer of the lease or property, and a new financial guarantee shall be provided by the new leaseholder or property owner.

§ 15.2-2288.7. Local regulation of solar facilities.

A. An owner of a residential dwelling unit may install a solar facility on the roof of such dwelling to serve the electricity or thermal needs of that dwelling, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Unless a local ordinance provides otherwise, a ground-mounted solar energy generation facility to be located on property zoned residential shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is

located. Except as provided herein, any other solar facility proposed on property zoned residential, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

B. An owner of real property zoned agricultural may install a solar facility on the roof of a residential dwelling on such property, or on the roof of another building or structure on such property, to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. ~~Unless a local ordinance provides otherwise, a~~ A ground-mounted solar energy generation facility to be located on property zoned agricultural and to be operated under § 56-594 or 56-594.2 shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as otherwise provided herein, any other solar facility proposed on property zoned agricultural, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located,

shall be~~ subject to any applicable zoning regulations of the locality~~ permitted pursuant to § 15.2-2288.8 unless otherwise permitted by right.

C. An owner of real property zoned commercial, industrial, or institutional may install a solar facility on the roof of one or more buildings located on such property to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located.~~ Unless a local ordinance provides otherwise, a~~ A ground-mounted solar energy generation facility to be located on property zoned commercial, industrial, or institutional shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as otherwise provided herein, any other solar facility proposed on property zoned commercial, industrial, or institutional, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be~~ subject to any applicable zoning regulations of the locality~~ permitted pursuant to § 15.2-2288.8 unless otherwise permitted by right.

D. An owner of real property zoned mixed-use may install a solar facility on the roof of one or more buildings located on such property to serve the electricity or thermal needs of that property upon which such facilities are located, provided that such installation is (i) in compliance with any height and setback requirements in the zoning district where such property is located and (ii) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. ~~Unless a local ordinance provides otherwise, a~~ A ground-mounted solar energy generation facility to be located on property zoned mixed-use shall be permitted, provided that such installation is (a) in compliance with any height and setback requirements in the zoning district where such property is located and (b) in compliance with any provisions pertaining to any local historic, architectural preservation, or corridor protection district adopted pursuant to § 15.2-2306 where such property is located. Except as provided herein, any other solar facility proposed on property zoned mixed-use, including any solar facility that is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facilities are located, shall be subject to any applicable zoning regulations of the locality.

E. Nothing in this section shall be construed to supersede or limit contracts or agreements between or among individuals or private entities related to the use of real property, including recorded declarations and covenants, the provisions of condominium instruments of a condominium created pursuant to the Virginia Condominium Act (§ 55.1-1900 et seq.), the declaration of a

common interest community as defined in § 54.1-2345, the cooperative instruments of a cooperative created pursuant to the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or any declaration of a property owners' association created pursuant to the Property Owners' Association Act (§ 55.1-1800 et seq.).

F. A locality, by ordinance, may provide by-right authority for installation of solar facilities in any zoning classification in addition to that provided in this section. A locality may also, by ordinance, require a property owner or an applicant for a permit pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) who removes solar panels to dispose of such panels in accordance with such ordinance in addition to other applicable laws and regulations affecting such disposal.

§ 15.2-2288.8. Special exceptions for solar photovoltaic projects.

A. ~~Any~~ Each locality ~~may grant~~ shall require a special exception pursuant to ~~§~~ §§ 15.2-2204, 15.2-2286, and 15.2-2288.7 or a siting agreement pursuant to § 15.2-2316.7 and include in its zoning ordinance ~~reasonable~~ regulations and provisions consistent with this section for a special exception as defined in § 15.2-2201, for any solar photovoltaic ~~(electric energy)~~ project ~~or energy storage project~~. For the purposes of this section, ~~"energy storage project" means energy storage equipment and technology within an energy storage project that is capable of absorbing energy, storing such energy for a period of time, and redelivering such energy after it has been stored~~ "solar photovoltaic project" means a ground-mounted solar facility with a generating capacity of one megawatt or more that

is designed to serve, or serves, the electricity or thermal needs of any property other than the property where such facility is located.

Any special exception granted pursuant to this section is an amendment to the zoning ordinance pursuant to subdivision A 7 of § 15.2-2286 and shall comply with the following criteria. Where numerical ranges are attached to criteria, localities may choose to establish an ordinance that specifies any number within the applicable range that they deem appropriate for their community. In the issuance of a special exception, a variance from these ordinance criteria may be implemented only with a written agreement of the locality, the property owner or their agent, and the applicant. Nothing in this section shall (i) be construed to relieve projects of the responsibility to comply with all relevant state and federal permits and regulations, including those related to tree canopy; (ii) require a locality to approve a special exception application considered pursuant to this section; (iii) be construed to prohibit a locality from permitting a solar photovoltaic project or energy storage project by right; or (iv) prohibit the owner of a proposed solar photovoltaic project and a locality from entering into a siting agreement that provides less stringent restrictions than those specified under this subsection.

1. Setback distances shall be measured from the nearest edge of the equipment as follows: (i) between 150 and 200 feet from the nearest point on the outer wall of existing occupied community buildings and dwellings on non-participating properties; (ii) between 50 and 100 feet from the outside edge of the roadbed of any road abutting the property; (iii) between 100 and 250 feet from the edge of

tidal wetlands or nontidal wetlands, as defined in 9VAC25-830, or perennial streams, as defined in § 62.1-44.122; and (iv) between 50 and 75 feet measured from the nearest shared property line for nonparticipating properties. Nothing in this section shall preclude the owner of a nonparticipating property from waiving the foregoing setback requirements by written agreement. Setbacks shall not be required for internal boundaries between adjacent participating parcels.

2. Fencing for the facility shall comply with § 55.1-2804, the latest version of the National Electrical Safety Code or any applicable successor standard regarding requirements for limiting access to facilities, and the Uniform Statewide Building Code (§ 36-97 et seq.). Vegetative visual screening requirements shall not be required to exceed three feet at planting, shall be between 25 and 50 feet wide, and shall allow for consideration of preexisting natural or manmade visual barriers.

3. The height of solar panels shall not exceed 25 feet above ground when the arrays are at full tilt, except in cases where a height variance is necessary to allow for agrivoltaics activity below or in proximity to the panels. For purposes of this section, "agrivoltaics" means the practice of using the same land for both agriculture and solar energy production.

4. Visual impacts of facilities on public parks, scenic rivers and byways, and historic structures or sites listed on or eligible for the National Register of Historic Places or a county register of historic places shall be minimized. A locality may request a viewshed analysis as part of the special exception application to assure that

visual impacts are minimized through solar panel placement, height, landscaping, and screening. Such analysis shall account for existing vegetation and planned visual buffers. Such screening may be accomplished on any property with the consent of the property owner.

5. The facility shall implement light intensity dimming solution technology that provides a means of tailoring the intensity level of lights according to surrounding visibility.

6. The facility shall comply with all Department of Environmental Quality stormwater regulations as established in 9VAC25-880.

7. The facility shall minimize new impervious surface on the site and under its solar panels.

8. Land disturbance, including site grading, construction, and landscaping, shall be conducted in compliance with a stormwater pollution prevention plan. Topsoil shall not be removed from the project site. Topsoil shall be returned to disturbed areas from stockpiles as quickly as site conditions allow, unless returning soil would cause adverse impacts to topsoil integrity or is otherwise not practicable for construction activities. Site stabilization shall occur as the site is developed, following appropriate stabilization timelines as identified in the General Permit for Discharges of Stormwater from Construction Activities, and shall not be delayed until site construction is completed. The facility shall decompact soil as necessary and feasible for re-vegetation after construction has concluded.

9. When all land-disturbing activities at the construction site have been completed, the facility shall initiate permanent stabilization to provide vegetative ground cover that provides a minimum level of coverage over the project site. An ordinance may require up to 75 percent vegetative cover with no significant bare areas that is mature enough to survive and will inhibit erosion. The use of native and naturalized plants shall be encouraged and invasive plants as established pursuant to § 10.1-104.6:2 shall be prohibited. For projects or portions of projects not used for animal grazing, co-located crop production, native and naturalized pollinator plant species, or native and naturalized meadow species shall be planted, except for in the area directly beneath panels, and maintained throughout the solar project's life. The seed mix shall include a diversity of species with varied bloom times. Mowing shall be limited and performed on a schedule that promotes the establishment of the native plantings, controls invasive species, and minimizes impacts to wildlife. All trees and shrubs at the time of planting shall accommodate adequate screening or buffering at the end of five years of planting. Vegetation used to establish a visual screen shall not be trimmed to stunt upward and outward growth or to otherwise limit the effectiveness of the visual screen.

10. The facility shall provide for wildlife passage where needed by limiting fencing to the areas in reasonable proximity to arrays and interconnection equipment to the extent practicable and consistent with safety and security requirements. The facility shall prioritize open wildlife access to riparian areas, wetlands, streams, and other areas not in proximity to panels.

11. The facility shall comply with all applicable state and federal labor and employment laws, including apprenticeships and labor standards necessary to achieve any available tax credit bonuses found in 26 U.S.C. §§ 45Y and 48E.

12. A locality shall require an applicant to enter into a written agreement to decommission equipment, facilities, or devices pursuant to § 15.2-2241.2.

B. Any locality may grant a special exception pursuant to § 15.2-2286, and include in its zoning ordinance reasonable regulations and provisions for a special exception as defined in § 15.2-2201, for an energy storage project. For the purposes of this section, "energy storage project" includes energy storage equipment and technology within an energy storage project that is capable of absorbing energy, storing such energy for a period of time, and redelivering such energy after it has been stored.

~~B.~~ C. The governing body of such locality may grant a condition that includes (i) dedication of real property of substantial value or (ii) substantial cash payments for or construction of substantial public improvements, the need for which is not generated solely by the granting of a conditional use permit, so long as such conditions are reasonably related to the project.

~~C.~~ D. Once a condition is granted pursuant to subsection ~~B~~ C, such condition shall continue in effect until a subsequent amendment changes the zoning on the property for which the conditions were granted. However, such conditions shall continue if the subsequent amendment is part of a comprehensive implementation of a new or substantially revised zoning ordinance.

E. The governing body of such locality shall furnish the State Corporation Commission a record of special exception decisions reached pursuant to this section not more than 60 days after such decision is made. The record shall include (i) the reason for any adverse decision, (ii) any finding of nonconformity with the local comprehensive plan, and (iii) the date of the last revision to the comprehensive plan.

2. That the State Corporation Commission shall compile and maintain on the Commission's public website a searchable database of all solar photovoltaic project special exception decisions and the reasons for any adverse decisions made over a period of not less than five years. The Commission shall furnish to each locality a standardized form for submitting decision records by July 1, 2026.

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APPENDIX L

Policy recommendation #10 to 2026 General Assembly as adopted on December 4, 2025:

CEUR Scope and Name Change

House Bill 633 – Legislative Draft Number 26104621

Senate Bill 515 – Legislative Draft Number 26104323

SUMMARY

Commission on Electric Utility Regulation; scope and name change. Renames the Commission on Electric Utility Regulation as the Energy Commission of Virginia and amends the purpose of the Commission to monitoring the State Corporation Commission's regulation of electric utilities and natural gas utilities and examining issues related to the production, transmission, distribution, storage, and use of energy in the Commonwealth. The powers and duties are similarly amended by adding the authority to (i) act in an advisory capacity to the General Assembly on energy-related matters, (ii) consult with applicable state agencies on matters regarding energy efficiency and conservation, and (iii) coordinate its efforts with other existing boards and authorities relating to energy research and development. The bill also eliminates the Virginia Coal and Energy Commission. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact §§ 30-201, 30-205, 45.2-1711, 45.2-1712, 45.2-1713, 56-579, 56-585.1:1, 56-585.1:5, 56-592, 56-592.1, 56-596, 56-596.1, 56-596.3, and 56-599 of the Code of Virginia and to repeal Chapter 25 (§§ 30-188 and 30-189) of Title 30 of the Code of Virginia, relating to Commission on Electric Utility Regulation; scope and name change.

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-201, 30-205, 45.2-1711, 45.2-1712, 45.2-1713, 56-579, 56-585.1:1, 56-585.1:5, 56-592, 56-592.1, 56-596, 56-596.1, 56-596.3, and 56-599 of the Code of Virginia are amended and reenacted as follows:

CHAPTER 31.

ENERGY COMMISSION ~~ON ELECTRIC UTILITY REGULATION~~ OF VIRGINIA.

§ 30-201. (Expires July 1, 2029) Energy Commission of Virginia; purpose.

The ~~Commission on Electric Utility Restructuring established pursuant to Chapter 885 of the Acts of Assembly of 2003, is continued, effective July 1, 2008, as the~~ Commission on Electric Utility Regulation established pursuant to Chapter 883 of the Acts of Assembly of 2008 as a continuation of the Commission on Electric Utility Restructuring is continued as the Energy Commission of Virginia (the Commission) within the legislative branch of state government. The purpose of the Commission is to monitor the State

Corporation Commission's ~~implementation of the Virginia Electric Utility Regulation Act (§ 56-576 et seq.)~~ regulation of electric utilities and natural gas utilities and examine issues related to the production, transmission, distribution, storage, and use of energy in the Commonwealth.

§ 30-205. (Expires July 1, 2029) Powers and duties of the Commission.

The Commission shall have the following powers and duties:

1. Examine the production, transmission, distribution, storage, and use of energy in the Commonwealth, including energy efficiency and conservation, as part of monitoring the development and implementation of the Energy Policy of the Commonwealth (§ 45.2-1705 et seq.) and the Virginia Energy Plan (§ 45.2-1710 et seq.);

2. Monitor the work of the State Corporation Commission in its regulation of electric utilities and natural gas utilities, including its work implementing Chapter 10 (§ 56-232 et seq.), Chapter 10.1 (§ 56-265.1 et seq.), and Chapters 23 through 30 (§ 56-576 et seq.) of Title 56. The Commission shall receive an annual report from the State Corporation Commission by November 1 regarding such implementation and shall receive such other reports as the Commission may be required to make, including reviews, analyses, and impact on consumers of electric utility regulation in other states;

3. Act in an advisory capacity to the General Assembly upon energy-related matters;

~~2.~~ 4. Examine generation, transmission, and distribution systems reliability concerns;

~~3.~~ 5. Establish one or more subcommittees, composed of its membership, ~~persons~~ other members of the General Assembly with expertise in the matters under consideration by the Commission, or both, to meet at the direction of the ~~chairman~~ chair of the Commission, for any purpose within the scope of the purposes and duties prescribed to the Commission by § 30-201 and this section, provided that such persons who are not members of the Commission shall serve without compensation but shall be entitled to be reimbursed from funds appropriated or otherwise available to the Commission for reasonable and necessary expenses incurred in the performance of their duties;

~~4.~~ 6. Monitor applications by the Commonwealth for grants and awards for energy projects from the federal government;

~~5.~~ 7. Consider legislation referred to it during any session of the General Assembly or other requests by members of the General Assembly;

~~6.~~ 8. Conduct studies and gather information and data in order to accomplish its purposes set forth in § 30-201 and in connection with the faithful execution of the laws of the Commonwealth;

~~7.~~ 9. Issue ratepayer impact statements pursuant to § 30-205.1; ~~and~~

10. Consult with applicable state agencies on all matters regarding energy efficiency and conservation, including the promotion and implementation of initiatives for the public at large to conserve energy;

11. Coordinate its efforts with those of the Virginia Center for Coal and Energy Research (§ 23.1-2623 et seq.), Virginia Coastal

Energy Research Consortium (§ 45.2-1714 et seq.), Southwest Virginia Energy Research and Development Authority (§ 45.2-1717 et seq.), Virginia Offshore Wind Development Authority (§ 45.2-1803 et seq.), Virginia Solar Energy Center (§ 45.2-1900), Clean Energy Advisory Board (§ 45.2-1912 et seq.), and Virginia Nuclear Energy Consortium Authority (§ 45.2-2102 et seq.) when such coordination is practicable and furthers the purposes of the Commission; and

~~8.~~ 12. Report annually to the General Assembly and the Governor with such recommendations as may be appropriate for legislative and administrative consideration in order to maintain reliable service in the Commonwealth while preserving the Commonwealth's position as a low-cost ~~electricity~~ electric and natural gas energy market.

§ 45.2-1711. Schedule for the Plan.

A. The Division shall complete the Plan.

B. Prior to the completion of the Plan and each update thereof, the Division shall present drafts to~~,~~ and consult with~~, the Virginia Coal and Energy Commission established pursuant to Chapter 25 (§ 30-188 et seq.) of Title 30 and~~ the Energy Commission ~~on Electric Utility Regulation~~ of Virginia established pursuant to Chapter 31 (§ 30-201 et seq.) of Title 30.

C. The Plan shall be updated by the Division and submitted as provided in § 45.2-1713 by October 1, 2014, and every fourth October 1 thereafter. In addition, the Division shall provide interim updates on the Plan by October 1 of the third year of each Governor's administration. Updated reports shall specify any progress attained

toward each proposed action of the Plan, as well as reassess goals for energy conservation on the basis of progress to date in meeting the goals in the previous Plan and lessons learned from attempts to meet such goals.

D. Beginning with the Plan update in 2014, the Division shall include a section setting forth energy policy positions relevant to any potential regulations proposed or promulgated by the State Air Pollution Control Board to reduce carbon dioxide emissions from fossil fuel-fired electric generating units under § 111(d) of the federal Clean Air Act, 42 U.S.C. § 7411(d). In such section of the Plan, the Division shall address policy options for establishing separate standards of performance pursuant to § 111(d) of the federal Clean Air Act, 42 U.S.C. § 7411(d), for carbon dioxide emissions from existing fossil fuel-fired electric generating units to promote the Plan's overall goal of fuel diversity as follows:

1. The Plan shall address policy options for establishing the standards of performance for existing coal-fired electric generating units, including the following factors:

a. The most suitable system of emission reduction that (i) takes into consideration (a) the cost and benefit of achieving such reduction, (b) any non-air quality health and environmental impacts, and (c) the energy requirements of the Commonwealth and (ii) has been adequately demonstrated for coal-fired electric generating units that are subject to the standard of performance;

b. Reductions in emissions of carbon dioxide that can be achieved through measures reasonably undertaken at each coal-fired electric generating unit; and

c. Increased efficiencies and other measures that can be implemented at each coal-fired electric generating unit to reduce carbon dioxide emissions from the unit without converting from coal to other fuels, co-firing other fuels with coal, or limiting the utilization of the unit.

2. The Plan shall also address policy options for establishing the standards of performance for existing gas-fired electric generating units, including the following factors:

a. The application of the criteria specified in subdivisions 1 a and b to natural gas-fired electric generating units instead of to coal-fired electric generating units; and

b. Increased efficiencies and other measures that can be reasonably implemented at the unit to reduce carbon dioxide emissions from the unit without switching from natural gas to other lower-carbon fuels or limiting the utilization of the unit.

3. The Plan shall examine policy options for state regulatory action to adopt less stringent standards or longer compliance schedules than those provided for in applicable federal rules or guidelines based on analysis of the following:

a. Consumer impacts, including any disproportionate impacts of energy price increases on lower-income populations;

b. Unreasonable cost of reducing emissions resulting from plant age, location, or basic process design;

c. Physical difficulties with or impossibility of implementing emission reduction measures;

d. The absolute cost of applying the performance standard to the unit;

e. The expected remaining useful life of the unit;

f. The economic impacts of closing the unit, including expected job losses, if the unit is unable to comply with the performance standard; and

g. Any other factors specific to the unit that make application of a less stringent standard or longer compliance schedule more reasonable.

4. The Plan shall identify options, to the maximum extent permissible, for any federally required regulation of carbon dioxide emissions from existing fossil fuel-fired electric generating units and regulatory mechanisms that provide flexibility in complying with such standards, including the averaging of emissions, emissions trading, or other alternative implementation measures that are determined to further the interests of the Commonwealth and its citizens.

§ 45.2-1712. Annual reporting by investor-owned public utilities.

Each investor-owned public utility providing electric service in the Commonwealth shall prepare an annual report disclosing its efforts to conserve energy, including (i) its implementation of customer demand-side management programs and (ii) efforts by the utility to improve efficiency and conserve energy in its internal operations pursuant to § 56-235.1. The utility shall submit each annual report to the Division and the Energy Commission ~~on Electric Utility Regulation~~ of Virginia by November 1 of each year, and the Division shall compile the reports of the utilities and submit the compilation to the Governor and the General Assembly as provided

in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

§ 45.2-1713. Submission of the Plan.

Upon completion, the Division shall submit the Plan, including periodic updates thereto, to the Governor, the Commissioners of the State Corporation Commission, and the General Assembly and shall present the Plan to the Energy Commission ~~on Electric Utility Regulation~~ of Virginia at a public meeting. The Plan shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents. The Plan's executive summary shall be posted on the General Assembly's website.

§ 56-579. Regional transmission entities.

A. As set forth in § 56-577, each incumbent electric utility owning, operating, controlling, or having an entitlement to transmission capacity shall join or establish a regional transmission entity, which hereafter may be referred to as "RTE," to which such utility shall transfer the management and control of its transmission assets, subject to the following:

1. No such incumbent electric utility shall transfer to any person any ownership or control of, or any responsibility to operate, any portion of any transmission system located in the Commonwealth prior to July 1, 2004, and without obtaining, following notice and hearing, the prior approval of the Commission, as hereinafter provided. However, each incumbent electric utility shall file an application for approval pursuant to this section by July 1, 2003, and shall transfer management and control of its

transmission assets to a regional transmission entity by January 1, 2005, subject to Commission approval as provided in this section.

2. The Commission shall develop rules and regulations under which any such incumbent electric utility owning, operating, controlling, or having an entitlement to transmission capacity within the Commonwealth, may transfer all or part of such control, ownership or responsibility to an RTE, upon such terms and conditions that the Commission determines will:

a. Promote:

(1) Practices for the reliable planning, operating, maintaining, and upgrading of the transmission systems and any necessary additions thereto; and

(2) Policies for the pricing and access for service over such systems that are safe, reliable, efficient, not unduly discriminatory and consistent with the orderly development of competition in the Commonwealth;

b. Be consistent with lawful requirements of the Federal Energy Regulatory Commission;

c. Be effectuated on terms that fairly compensate the transferor;

d. Generally promote the public interest, and are consistent with (i) ensuring that consumers' needs for economic and reliable transmission are met and (ii) meeting the transmission needs of electric generation suppliers both within and without this Commonwealth, including those that do not own, operate, control or have an entitlement to transmission capacity.

B. The Commission shall also adopt rules and regulations, with appropriate public input, establishing elements of regional transmission entity structures essential to the public interest, which elements shall be applied by the Commission in determining whether to authorize transfer of ownership or control from an incumbent electric utility to a regional transmission entity.

C. The Commission shall, to the fullest extent permitted under federal law, participate in any and all proceedings concerning regional transmission entities furnishing transmission services within the Commonwealth, before the Federal Energy Regulatory Commission. Such participation may include such intervention as is permitted state utility regulators under Federal Energy Regulatory Commission rules and procedures.

D. Nothing in this section shall be deemed to abrogate or modify:

1. The Commission's authority over transmission line or facility construction, enlargement or acquisition within this Commonwealth, as set forth in Chapter 10.1 (§ 56-265.1 et seq.)~~ of this title~~;

2. The laws of this Commonwealth concerning the exercise of the right of eminent domain by a public service corporation pursuant to the provisions of Article 5 (§ 56-257 et seq.) of Chapter 10~~ of this title~~; or

3. The Commission's authority over retail electric energy sold to retail customers within the Commonwealth by licensed suppliers of electric service, including necessary reserve requirements, all as specified in § 56-587.

E. For purposes of this section, transmission capacity shall not include capacity that is primarily operated in a distribution function, as determined by the Commission, taking into consideration any binding federal precedents.

F. Any request to the Commission for approval of such transfer of ownership or control of or responsibility for transmission facilities shall include a study of the comparative costs and benefits thereof, which study shall analyze the economic effects of the transfer on consumers, including the effects of transmission congestion costs. The Commission may approve such a transfer if it finds, after notice and hearing, that the transfer satisfies the conditions contained in this section.

G. The Commission shall report annually to the Energy Commission ~~on Electric Utility Regulation~~ of Virginia its assessment of the practices and policies of the RTE. Such report shall set forth actions taken by the Commission regarding requests for the approval of any transfer of ownership or control of transmission facilities to an RTE, including a description of the economic effects of such proposed transfers on consumers.

§ 56-585.1:1. Transitional Rate Period: review of rates, terms, and conditions for utility generation facilities.

A. No biennial reviews of the rates, terms, and conditions for any service of a Phase I Utility, as defined in § 56-585.1, shall be conducted at any time by the Commission for the three successive 12-month test periods beginning January 1, 2014, and ending December 31, 2016. No biennial reviews of the rates, terms, and conditions for any service of a Phase II Utility, as defined in § 56-

585.1, shall be conducted at any time by the Commission for the two successive 12-month test periods beginning January 1, 2015, and ending December 31, 2016. Such test periods beginning January 1, 2014, and ending December 31, 2017, for a Phase I Utility, and beginning January 1, 2015, and ending December 31, 2016, for a Phase II Utility, are collectively referred to herein as the "Transitional Rate Period." Review of recovery of fuel and purchase power costs shall continue during the Transitional Rate Period in accordance with § 56-249.6. Any biennial review of the rates, terms, and conditions for any service of a Phase II Utility occurring in 2015 during the Transitional Rate Period shall be solely a review of the utility's earnings on its rates for generation and distribution services for the two 12-month test periods ending December 31, 2014, and a determination of whether any credits to customers are due for such test periods pursuant to subdivision A 8 b of § 56-585.1. After the conclusion of the Transitional Rate Period, reviews of the utility's rates for generation and distribution services shall resume for a Phase I Utility in 2020, with the first such proceeding utilizing the three successive 12-month test periods beginning January 1, 2017, and ending December 31, 2019. After the conclusion of the Transitional Rate Period, reviews of the utility's rates for generation and distribution services shall resume for a Phase II Utility in 2021, with the first such proceeding utilizing the four successive 12-month test periods beginning January 1, 2017, and ending December 31, 2020. Consistent with this provision, (i) no biennial review filings shall be made by an investor-owned incumbent electric utility in the years 2016 through 2019, inclusive, and (ii) no adjustment to an investor-

owned incumbent electric utility's existing tariff rates, including any rates adopted pursuant to § 56-235.2, shall be made between the beginning of the Transitional Rate Period and the conclusion of the first review after the conclusion of the Transitional Rate Period, except as may be provided pursuant to § 56-245 or 56-249.6 or subdivisions A 4, 5, or 6 of § 56-585.1.

B. During the Transitional Rate Period, pursuant to § 56-36, the Commission shall have the right at all times to inspect the books, papers and documents of any investor-owned incumbent electric utility and to require from such companies, from time to time, special reports and statements, under oath, concerning their business.

C. 1. Commencing in 2016 and concluding in 2018, the State Corporation Commission, after notice and opportunity for a hearing, shall conduct a proceeding every two years to determine the fair rate of return on common equity to be used by a Phase I Utility as the general rate of return applicable to rate adjustment clauses under subdivisions A 5 or A 6 of § 56-585.1. A Phase I Utility's filing in such proceedings shall be made on or before March 31 of 2016, and 2018.

2. Commencing in 2017 and concluding in 2019, the State Corporation Commission, after notice and opportunity for a hearing, shall conduct a proceeding every two years to determine the fair rate of return on common equity to be used by a Phase II Utility as the general rate of return applicable to rate adjustment clauses under subdivisions A 5 or A 6 of § 56-585.1. A Phase II utility's filing in such proceedings shall be made on or before March 31 of 2017 and 2019.

3. Such fair rate of return shall be calculated pursuant to the methodology set forth in subdivisions A 2 a and b of § 56-585.1 and shall utilize the utility's actual end-of-test-period capital structure and cost of capital, as well as a 12-month test period ending December 31 immediately preceding the year in which the proceeding is conducted. The Commission's final order in such a proceeding shall be entered no later than eight months after the date of filing, with any adjustment to the fair rate of return for applicable rate adjustment clauses under subdivisions A 5 and 6 of § 56-585.1 taking effect on the date of the Commission's final order in the proceeding, utilizing rate adjustment clause true-up protocols as the Commission may in its discretion determine. Such proceeding shall concern only the issue of the determination of such fair rate of return to be used for rate adjustment clauses under subdivisions A 5 and 6 of § 56-585.1, and such determination shall have no effect on rates other than those applicable to such rate adjustment clauses; however, after the final such proceeding for a utility has been concluded, the fair combined rate of return on common equity so determined therein shall also be deemed equal to the fair combined rate of return on common equity to be used in such utility's first review proceeding conducted after the end of the utility's Transitional Rate Period to review such utility's earnings on its rates for generation and distribution services for the historic test periods.

D. In furtherance of rate stability during the Transitional Rate Period, any Phase II Utility carrying a prior period deferred fuel expense recovery balance on its books and records as of December 31, 2014, shall not recover from customers 50 percent of any such

balance outstanding as of December 31, 2014, and the State Corporation Commission shall implement as soon as practicable reductions in the fuel factor rate of any such Phase II Utility to reflect the nonrecovery of any such fuel expense as well as any reduction in the fuel factor associated with the Phase II Utility's current period forecasted fuel expense over recovery for the 2014-2015 fuel year and projected fuel expense for the 2015-2016 fuel year.

E. Except for early retirement plans identified by the utility in an integrated resource plan filed with the State Corporation Commission by September 1, 2014, for utility generation plants, an investor-owned incumbent electric utility shall not permanently retire an electric power generation facility from service during the Transitional Rate Period without first obtaining the approval of the State Corporation Commission, upon petition from such investor-owned incumbent electric utility, and a finding by the State Corporation Commission that the retirement determination is reasonable and prudent. During the Transitional Rate Period, an investor-owned incumbent electric utility shall recover the following costs, as recorded per books by the utility for financial reporting purposes and accrued against income, only through its existing tariff rates for generation or distribution services, except such costs as may be recovered pursuant to § 56-245, § 56-249.6 or subdivisions A 4, A 5, or A 6 of § 56-585.1: (i) costs associated with asset impairments related to early retirement determinations for utility generation facilities resulting from the implementation of carbon emission guidelines for existing electric power generation facilities that the U.S. Environmental Protection Agency has issued pursuant to §

111(d) of the Clean Air Act; (ii) costs associated with severe weather events; and (iii) costs associated with natural disasters.

F. During the Transitional Rate Period:

1. The State Corporation Commission shall submit a report and make recommendations to the Governor and the General Assembly annually on or before December 1 of each year assessing the updated integrated resource plan of any investor-owned incumbent electric utility. The report shall include an analysis of, among other matters, the amount, reliability, and type of generation facilities needed to serve Virginia native load compared to what is then available to serve such load and what may be available to serve such load in the future in view of market conditions and current and pending state and federal environmental regulations. As a part of such report, the State Corporation Commission shall update its estimate of the impact upon electric rates in Virginia of the implementation of carbon emission guidelines for existing electric power generation facilities that the U.S. Environmental Protection Agency has issued pursuant to § 111(d) of the federal Clean Air Act. The State Corporation Commission shall submit copies of such annual reports to the ~~Chairman~~ Chairs of the House Committee on Labor and Commerce~~, the Chairman of~~ and the Senate Committee on Commerce and Labor and the ~~Chairman~~ chair of the Energy Commission ~~on Electric Utility Regulation~~ of Virginia; and

2. The Department of Environmental Quality shall submit a report and make recommendations to the Governor and the General Assembly annually on or before December 1 of each year concerning the implementation of carbon emission guidelines for existing

electric power generation facilities that the U.S. Environmental Protection Agency has issued pursuant to § 111(d) of the federal Clean Air Act. The report shall include an analysis of, among other matters, the impact of such federal regulations on the operation of any investor-owned incumbent electric utility's electric power generation facilities and any changes, interdiction, or suspension of such regulations. The Department of Environmental Quality shall submit copies of such annual reports to the ~~Chairman~~ Chairs of the House Committee on Labor and Commerce~~, the Chairman of~~ and the Senate Committee on Commerce and Labor and the ~~Chairman~~ chair of the Energy Commission ~~on Electric Utility Regulation~~ of Virginia.

G. The construction or purchase by an investor-owned incumbent utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, that use energy derived from sunlight or from wind and are located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any of such facilities are located within or without such utility's service territory, is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this section. Such utility shall utilize goods or services sourced, in whole or in part, from one or more Virginia businesses. The utility may propose a rate adjustment clause based on a market index in lieu of a cost of service model for such facility. An investor-owned incumbent utility may enter into short-term or long-term

power purchase contracts for the power derived from sunlight generated by such generation facility prior to purchasing the generation facility.

H. To the extent that the provisions of this section are inconsistent with the provisions of §§ 56-249.6 and 56-585.1, the provisions of this section shall control.

§ 56-585.1:5. Pilot program for underground transmission lines.

A. There is hereby established a pilot program to further the understanding of underground electric transmission lines in regard to electric reliability, construction methods and related cost and timeline estimating, the probability of meeting such projections, and the benefits of undergrounding existing electric transmission lines to promote economic development within the Commonwealth. The pilot program shall consist of the approval to construct qualifying electrical transmission lines of 230 kilovolts or less (but greater than 69 kilovolts) in whole or in part underground. Such pilot program shall consist of a total of two qualifying electrical transmission line projects, constructed in whole or in part underground, as specified and set forth in this section.

B. Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this section, the Commission shall approve as a qualifying project a transmission line of 230 kilovolts or less that is pending final approval of a certificate of public convenience and necessity from the Commission as of December 31, 2017, for the construction of an electrical transmission line approximately 5.3 miles in length utilizing both overhead and

underground transmission facilities, of which the underground portion shall be approximately 3.1 miles in length, which has been previously proposed for construction within or immediately adjacent to the right-of-way of an interstate highway. Once the Commission has affirmed the project need through an order, the project shall be constructed in part underground, and the underground portion shall consist of a double circuit.

The Commission shall approve such underground construction within 30 days of receipt of the written request of the public utility to participate in the pilot program pursuant to this section. The Commission shall not require the submission of additional technical and cost analyses as a condition of its approval but may request such analyses for its review. The Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 3.1 miles in length that was previously proposed for construction within or immediately adjacent to the right-of-way of the interstate highway, for which, by resolution, the locality has indicated general community support. The remainder of the construction for the transmission line shall be aboveground. The Commission shall not be required to perform any further analysis as to the impacts of this route, including environmental impacts or impacts upon historical resources.

The electric utility may proceed to acquire right-of-way and take such other actions as it deems appropriate in furtherance of the construction of the approved transmission line, including acquiring the cables necessary for the underground installation.

C. In reviewing applications submitted by public utilities for certificates of public convenience and necessity for the construction of electrical transmission lines of 230 kilovolts or less filed between July 1, 2018, and October 1, 2020, the Commission shall approve, consistent with the requirements of subsection D, one additional application as a qualifying project to be constructed in whole or in part underground, as a part of this pilot program. The one qualifying project shall be in addition to the qualifying project described in subsection B and shall be the relocation or conversion of an existing 230-kilovolt overhead line to an underground line.

D. For purposes of subsection C, a project shall be qualified to be placed underground, in whole or in part, if it meets all of the following criteria: (i) an engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground; (ii) the governing body of each locality in which a portion of the proposed line will be placed underground indicates, by resolution, general community support for the project and that it supports the transmission line to be placed underground; (iii) a project has been filed with the Commission or is pending issuance of a certificate of public convenience and necessity by October 1, 2020; (iv) the estimated additional cost of placing the proposed line, in whole or in part, underground does not exceed $40 million or, if greater than $40 million, the cost does not exceed 2.5 times the cost of placing the same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability; if the public utility, the affected localities, and the Commission agree, a proposed underground line whose cost exceeds 2.5 times the cost of

placing the line overhead may also be accepted into the pilot program; (v) the public utility requests that the project be considered as a qualifying project under this section; and (vi) the primary need of the project shall be for purposes of grid reliability, grid resiliency, or to support economic development priorities of the Commonwealth, including the economic development priorities and the comprehensive plan of the governing body of the locality in which at least a portion of line will be placed, and shall not be to address aging assets that would have otherwise been replaced in due course.

E. A transmission line project that is found to meet the criteria of subsection D shall be deemed to satisfy the requirements of subsection B of § 56-46.1 with respect to a finding of the Commission that the line is needed.

F. Approval of a transmission line pursuant to this section for inclusion in the pilot program shall be deemed to satisfy the requirements of § 15.2-2232 and local zoning ordinances with respect to such transmission line and any associated facilities, such as stations, substations, transition stations and locations, and switchyards or stations, that may be required.

G. The Commission shall report annually to the Energy Commission ~~on Electric Utility Restructuring~~ of Virginia, the Joint Commission on Technology and Science, and the Governor on the progress of the pilot program by no later than December 1 of each year that this section is in effect. The Commission shall submit a final report to the Energy Commission ~~on Electric Utility Restructuring~~ of Virginia, the Joint Commission on Technology and

Science, and the Governor no later than December 1, 2024, analyzing the entire program and making recommendations about the continued placement of transmission lines underground in the Commonwealth. The Commission's final report shall include analysis and findings of the costs of underground construction and historical and future consumer rate effects of such costs, effect of underground transmission lines on grid reliability, operability (including operating voltage), probability of meeting cost and construction timeline estimates of such underground transmission lines, and economic development, aesthetic or other benefits attendant to the placement of transmission lines underground.

H. For the qualifying projects chosen pursuant to this section and not fully recoverable as charges for new transmission facilities pursuant to subdivision A 4 of § 56-585.1, the Commission shall approve a rate adjustment clause. The rate adjustment clause shall provide for the full and timely recovery of any portion of the cost of such project not recoverable under applicable rates, terms, and conditions approved by the Federal Energy Regulatory Commission and shall include the use of the fair return on common equity most recently approved in a State Corporation Commission proceeding for such utility. Such costs shall be entirely assigned to the utility's Virginia jurisdictional customers. The Commission's final order regarding any petition filed pursuant to this subsection shall be entered not more than three months after the filing of such petition.

I. The provisions of this section shall not be construed to limit the ability of the Commission to approve additional applications for placement of transmission lines underground. Approval by the

Commission of a transmission line for inclusion in the program pursuant to subsection B shall preclude the placement of future overhead electrical transmission lines of at least 69 kilovolts in the same right-of-way as described in subsection B for a period of 10 years from July 1, 2018, but shall not preclude the placement of (i) any underground transmission lines in such right-of-way or (ii) any electrical distribution lines in such right-of-way.

J. If two applications are not submitted to the Commission that meet the requirements of this section, the Commission shall document the failure of the projects to qualify for the pilot program in order to justify approving fewer than two projects to be placed underground, in whole or in part.

K. Insofar as the provisions of this section are inconsistent with the provisions of any other law or local ordinance, the provisions of this section shall be controlling.

§ 56-592. Consumer education and marketing practices.

A. The Commission shall develop an electric energy consumer education program designed to provide the following information to retail customers:

1. Information regarding energy conservation, energy efficiency, demand-side management, demand response, and renewable energy;

2. Information concerning demand-side management and demand response programs offered in the Commonwealth to retail customers;

3. Information regarding the matters described in subdivisions 1 and 2 that are specifically designed for the industrial,

commercial, residential, and government sectors; and

4. Such other information as the Commission may deem necessary and appropriate in the public interest.

B. The Commission shall complete the development of the consumer education program described in subsection A~~,~~ and report its findings and recommendations to the Energy Commission ~~on Electric Utility Regulation~~ of Virginia as frequently as may be required by such Commission concerning:

1. The scope of such recommended program consistent with the requirements of subsection A;

2. Materials and media required to effectuate any such program;

3. State agency and nongovernmental entity participation;

4. Program duration;

5. Funding requirements and mechanisms for any such program; and

6. Such other findings and recommendations the Commission deems appropriate in the public interest.

C. The Commission shall develop regulations governing marketing practices by public service companies, licensed suppliers, aggregators or any other providers of services made competitive by this chapter, including regulations to prevent unauthorized switching of suppliers, unauthorized charges, and improper solicitation activities. The Commission shall also establish standards for marketing information to be furnished by licensed suppliers, aggregators or any other providers of services made competitive by this chapter, which information shall include standards concerning:

1. Pricing and other key contract terms and conditions;

2. To the extent feasible, fuel mix and emissions data on at least an annualized basis;

3. Customer's rights of cancellation following execution of any contract;

4. Toll-free telephone number for customer assistance; and

5. Such other and further marketing information as the Commission may deem necessary and appropriate in the public interest.

D. The Commission shall also establish standards for billing information to be furnished by public service companies, suppliers, aggregators or any other providers of services made competitive by this chapter. Such billing information standards shall require that billing formation:

1. Distinguishes between charges for regulated services and unregulated services;

2. Is presented in a format that complies with standards to be established by the Commission;

3. Discloses, to the extent feasible, fuel mix and emissions data on at least an annualized basis; and

4. Includes such other billing information as the Commission deems necessary and appropriate in the public interest.

E. The Commission shall establish or maintain a complaint bureau for the purpose of receiving, reviewing and investigating complaints by retail customers against public service companies, licensed suppliers, aggregators and other providers of any services made competitive under this chapter. Upon the request of any

interested person or the Attorney General, or upon its own motion, the Commission shall be authorized to inquire into possible violations of this chapter and to enjoin or punish any violations thereof pursuant to its authority under this chapter, this title, and under Title 12.1. The Attorney General shall have a right to participate in such proceedings consistent with the Commission's Rules of Practice and Procedure.

F. The Commission shall establish reasonable limits on customer security deposits required by public service companies, suppliers, aggregators or any other persons providing competitive services pursuant to this chapter.

§ 56-592.1. Consumer education program; scope and funding.

A. The Commission shall establish and implement the consumer education program developed pursuant to subsection A of § 56-592. In establishing such a program, the Commission shall take into account the findings and recommendations of the subgroup on Information/Consumer Education that was established in conjunction with the Commission's proceeding in Case PUE-2007-00049, that implemented the third enactment of Chapters 888 and 933 of the Acts of Assembly of 2007.

B. The program shall be designed to (i) enable consumers to make rational and informed choices about the matters described in subsection A of § 56-592, including but not limited to demand side management, energy conservation, and energy efficiency, (ii) help consumers reduce transaction costs in making decisions regarding

such matters, and (iii) foster compliance with the consumer protection provisions of this chapter.

C. The Commission shall regularly consult with representatives of consumer organizations, community-based groups, state agencies, incumbent utilities, and other interested parties throughout the program's implementation and operation.

D. Pursuant to the provisions of § 30-205, the Commission shall provide periodic updates to the Energy Commission ~~on Electric Utility Regulation~~ of Virginia concerning the program's implementation and operation.

E. The Commission shall fund the establishment and operation of such consumer education program through the special regulatory revenue tax currently authorized by § 58.1-2660 and the special regulatory tax authorized by Chapter 29 (§ 58.1-2900 et seq.) of Title 58.1.

§ 56-596. Consideration of economic development; report.

A. In all relevant proceedings pursuant to this Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth.

B. By September 1 of each year, the Commission shall report to the Energy Commission ~~on Electric Utility Regulation~~ of Virginia and the Governor on the status of the implementation of this chapter and its recommendations regarding the implementation of the provisions of this chapter. This report shall include the Commission's recommendations for any actions by the General Assembly, the Commission, electric utilities, or any other entity that the Commission considers to be in the public interest.

§ 56-596.1. New generating facilities utilizing energy derived from sunlight and from wind; report.

It is the objective of the General Assembly that the construction and development of new utility-owned and utility-operated generating facilities utilizing energy derived from sunlight and from wind with an aggregate capacity of 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, be placed in service on or before July 1, 2028. It is also the objective of the General Assembly that 2,700 megawatts of aggregate energy storage capacity be placed into service on or before July 1, 2030. The Commission shall submit a report and make recommendations to the Governor and the General Assembly annually on or before December 1 of each year through December 1, 2028, assessing (i) the aggregate annual new construction and development of new utility-owned and utility-operated generating facilities utilizing energy derived from sunlight, (ii) the integration of utility-owned renewable electric generation resources with the utility's electric distribution grid, (iii) the aggregate additional utility-owned and utility-operated generating facilities utilizing energy derived from sunlight placed in operation since July 1, 2018, (iv) the need for additional generation of electricity utilizing energy derived from sunlight in order to meet the objective of the General Assembly on or before July 1, 2028, and (v) the aggregate annual new construction or purchase of energy storage facilities. The Commission shall submit copies of such annual reports to the ~~Chairman~~ Chairs of the House Committee on Labor and Commerce~~, the Chairman of~~ and the Senate Committee on

Commerce and Labor~~,~~ and the~~ Chairman~~ chair of the Energy Commission~~ on Electric Utility Regulation~~ of Virginia.

§ 56-596.3. Electric generation, transmission, and distribution; report.

The Commission shall submit a report and make recommendations to the Governor and the General Assembly annually on or before December 1 of each year assessing (i) the reliability of electrical transmission or distribution systems; (ii) the integration of utility or customer owned renewable electric generation resources with the utility's electric distribution grid; (iii) the level of investment in generation, transmission, or distribution of electricity; (iv) the need for additional generation of electricity during times of peak demand; and (v) distribution system hardening projects and enhanced physical security measures. The Commission shall submit copies of such annual reports to the~~ Chairman~~ Chairs of the House Committee on Labor and Commerce~~, the Chairman of~~ and the Senate Committee on Commerce and Labor and the~~ Chairman~~ chair of the Energy Commission~~ on Electric Utility Regulation~~ of Virginia.

§ 56-599. Integrated resource plan required.

A. Each electric utility shall file an updated integrated resource plan by October 15, in each year immediately preceding the year the utility is subject to a biennial review of rates for generation and distribution services filing. A copy of each integrated resource plan shall be provided to the~~ Chairman~~ Chairs of the House Committee on Labor and Commerce~~, the Chairman of~~ and the Senate Committee on Commerce and Labor~~,~~ and the~~ Chairman~~ chair of the

Energy Commission ~~on Electric Utility Regulation~~ of Virginia. After January 1, 2024, each electric utility not subject to an annual review shall file an annual update to the integrated resource plan by October 15, in each year that the utility is subject to review of rates for generation and distribution services filing. All updated integrated resource plans shall comply with the provisions of any relevant order of the Commission establishing guidelines for the format and contents of updated and revised integrated resource plans. Each integrated resource plan shall consider options for maintaining and enhancing rate stability, energy independence, economic development including retention and expansion of energy-intensive industries, and service reliability.

B. In preparing an integrated resource plan, each electric utility shall systematically evaluate and may propose:

1. Entering into short-term and long-term electric power purchase contracts;

2. Owning and operating electric power generation facilities;

3. Building new generation facilities;

4. Relying on purchases from the short term or spot markets;

5. Making investments in demand-side resources, including energy efficiency and demand-side management services;

6. Taking such other actions, as the Commission may approve, to diversify its generation supply portfolio and ensure that the electric utility is able to implement an approved plan;

7. The methods by which the electric utility proposes to acquire the supply and demand resources identified in its proposed integrated resource plan;

8. The effect of current and pending state and federal environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities;

9. The most cost effective means of complying with current and pending state and federal environmental regulations, including compliance options to minimize effects on customer rates of such regulations;

10. Long-term electric distribution grid planning and proposed electric distribution grid transformation projects, including a comprehensive assessment of the potential application of grid-enhancing technologies and advanced conductors in a manner that ensures grid reliability and safeguards the cybersecurity and physical security of the electric distribution grid. An electric utility that does not include grid-enhancing technologies or advanced conductors in an integrated resource plan shall include a detailed explanation of why such technologies or conductors are not included in such plan;

11. Developing a long-term plan for energy efficiency measures to accomplish policy goals of reduction in customer bills, particularly for low-income, elderly, and disabled customers; reduction in emissions; and reduction in carbon intensity; and

12. Developing a long-term plan to integrate new energy storage facilities into existing generation and distribution assets to assist with grid transformation.

C. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct a facility retirement study for owned facilities located in the Commonwealth that emit carbon

dioxide as a byproduct of combusting fuel and shall include the study results in its integrated resource plan. Upon filing the integrated resource plan with the Commission, the utility shall contemporaneously disclose the study results to each planning district commission, county board of supervisors, and city and town council where such electric generation unit is located, the Department of Energy, the Department of Housing and Community Development, the Virginia Employment Commission, and the Virginia Council on Environmental Justice. The disclosure shall include (i) the driving factors of the decision to retire and (ii) the anticipated retirement year of any electric generation unit included in the plan. Any electric generating facility with an anticipated retirement date that meets the criteria of § 45.2-1701.1 shall comply with the public disclosure requirements therein.

D. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct outreach to engage the public in a stakeholder review process and provide opportunities for the public to contribute information, input, and ideas on the utility's integrated resource plan, including the plan's development methodology, modeling inputs, and assumptions, as well as the ability for the public to make relevant inquiries, to the utility when formulating its integrated resource plan. Each utility shall report its public outreach efforts to the Commission. The stakeholder review process shall include representatives from multiple interest groups, including residential and industrial classes of ratepayers. Each utility shall, at the time of the filing of its integrated resource plan, report on any stakeholder meetings that have occurred prior to the filing date.

E. The Commission shall analyze and review an integrated resource plan and, after giving notice and opportunity to be heard, the Commission shall make a determination within nine months after the date of filing as to whether such an integrated resource plan is reasonable and is in the public interest.

2. That Chapter 25 (§§ 30-188 and 30-189) of Title 30 of the Code of Virginia is repealed.

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APPENDIX M

Policy recommendation #11 to 2026 General Assembly as adopted on December 4, 2025:

SCC Workgroup on Performance-Based Regulation

House Bill 903 – Legislative Draft Number 26104384

Senate Bill 251 – Legislative Draft Number 26104615

SUMMARY

Electric utilities; performance-based regulation; work group; report. Directs the State Corporation Commission to convene a work group to design an effective regulatory framework to improve electric utility performance in the Commonwealth and submit a report of the work group's findings and recommendations to the General Assembly by October 31, 2026. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to require the State Corporation Commission to convene a work group to design an effective regulatory framework to improve electric utility performance in the Commonwealth; report.

Be it enacted by the General Assembly of Virginia:

1. § 1. That the State Corporation Commission (the Commission) shall convene a work group to design an effective regulatory framework to improve electric utility performance in the Commonwealth and develop related legislative recommendations. The work group shall base its efforts on the Commission's report on Opportunities for Performance-Based and Alternative Regulatory Tools in Virginia and shall:

1. Assess the feasibility of consolidating existing rate adjustment clauses and identify any legislative actions necessary to implement such consolidation. In conducting such assessment, the work group shall (i) identify which costs investor-owned electric utilities are currently authorized to recover through rate adjustment clauses, including under § 56-585.1 of the Code of Virginia, that the work group determines would be more appropriately recovered through base rates and (ii) evaluate which existing rate adjustment clauses can be appropriately consolidated while retaining sufficient transparency;

2. Evaluate the incentives for fuel cost management by investor-owned electric utilities and implement or recommend fuel

cost-sharing mechanisms and develop related legislative recommendations;

3. Evaluate the incentives for investor-owned electric utilities to comply with the energy efficiency targets and renewable energy portfolio standards established by Chapters 1193 and 1194 of the Acts of Assembly of 2020 and develop related legislative recommendations, incorporating strategies that incentivize cost containment;

4. Identify and recommend a set of performance-incentive mechanisms with incentives for reasonably challenging, but achievable, priority outcomes. The Commission may meet the requirements of this subdivision by expanding the use of performance-incentive mechanisms through Case No. PUR-2023-00210;

5. Develop an all-source competitive procurement framework to make additional progress toward desired outcomes, including peak demand reduction, cost efficiency, and competitive market outcomes, and identify related legislative updates necessary for resource planning or certificate of public convenience and necessity requirements to ensure a common approach; and

6. Design the primary structures of a potential performance-based regulation framework based on principles proposed by the Commission for stakeholder consideration and develop related legislative recommendations.

The work group shall include representatives from Phase I and Phase II Utilities, as such terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, all electric service customer

classes, Commission staff, the Office of the Attorney General, environmental organizations, consumer protection groups, and local communities. The Commission shall facilitate and document the proceedings of the work group and submit a written report, including any findings and recommendations, to the Chairmen of the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor on or before October 31, 2026, and make a copy of such report publicly available on the Commission's website at the same time as such submission.

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APPENDIX N

Policy recommendation #12 to 2026 General Assembly as adopted on December 4, 2025:

Utility Planning: Reforming the Integrated Resource Plan

House Bill 429 – Legislative Draft Number 26103104

Senate Bill 249 – Legislative Draft Number 26104616

SUMMARY

Electric utilities; integrated resource plans. Makes various changes related to the content and process for an integrated resource plan (IRP) developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations. The bill (i) extends the planning timeframe from 15 to 20 years; (ii) requires Appalachian Power to file an IRP by removing an exception from the definition of "electric utility"; (iii) changes the frequency that a utility is required to file an IRP from biennially to triennially; (iv) requires utilities to consider the use of grid-enhancing technologies as alternatives to new transmission infrastructure, and when new transmission lines are envisioned, to provide the reasons grid-enhancing technologies are not sufficient to defer or eliminate the need for new transmission infrastructure; and (v) requires utilities to consider the use of surplus interconnection service, as defined in the bill, to add new electric generation projects and energy storage resources to the grid.

The bill requires that the current stakeholder review process for integrated resource plans be facilitated by a third-party facilitator selected by the State Corporation Commission and compensated by the utility. The bill requires, as part of the stakeholder review process, the utility to provide stakeholders with reasonable access to the same modeling software, modeling assumptions, modeling inputs, and data used by the utility to evaluate supply and demand resources in its integrated resource plan to enable stakeholders to create modeling scenarios for the utility's consideration during the development of its integrated resource plan.

The bill requires the State Corporation Commission to (a) establish guidelines that ensure that utilities develop comprehensive integrated resource plans and provide meaningful public engagement and maximum transparency during the planning process; (b) conduct a proceeding by July 1, 2027, and at least once every five years thereafter, to identify and review each of its existing orders relevant

to integrated resource plans to determine if such orders remain necessary and effective and are not overly burdensome; and (c) convene a work group to make recommendations on the required guidelines.

The bill also requires the Commission on Electric Utility Regulation to convene a work group to develop recommendations related to planning for grid stability and reliability and energy affordability between certain cooperatives and generation and transmission services providers, system owners, and wholesale power providers; and to submit a report of its findings and recommendations to the State Corporation Commission and the General Assembly by October 1, 2026.

Finally, the bill requires any petition to permit the construction and operation of electrical generating facilities filed by an electric utility that is required to file an integrated resource plan to (1) incorporate the intent to construct and operate such generating facilities or (2) if the utility's intent to construct and operate such generating facilities was not identified in the utility's most recently approved integrated resource plan, provide a detailed explanation of why the utility did not anticipate the need for such generating facilities.

This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact §§ 56-580, 56-597, 56-598, and 56-599 of the Code of Virginia, relating to electric utilities; integrated resource plans; State Corporation Commission; Commission on Electric Utility Regulation; work group; report.

Be it enacted by the General Assembly of Virginia:

1. That §§ 56-580, 56-597, 56-598, and 56-599 of the Code of Virginia are amended and reenacted as follows:

§ 56-580. Transmission and distribution of electric energy.

A. Subject to the provisions of § 56-585.1, the Commission shall continue to regulate pursuant to this title the distribution of retail electric energy to retail customers in the Commonwealth and, to the extent not prohibited by federal law, the transmission of electric energy in the Commonwealth.

B. The Commission shall continue to regulate, to the extent not prohibited by federal law, the reliability, quality and maintenance by transmitters and distributors of their transmission and retail distribution systems.

C. The Commission shall develop codes of conduct governing the conduct of incumbent electric utilities and affiliates thereof when any such affiliates provide, or control any entity that provides, generation, distribution, or transmission services, to the extent necessary to prevent impairment of competition. Nothing in

this chapter shall prevent an incumbent electric utility from offering metering options to its customers.

D. The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility~~,~~; (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1~~,~~; and (iii) are not otherwise contrary to the public interest. Beginning in 2027 for a Phase II Utility and 2028 for a Phase I Utility, the Commission shall only approve such permit application if the utility's most recently submitted integrated resource plan identifies the utility's intent to construct and operate such electric generation facility and associated facilities, unless the utility provides detailed reasoning behind why the utility did not anticipate the need for such electric generation facility at the time of submitting its most recent integrated resource plan and any changes in circumstance or information that support the utility's application for such permit. In review of a petition for a certificate to construct and operate a generating facility described in this subsection, the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1, unless exempt as a small renewable energy project for which the Department of Environmental Quality has issued a permit

by rule pursuant to Article 5 (§ 10.1-1197.5 et seq.) of Chapter 11.1 of Title 10.1. In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that ~~(i)~~ (a) are governed by the permit or approval or ~~(ii)~~ (b) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters. Nothing in this section shall affect the ability of the Commission to keep the record of a case open. Nothing in this section shall affect any right to appeal such permits or approvals in accordance with applicable law. In the case of a proposed facility located in a region that was designated as of July 1, 2001, as serious nonattainment for the one-hour ozone standard as set forth in the federal Clean Air Act, the Commission shall not issue a decision approving such proposed facility that is conditioned upon issuance of any environmental permit or approval. The Commission shall complete any proceeding under this section, or under any provision of the Utility Facilities Act (§ 56-265.1 et seq.), involving an application for a certificate, permit, or approval required for the construction or operation by a public utility of a small renewable

energy project as defined in § 10.1-1197.5, within nine months following the utility's submission of a complete application therefore. Small renewable energy projects as defined in § 10.1-1197.5 are in the public interest and in determining whether to approve such project, the Commission shall liberally construe the provisions of this title. For the purposes of this subsection, the terms "Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

E. Nothing in this section shall impair the distribution service territorial rights of incumbent electric utilities, and incumbent electric utilities shall continue to provide distribution services within their exclusive service territories as established by the Commission. Subject to the provisions of § 56-585.1, the Commission shall continue to exercise its existing authority over the provision of electric distribution services to retail customers in the Commonwealth including, but not limited to, the authority contained in Chapters 10 (§ 56-232 et seq.) and 10.1 (§ 56-265.1 et seq.) of this title.

F. Nothing in this chapter shall impair the exclusive territorial rights of an electric utility owned or operated by a municipality as of July 1, 1999, or by an authority created by a governmental unit exempt from the referendum requirement of § 15.2-5403. Nor shall any provision of this chapter apply to any such electric utility unless (i) that municipality or that authority created by a governmental unit exempt from the referendum requirement of § 15.2-5403 elects to have this chapter apply to that utility or (ii) that utility, directly or indirectly, sells, offers to sell or seeks to sell electric energy to any

retail customer eligible to purchase electric energy from any supplier in accordance with § 56-577 if that retail customer is outside the geographic area that was served by such municipality as of July 1, 1999, except (a) any area within the municipality that was served by an incumbent public utility as of that date but was thereafter served by an electric utility owned or operated by a municipality or by an authority created by a governmental unit exempt from the referendum requirement of § 15.2-5403 pursuant to the terms of a franchise agreement between the municipality and the incumbent public utility, or (b) where the geographic area served by an electric utility owned or operated by a municipality is changed pursuant to mutual agreement between the municipality and the affected incumbent public utility in accordance with § 56-265.4:1. If an electric utility owned or operated by a municipality as of July 1, 1999, or by an authority created by a governmental unit exempt from the referendum requirement of § 15.2-5403 is made subject to the provisions of this chapter pursuant to clause (i) or (ii) of this subsection, then in such event the provisions of this chapter applicable to incumbent electric utilities shall also apply to any such utility, mutatis mutandis.

G. The applicability of all provisions of this chapter except § 56-594 to any investor-owned incumbent electric utility supplying electric service to retail customers on January 1, 2003, whose service territory assigned to it by the Commission is located entirely within Dickenson, Lee, Russell, Scott, and Wise Counties shall be suspended effective July 1, 2003, so long as such utility does not provide retail electric services in any other service territory in any

jurisdiction to customers who have the right to receive retail electric energy from another supplier. During any such suspension period, the utility's rates shall be (i) its capped rates established pursuant to § 56-582 for the duration of the capped rate period established thereunder, and (ii) determined thereafter by the Commission on the basis of such utility's prudently incurred costs pursuant to Chapter 10 (§ 56-232 et seq.) of this title.

H. The expiration date of any certificates granted by the Commission pursuant to subsection D, for which applications were filed with the Commission prior to July 1, 2002, shall be extended for an additional two years from the expiration date that otherwise would apply.

§ 56-597. Definitions.

As used in this chapter:

"Advanced conductors" means high-temperature low-sag hardware technology that can conduct electricity across transmission lines and that demonstrates enhanced performance over traditional conductor products. "Advanced conductors" includes aluminum conductor composite core, aluminum conductor steel supported, aluminum conductor composite reinforced, thermal-resistant aluminum alloy conductor, and any similar technologies.

"Affiliate" means a person that controls, is controlled by, or is under common control with an electric utility.

"Electric utility" means any investor-owned public utility that provides electric energy for use by retail customers~~, except investor-owned utilities subject to the provisions of § 56-585.8~~.

"Grid-enhancing technologies" means a set of technologies that maximize the transmission of electricity across the electric distribution and transmission grid in a manner that ensures grid reliability and safeguards the cybersecurity and physical security of the electric distribution grid, including storage as a transmission asset, dynamic line rating, power flow control, and topology optimization.

"Integrated resource plan" ~~or "IRP"~~ means a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources and transmission and distribution infrastructure over the ensuing ~~15~~ 20 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility.

"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

"Retail customer" means any person that purchases retail electric energy for its own consumption at one or more metering points or non-metered points of delivery located in the Commonwealth.

"Surplus interconnection service" means an unutilized portion of interconnection service capacity at a specific point of interconnection, such as a substation, that (i) is established in a large generator interconnection agreement between an original interconnection customer and the utility providing interconnection service and (ii) is unutilized due to one or more generation resources functioning intermittently or periodically.

§ 56-598. Contents of integrated resource plans.

An ~~IRP should~~ integrated resource plan shall:

1. Integrate, over the planning period, the electric utility's forecast of demand for electric generation supply with recommended plans to meet that forecasted demand and assure adequate and sufficient reliability of service, including:

a. Generating electricity from generation facilities that it currently operates or intends to construct or purchase;

b. Purchasing electricity from affiliates and third parties;

c. Reducing load growth and peak demand growth through cost-effective demand reduction programs, including the incorporation of such programs into virtual power plant aggregation; ~~and~~

d. Meeting the total energy savings targets required by subsection B of § 56-596.2; and

e. Utilizing energy storage facilities to help meet forecasted demand and assure adequate and sufficient reliability of service;

2. Identify a single preferred portfolio of electric generation and non-generation supply resources, including purchased and self-generated electric power, that best serves the public interest and that:

a. Consistent with § 56-585.1, is most likely to provide the electric generation supply needed to meet the forecasted demand, net of any reductions from demand side programs and applicable grid-enhancing technologies, so that over the long term the utility will continue to provide reliable service at reasonable prices ~~over the long term~~ that take into consideration the social cost of carbon; ~~and~~

b. Will consider low cost energy/capacity available from short-term or spot market transactions, consistent with a reasonable assessment of risk with respect to both price and generation supply availability over the term of the plan;

c. Relies on reputable long-term future cost projections for all fuels and technology types that reflect reasonable cost changes over the study period;

d. Includes the social cost of carbon as a component of generation operating costs for any facility emitting carbon dioxide as a byproduct of generation. Notwithstanding any national carbon dioxide pricing, the best estimate social cost of carbon shadow price shall not be less than the cost of carbon determined by the Commission pursuant to subdivision A 6 of § 56-585.1; and

e. Will meet the requirements for (i) the renewable portfolio standards program established under subsection C of § 56-585.5 and (ii) the retirement of electrical generating units that emit carbon as a byproduct of combusting fuel under subsection B of § 56-585.5;

3. Identify one or more least-cost portfolios of electric generation supply, demand-side, and grid-dispersed resources, including purchased and self-generated electric power, for the purposes of cost comparison that rely on reputable long-term future cost projections for all fuels and technology types that reflect reasonable cost changes over the study period, including the National Renewable Energy Laboratory's Annual Technology Baseline publications. The least-cost portfolio may include one or more modeling scenarios that would require the utility to petition the Commission for relief under subdivision B 3 of § 56-585.5;

4. Include only modeling scenarios that meet the total energy savings targets required by subsection B of § 56-596.2. The integrated resource plan shall also include at least one modeling scenario, consistent with § 56-585.5, that exceeds such energy savings targets through maximized energy efficiency upgrades to homes and businesses; dynamic pricing to shift energy use to off-peak; battery storage, both utility and distributed; transmission line upgrades; grid-enhancing technology; virtual power plants that utilize aggregated demand response or storage; managed electric vehicle charging and vehicle-to-grid power; home and business electrification for enhanced grid utilization and associated revenue; known data center efficiency efforts and innovative data center tariffs approved by the Commission or offsetting investments in offsite energy efficiency upgrades; and optimized use of the interstate electric grid through long-term transmission planning;

5. Reflect a diversity of electric generation supply and cost-effective demand reduction contracts and services so as to reduce the risks associated with an over-reliance on any particular fuel or type of generation demand and supply resources and be consistent with the Commonwealth's energy policies as set forth in § 45.2-1706.1; and

~~4.~~ 6. Include a detailed description of the reasons for any annual or cumulative limit that a utility places on the amount of new electric generation supply from a specific type of technology in any provided modeling scenario, including technological or socioeconomic factors; and

7. Include such additional information as the Commission requests pertaining to how the electric utility intends to meets its obligation to provide electric generation service for use by its retail customers over the planning period, which shall include at least three modeling scenarios for energy capacity, supply, and demand over the planning period.

§ 56-599. Integrated resource plan required.

A. ~~Each~~ Beginning in 2027 for a Phase II Utility and in 2028 for a Phase I Utility, and triennially thereafter, each electric utility shall file an updated integrated resource plan by October 15~~, in each year immediately preceding the year the utility is subject to a biennial review of rates for generation and distribution services filing~~. The year after a Phase I or Phase II Utility files such updated integrated resource plan, such Phase I or Phase II Utility shall not be required to file a plan pursuant to subdivision D 4 of § 56-585.5. A copy of each integrated resource plan shall be provided to the ~~Chairman~~ Chairs of the House Committee on Labor and Commerce, ~~the Chairman of~~ the Senate Committee on Commerce and Labor, and ~~the Chairman of~~ the Commission on Electric Utility Regulation. ~~After January 1, 2024, each~~ Each electric utility ~~not subject to an annual review~~ shall ~~file~~ provide the Commission an annual update to the integrated resource plan by October 15~~, in each year that the utility is subject to review of rates for generation and distribution services filing~~. Each annual update shall include an update to the electric utility's base planning assumptions relative to its most recently accepted integrated resource plan, including energy and demand forecasts, commodity fuel price inputs, energy efficiency

and demand-side management forecasts, changes to projected retirement dates of existing units, and other inputs, as determined by the Commission. Such annual update shall describe the impact of the updated base planning assumptions on the most recently approved resource plan. The Commission shall include a summary of each utility's annual update in its report required by subsection B of § 56-596.

~~All updated integrated resource plans shall comply with the provisions of any relevant order of the Commission establishing guidelines for the format and contents of updated and revised integrated resource plans.~~ Each integrated resource plan shall (i) identify a single preferred portfolio of generation, transmission, and distribution infrastructure and energy efficiency programs and measures needed to ensure a reliable, affordable, and carbon-free electric grid and (ii) consider options for maintaining and enhancing rate stability, energy independence, economic development including retention and expansion of energy-intensive industries, and service reliability.

B. In preparing an integrated resource plan, each electric utility shall systematically evaluate and may propose:

1. Entering into short-term and long-term electric power purchase contracts;

2. Owning and operating electric power generation facilities;

3. Building new generation facilities;

4. Relying on purchases from the short term or spot markets;

5. Making investments in demand-side resources, including energy efficiency and demand-side management services;

6. Taking such other actions, as the Commission may approve, to diversify its generation supply portfolio and ensure that the electric utility is able to implement an approved plan;

7. The methods by which the electric utility proposes to acquire the supply and demand resources identified in its proposed integrated resource plan;

8. The effect of current and pending state and federal environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities;

9. The most cost effective means of complying with current and pending state and federal environmental regulations, including a single compliance ~~options to minimize~~ plan that minimizes the effects on customer rates of such regulations;

10. Building new or upgrading existing distribution and transmission infrastructure;

11. Long-term electric distribution and transmission grid planning and proposed electric ~~distribution~~ grid transformation projects~~, including a comprehensive assessment of the potential application of~~ that use grid-enhancing technologies ~~and advanced conductors~~ in a manner that ensures grid reliability and safeguards ~~the~~ cybersecurity and physical security, including advanced conductors, dynamic line ratings, advanced power flow controllers, transmission switching, and any other available technologies that have the potential to improve the efficiency and performance of the electric distribution grid or transmission grid, including virtual power plants or aggregated distributed energy resource management

systems, non-wire solutions, and battery energy storage systems. An electric utility that ~~does not include grid-enhancing technologies or advanced conductors in an integrated resource plan~~ anticipates building new infrastructure in its integrated resource plan shall consider grid-enhancing technologies and shall include a detailed explanation of why such grid-enhancing technologies ~~or conductors~~ are not ~~included in such plan~~ sufficient to eliminate or defer the need for new transmission infrastructure;

~~11.~~ 12. Developing a long-term plan for energy efficiency measures to accomplish policy goals of reduction in customer bills, particularly for low-income, elderly, and disabled customers; reduction in emissions; and reduction in carbon intensity; ~~and~~

~~12.~~ 13. Developing a long-term plan to integrate new energy storage facilities into existing generation and distribution assets to assist with grid transformation; and

14. Using surplus interconnection service to add new electric generation projects and energy storage resources to the grid, to enable expedited addition of clean electric generation supply to the grid, up to the interconnection service capacity limit at any specific point of interconnection, and to facilitate the maximum use of existing transmission capacity.

C. As part of preparing any integrated resource plan pursuant to this section, each utility shall conduct a facility retirement study for owned facilities located in the Commonwealth that emit carbon dioxide as a byproduct of combusting fuel and shall include the study results in its integrated resource plan. Upon filing the integrated resource plan with the Commission, the utility shall

contemporaneously disclose the study results to each planning district commission, county board of supervisors, and city and town council where such electric generation unit is located, the Department of Energy, the Department of Housing and Community Development, the Virginia Employment Commission, and the Virginia Council on Environmental Justice. The disclosure shall include (i) the driving factors of the decision to retire and (ii) the anticipated retirement year of any electric generation unit included in the plan. Any electric generating facility with an anticipated retirement date that meets the criteria of § 45.2-1701.1 shall comply with the public disclosure requirements therein.

D. As part of preparing any integrated resource plan pursuant to this section, each utility shall annually conduct outreach to engage the public in a stakeholder review process and provide opportunities for the public to contribute information, input, and ideas on the utility's integrated resource plan, including the plan's development methodology, modeling inputs, and assumptions, as well as the ability for the public to make relevant inquiries, to the utility when formulating its integrated resource plan. Each utility shall report its public outreach efforts to the Commission. The stakeholder review process shall be facilitated by a third-party facilitator selected by the Commission from a list of potential facilitators submitted by the utility and shall include representatives from multiple interest groups, including residential and industrial classes of ratepayers. Such facilitator shall be compensated by the utility and shall coordinate input from interest groups and ensure the utility provides meaningful responses to questions and recommendations from interest groups.

Each utility shall, at the time of the filing of its integrated resource plan, report on any stakeholder meetings that have occurred prior to the filing date.

Prior to being selected by the Commission, any third-party facilitator shall demonstrate, to the satisfaction of the Commission and in a form and manner determined by the Commission, (i) sufficient independence from the utility and its affiliates, which shall include submission of a statement of economic interests that is consistent with the disclosure required by § 2.2-3114, and (ii) the qualifications, expertise, and experience to perform the functions of a facilitator. After being selected, the facilitator shall notify the Commission of any perceived or actual conflicts that arise during the planning process.

As part of the stakeholder review process, the utility shall provide stakeholders with reasonable access to the same modeling software, modeling assumptions, modeling inputs, and data used by the utility to evaluate supply and demand resources in its integrated resource plan. Such access shall enable stakeholders to create modeling scenarios for the utility's consideration during the development of its integrated resource plan. Any such scenarios, including all inputs, assumptions, results, and a narrative description of the scenario, shall be submitted to the utility no later than June 1. The utility may require a stakeholder to enter into a confidentiality agreement prior to providing the stakeholder with such access. If the utility requires such an agreement, the utility shall not be required to provide such access to any stakeholder who does not enter into the confidentiality agreement.

E. The Commission shall analyze and review an integrated resource plan and, after giving notice and opportunity to be heard, the Commission shall make a determination within nine months after the date of filing as to whether such an integrated resource plan is reasonable and is in the public interest.

F. The Commission shall establish guidelines that ensure that utilities develop comprehensive integrated resource plans, provide meaningful public engagement and maximum transparency during the planning process, and meet the requirements of this chapter. Each electric utility shall comply with any relevant Commission order establishing guidelines for the integrated resource plan planning process and for the format and contents of integrated resource plans.

G. By July 1, 2027, and at least once every five years thereafter, the Commission shall conduct a proceeding to identify and review each of its existing orders relevant to integrated resource plans to determine if such orders remain necessary and effective and are not overly burdensome.

2. That the State Corporation Commission (the Commission), in coordination with the Commission on Electric Utility Regulation, shall convene a stakeholder work group to make recommendations to the Commission regarding the integrated resource plan guidelines the Commission is required to establish pursuant to subsection F of § 56-599 of the Code of Virginia, as amended by this act. Such recommendations shall include recommendations regarding (i) the contents of an integrated resource plan that comprehensively addresses generation, transmission, and distribution planning; (ii) integrating

transmission planning into the integrated resource plan in a manner that does not violate any standards or requirements of the Federal Energy Regulatory Commission; (iii) the modeling software that best enables utilities to incorporate transmission and distribution planning, including by modeling regional nodes at various levels of granularity and modeling location-specific information, to the extent that sharing such information would not create a security threat; (iv) appropriate procedures and timeframes for an electric utility to share with interest groups the modeling software, assumptions, inputs, and data used by an electric utility to develop its integrated resource plan; (v) the use of confidentiality agreements where necessary to protect proprietary information; (vi) training for interest groups on using the modeling software, assumptions, inputs, and data; (vii) a reasonable number of modeling software licenses that the electric utility is required to provide; (viii) the use of a public institution of higher education to conduct modeling on behalf of interest groups that do not wish to conduct modeling on their own; (ix) the availability of subject matter experts from each utility to provide timely and meaningful information in response to questions and recommendations from interest groups; and (x) any other issues the Commission deems relevant to ensure that utilities develop comprehensive integrated resource plans and provide meaningful public engagement and maximum transparency during the planning process. The stakeholder work group shall include Commission staff, staff from the Commission on Electric Utility Regulation, and representatives from the

Office of the Attorney General, investor-owned utilities, electric cooperatives, clean or advanced energy business associations, environmental advocacy groups, environmental justice organizations, and consumer advocates, as well as other interested stakeholders. The work group shall report its findings and recommendations to the Commission, the Commission on Electric Utility Regulation, the House Committee on Labor and Commerce, and the Senate Committee on Commerce and Labor by October 1, 2026. The Commission shall establish by regulation integrated resource plan guidelines required pursuant to subsection F of § 56-599 of the Code of Virginia, as amended by this act, that comply with the provisions of this act and reflect recommendations of the work group no later than March 1, 2027.

3. That the Commission on Electric Utility Regulation (the Commission) shall convene a stakeholder work group to develop recommendations related to planning for grid stability and reliability and energy affordability between certain cooperatives and generation and transmission services providers, system owners, and wholesale power providers. In developing such recommendations, the work group shall review and examine (i) short-term and long-term term projected growth in energy demand in electric cooperative service territories in the Commonwealth, including demand growth attributable to the addition and expansion of large electric load customers; (ii) planning processes of electric cooperatives designed to meet the generation, distribution, and transmission needs of new and existing customers; (iii) coordination between electric

cooperatives and generation and transmission services providers, including Phase I and Phase II Utilities and the regional transmission entity, as well as other system owners and wholesale power suppliers; (iv) methods used by Phase I and Phase II Utilities and electric cooperatives to make accurate predictions regarding energy demand growth, including which methods should be implemented to most accurately convert the pipeline of projects seeking to interconnect to the electric grid into load forecasts for the purposes of resource planning and maintaining and improving grid infrastructure; (v) an appropriate threshold for determining which electric cooperatives, if any, should participate in planning and coordination with generation and transmission services providers, including Phase I and Phase II Utilities and the regional transmission entity, as well as other system owners and wholesale power suppliers; and (vi) any other related factors, as determined by the Commission. The work group shall include representatives from the Commission; the State Corporation Commission; electric cooperatives; Phase I and Phase II Utilities; the Office of the Attorney General's Division of Consumer Counsel; the regional transmission entity; the Virginia, Maryland, and Delaware regional association of electric cooperatives; the Virginia Association of Counties; the Virginia Economic Developers Association; the Data Center Coalition; environmental justice organizations; and consumer advocates, as well as any other stakeholders deemed interested and appropriate by the State Corporation Commission and the Commission. For the purposes of this enactment, "Phase I

Utility" and "Phase II Utility" have the same meaning as provided in subdivision A 1 of § 56-585.1 of the Code of Virginia. The work group shall submit a report of its findings and recommendations to the State Corporation Commission, the Commission, the House Committee on Labor and Commerce, and the Senate Committee on Commerce and Labor no later than October 1, 2026.

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APPENDIX O

Policy recommendation #13 to 2026 General Assembly as adopted on December 4, 2025:

Utility Interconnection Delays for Large Load Customers

House Bill 1151 – Legislative Draft Number 26101936

Senate Bill 423 – Legislative Draft Number 26104600

SUMMARY

Electric utilities; duty to furnish adequate service; high-demand customers. Provides that an electric utility may delay the provision of service to a customer with demand that is reasonably expected to exceed 90 megawatts if such delay is necessary to maintain electric grid reliability, to avoid exceeding available generation or transmission capacity constraints, or to ensure compliance with load interconnection policies issued by the Federal Energy Regulatory Commission. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 56-234 of the Code of Virginia, relating to electric utilities; duty to furnish adequate service; high-demand customers.

Be it enacted by the General Assembly of Virginia:

1. That § 56-234 of the Code of Virginia is amended and reenacted as follows:

§ 56-234. Duty to furnish adequate service at reasonable and uniform rates.

A. It shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring same. Notwithstanding any other provision of law:

1. A telephone company shall not have the duty to extend or expand its facilities to furnish service and facilities when the person, firm or corporation has service available from one or more alternative providers of wireline or terrestrial wireless communications services at prevailing market rates; and

2. A telephone company may meet its duty to furnish reasonably adequate service and facilities through the use of any and all available wireline and terrestrial wireless technologies; however, a telephone company, when restoring service to an existing wireline customer, shall offer the option to furnish service using wireline facilities.

For purposes of subdivisions 1 and 2, the Commission shall have the authority upon request of an individual, corporation, or other entity, or a telephone company, to determine whether the wireline or terrestrial wireless communications service available to the party requesting service is a reasonably adequate alternative to local exchange telephone service.

The use by a telephone company of wireline and terrestrial wireless technologies shall not be construed to grant any additional jurisdiction or authority to the Commission over such technologies.

For purposes of subdivision 1, "prevailing market rates" means rates similar to those generally available to consumers in competitive areas for the same services.

B. It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest. The Commission's final order regarding any petition filed by an investor-owned electric utility for approval of a voluntary rate or rate design test or experiment shall be entered the earlier of not more than six months after the filing of the petition or not more than three months after the date of any evidentiary hearing concerning such petition. The charge for such service shall be at the lowest rate applicable for such service

in accordance with schedules filed with the Commission pursuant to § 56-236. But, subject to the provisions of § 56-232.1, nothing contained herein or in § 56-481.1 shall apply to (i) schedules of rates for any telecommunications service provided to the public by virtue of any contract with, (ii) for any service provided under or relating to a contract for telecommunications services with, or (iii) contracts for service rendered by any telephone company to, the state government or any agency thereof, or by any other public utility to any municipal corporation or to the state or federal government. The provisions hereof shall not apply to or in any way affect any proceeding pending in the State Corporation Commission on or before July 1, 1950, and shall not confer on the Commission any jurisdiction not now vested in it with respect to any such proceeding.

C. The Commission may conclude that competition can effectively ensure reasonably adequate retail services in competitive exchanges and may carry out its duty to ensure that a public utility is furnishing reasonably adequate retail service in its competitive exchanges by monitoring individual customer complaints and requiring appropriate responses to such complaints.

D. An electric utility formed under or subject to Chapter 9.1 (§ 56-231.15 et seq.) may meet its duty to furnish reasonably adequate service through unregulated sales of electric power directly from one or more of its affiliates to any customer located within the cooperative's certificated service territory that contracts for electric utility services to serve a demand that is reasonably expected to exceed 90 megawatts.

E. Notwithstanding the provisions of subsection A, an electric utility may delay the provision of service to a customer with demand that is reasonably expected to exceed 90 megawatts if such delay is necessary to maintain electric grid reliability, to avoid exceeding available generation or transmission capacity constraints, or to ensure compliance with load interconnection policies issued by the Federal Energy Regulatory Commission.

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APPENDIX P

Policy recommendation #14 to 2026 General Assembly as adopted on December 4, 2025:

SCC Workgroup on Load Flexibility for Large Load Customers

House Bill 906 – Legislative Draft Number 26102101

Senate Bill 551 – Legislative Draft Number 26104617

SUMMARY

State Corporation Commission; work group; energy load flexibility protocols; high electric demand customers; report. Directs the State Corporation Commission to convene a work group to evaluate and assess energy load flexibility protocols for high electric demand customers, including any commercial or industrial customer located in the Commonwealth with an electricity demand of greater than 50 megawatts. In conducting its assessment, the work group shall consider factors as outlined in the bill, provide an analysis of the current regulatory framework in the Commonwealth regarding high electric demand customers, and develop recommendations for improving load flexibility protocols and demand response management programs by electric utilities or the regional transmission entity. The work group shall include members as outlined in the bill and shall submit a report of its findings and recommendations by November 1, 2026. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to direct the State Corporation Commission to convene a work group to evaluate and assess electric load flexibility protocols for high electric demand customers; report.

Be it enacted by the General Assembly of Virginia:

1. § 1. The State Corporation Commission (the Commission) shall convene a work group to evaluate and assess the opportunities, benefits, barriers, and regulatory frameworks for implementing electric load flexibility protocols for high electric demand customers. The work group shall include State Corporation Commission staff, Commission on Electric Utility Regulation staff, and representatives from the Office of the Attorney General, the Department of Energy, the Department of Environmental Quality, electric utilities, including electric cooperatives, high electric demand customers, clean or advanced energy business associations, environmental advocacy groups, environmental justice organizations, and consumer advocates, as well as any other stakeholders as determined by the Commission. For the purposes of this act, "high electric demand customer" means any customer within an electric utility's existing or proposed classification of service for high electric demand customers and any other retail or industrial electric service customer with an average electric demand of greater than 50 megawatts.

The work group shall complete an evaluation of regulatory frameworks and develop recommendations that can be implemented under the Commission's existing regulatory authority, legislative and

policy recommendations, and improvements for current or proposed electric load flexibility protocols, such as electric load curtailment policies, and demand response management programs by electric utilities to improve efficiency, functionality, and participation by high electric demand customers. Recommendations of the work group related to electric load curtailment policies shall be implemented in any applicable evaluation of an electric load curtailment policy conducted by the Commission and in any related regulations promulgated by the Commission until 2030.

In evaluating regulatory frameworks, the work group shall consider grid reliability, mitigating the risk of stranded assets, ensuring fairness and reasonableness for current and future retail electric service customers, and supporting the Commonwealth's clean and renewable energy goals. The work group shall provide an analysis of the current regulatory frameworks in the Commonwealth regarding high electric demand customers, including any incentives and penalties for such customers associated with participation in electric load flexibility protocols, such as electric load curtailment policies, and utilize existing demand response management programs by electric utilities, including electric cooperatives, or the regional transmission entity. The work group shall also evaluate regulatory frameworks and examples of implementation in other states and jurisdictions of electric load flexibility protocols designed to accommodate electric service to high electric demand customers, which may include procurement or development of new clean energy generating resources and energy storage resources.

In developing recommendations, the work group shall assess (i) participation requirements for existing demand response management programs, including parameters such as minimum and maximums on percentage of time or the number of hours per year of electric load reduction, the duration and frequency of such load reduction periods, notification procedures, and any applicable penalties for noncompliance; (ii) the feasibility of physical and digital technologies, including energy storage resources and backup generation resources, to assist with load flexibility and demand response management, as well as any regulatory measures recommended to incentivize the use of such technologies, ensure reliability and security of the electric grid, and mitigate any impacts of such technologies on public health; (iii) the necessary scope for demand response management programs to appropriately respond to stress and emergency events of the electric grid, including the efficacy of mandatory versus voluntary demand response management programs in achieving demand response management targets; (iv) the feasibility of participation for different types of high electric demand customers, including data centers, as defined in subdivision A 43 of § 58.1-3506 of the Code of Virginia; (v) opportunities for beneficial use of waste heat from data centers; (vi) environmental considerations such as impacts on air quality, water quality and usage, and noise and the application of such considerations in incentivizing load flexibility and demand response management; (vii) any applicable incentives and compensation methods for high electric demand customers that participate in load flexibility protocols or demand response management programs

based on such customers' level of participation in such protocols or programs and evaluations of impacts on the electric grid based on such customers' geographic locations; (viii) options for high electric demand customers to fund or construct infrastructure upgrades for transmission and distribution assets that serve such customers; and (ix) the feasibility and structure of financial investments from data centers directed toward the development of load flexibility protocols, including virtual power plants, and demand response management programs designed to benefit communities that neighbor data centers and low-income residential households.

The work group shall submit a report of its evaluation and recommendations to the State Corporation Commission, Commission on Electric Utility Regulation, House Committee on Labor and Commerce, and Senate Committee on Commerce and Labor by November 1, 2026.

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APPENDIX Q

Policy recommendation #15 to 2026 General Assembly as adopted on December 4, 2025:

Expanding Distributed Generation (DG) Energy in the Renewable Portfolio Standard (RPS)

House Bill 628 – Legislative Draft Number 26104385

SUMMARY

Electric utilities; renewable energy portfolio standard program requirements; power purchase agreements. Amends certain renewable energy portfolio standard program requirements for Dominion Energy Virginia, including (i) the annual percentage of program requirements to be met with behind-the-meter solar, wind, or anaerobic digestion resources of three megawatts or less located in the Commonwealth and (ii) the date by which 75 percent of such requirements shall be met with resources located in the Commonwealth. The bill also removes the requirement for a solar-powered or wind-powered generation facility to have a capacity of no less than 50 kilowatts to qualify for a third party power purchase agreement under a pilot program. The bill provides that it is the policy of the Commonwealth to encourage development on previously developed project sites, as defined in existing law, to reduce the land use impacts of solar development. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact §§ 56-585.5 and 56-594.02 of the Code of Virginia, relating to electric utilities; renewable energy portfolio standard program requirements; power purchase agreements.

Be it enacted by the General Assembly of Virginia:

1. That §§ 56-585.5 and 56-594.02 of the Code of Virginia are amended and reenacted as follows:

§ 56-585.5. Generation of electricity from renewable and zero-carbon sources.

A. As used in this section:

"Accelerated renewable energy buyer" means a commercial or industrial customer of a Phase I or Phase II Utility, irrespective of generation supplier, with an aggregate load over 25 megawatts in the prior calendar year, that enters into arrangements pursuant to subsection G, as certified by the Commission.

"Aggregate load" means the combined electrical load associated with selected accounts of an accelerated renewable energy buyer with the same legal entity name as, or in the names of affiliated entities that control, are controlled by, or are under common control of, such legal entity or are the names of affiliated entities under a common parent.

"Control" has the same meaning as provided in § 56-585.1:11.

"Elementary or secondary" has the same meaning as provided in § 22.1-1.

"Falling water" means hydroelectric resources, including run-of-river generation from a combined pumped-storage and run-of-river facility. "Falling water" does not include electricity generated from pumped-storage facilities.

"Low-income qualifying projects" means a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in § 56-576.

"Phase I Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Phase II Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Previously developed project site" means any property, including related buffer areas, if any, that has been previously disturbed or developed for non-single-family residential, nonagricultural, or nonsilvicultural use, regardless of whether such property currently is being used for any purpose. "Previously developed project site" includes a brownfield as defined in § 10.1-1230 or any parcel that has been previously used (i) for a retail, commercial, or industrial purpose; (ii) as a parking lot; (iii) as the site of a parking lot canopy or structure; (iv) for mining, which is any lands affected by coal mining that took place before August 3, 1977, or any lands upon which extraction activities have been permitted by the Department of Energy under Title 45.2; (v) for quarrying; or (vi) as a landfill.

"Total electric energy" means total electric energy sold to retail customers in the Commonwealth service territory of a Phase I or Phase II Utility, other than accelerated renewable energy buyers, by the incumbent electric utility or other retail supplier of electric energy in the previous calendar year, excluding an amount equivalent to the annual percentages of the electric energy that was supplied to such customer from nuclear generating plants located within the Commonwealth in the previous calendar year, provided such nuclear units were operating by July 1, 2020, or from any zero-carbon electric generating facilities not otherwise RPS eligible sources and placed into service in the Commonwealth after July 1, 2030.

"Zero-carbon electricity" means electricity generated by any generating unit that does not emit carbon dioxide as a by-product of combusting fuel to generate electricity.

B. 1. By December 31, 2024, except for any coal-fired electric generating units (i) jointly owned with a cooperative utility or (ii) owned and operated by a Phase II Utility located in the coalfield region of the Commonwealth that co-fires with biomass, any Phase I and Phase II Utility shall retire all generating units principally fueled by oil with a rated capacity in excess of 500 megawatts and all coal-fired electric generating units operating in the Commonwealth.

2. By December 31, 2045, except for biomass-fired electric generating units that do not co-fire with coal, each Phase I and II Utility shall retire all other electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity.

3. A Phase I or Phase II Utility may petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers. The Commission shall consider in-state and regional transmission entity resources and shall evaluate the reliability of each proposed retirement on a case-by-case basis in ruling upon any such petition.

C. Each Phase I and Phase II Utility shall participate in a renewable energy portfolio standard program (RPS Program) that establishes annual goals for the sale of renewable energy to all retail customers in the utility's service territory, other than accelerated renewable energy buyers pursuant to subsection G, regardless of whether such customers purchase electric supply service from the utility or from suppliers other than the utility. To comply with the RPS Program, each Phase I and Phase II Utility shall procure and retire Renewable Energy Certificates (RECs) originating from renewable energy portfolio standard eligible sources (RPS eligible sources). For purposes of complying with the RPS Program from 2021 to 2024, a Phase I and Phase II Utility may use RECs from any renewable energy facility, as defined in § 56-576, provided that such facilities are located in the Commonwealth or are physically located within the PJM Interconnection, LLC (PJM) region. However, at no time during this period or thereafter may any Phase I or Phase II Utility use RECs from (i) renewable thermal energy, (ii) renewable thermal energy equivalent, or (iii) biomass-fired facilities that are outside the Commonwealth. From compliance year 2025 and all

years after, each Phase I and Phase II Utility may only use RECs from RPS eligible sources for compliance with the RPS Program.

In order to qualify as RPS eligible sources, such sources must be (a) electric-generating resources that generate electric energy derived from solar or wind located in the Commonwealth or off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth or physically located within the PJM region; (b) falling water resources located in the Commonwealth or physically located within the PJM region that were in operation as of January 1, 2020, that are owned by a Phase I or Phase II Utility or for which a Phase I or Phase II Utility has entered into a contract prior to January 1, 2020, to purchase the energy, capacity, and renewable attributes of such falling water resources; (c) non-utility-owned resources from falling water that (1) are less than 65 megawatts, (2) began commercial operation after December 31, 1979, or (3) added incremental generation representing greater than 50 percent of the original nameplate capacity after December 31, 1979, provided that such resources are located in the Commonwealth or are physically located within the PJM region; (d) waste-to-energy or landfill gas-fired generating resources located in the Commonwealth and in operation as of January 1, 2020, provided that such resources do not use waste heat from fossil fuel combustion; (e) geothermal heating and cooling systems located in the Commonwealth; (f) geothermal electric generating resources located in the Commonwealth or physically located within the PJM region; or (g) biomass-fired facilities in operation in the Commonwealth and in operation as of January 1,

2023, that (1) supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected and are fueled by forest-product manufacturing residuals, including pulping liquor, bark, paper recycling residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass developed and enforced by the State Forester pursuant to § 10.1-1105, or (2) are owned by a Phase I or Phase II Utility, have less than 52 megawatts capacity, and are fueled by forest-product manufacturing residuals, biowastes, or biomass, as described in subdivisions A 1, 2, and 4 of § 10.1-1308.1, provided that biomass as described in subdivision A 1 of § 10.1-1308.1 results from harvesting in accordance with best management practices for the sustainable harvesting of biomass developed and enforced by the State Forester pursuant to § 10.1-1105. Regardless of any future maintenance, expansion, or refurbishment activities, the total amount of RECs that may be sold by any RPS eligible source using biomass in any year shall be no more than the number of megawatt hours of electricity produced by that facility in 2022; however, in no year may any RPS eligible source using biomass sell RECs in excess of the actual megawatt-hours of electricity generated by such facility that year. In order to comply with the RPS Program, each Phase I and Phase II Utility may use and retire the environmental attributes associated

with any existing owned or contracted solar, wind, falling water, or biomass electric generating resources in operation, or proposed for operation, in the Commonwealth or solar, wind, or falling water resources physically located within the PJM region, with such resource qualifying as a Commonwealth-located resource for purposes of this subsection, as of January 1, 2020, provided that such renewable attributes are verified as RECs consistent with the PJM-EIS Generation Attribute Tracking System.

1. The RPS Program requirements shall be a percentage of the total electric energy sold in the previous calendar year and shall be implemented in accordance with the following schedule:

a	Phase I Utilities		Phase II Utilities	
a	Year	RPS Program Requirement	Year	RPS Program Requirement
b	2021	6%	2021	14%
c	2022	7%	2022	17%
d	2023	8%	2023	20%
e	2024	10%	2024	23%
f	2025	14%	2025	26%
g	2026	17%	2026	29%

h	2027	20%	2027	32%
i	2028	24%	2028	35%
j	2029	27%	2029	38%
k	2030	30%	2030	41%
l	2031	33%	2031	45%
m	2032	36%	2032	49%
n	2033	39%	2033	52%
o	2034	42%	2034	55%
p	2035	45%	2035	59%
q	2036	53%	2036	63%
r	2037	53%	2037	67%
s	2038	57%	2038	71%
t	2039	61%	2039	75%
u	2040	65%	2040	79%
v	2041	68%	2041	83%
w	2042	71%	2042	87%

x	2043	74%	2043	91%
y	2044	77%	2044	95%
z	2045	80%	2045 and thereafter	100%
aa	2046	84%		
ab	2047	88%		
ac	2048	92%		
ad	2049	96%		
ae	2050 and thereafter	100%		

2. A Phase II Utility shall meet ~~one percent of~~ the RPS Program requirements in any given compliance year with behind-the-meter solar, wind, or anaerobic digestion resources of ~~one megawatt~~ three megawatts or less located in the Commonwealth, ~~with not~~ measured as a percentage of the Phase II Utility's RPS program requirements: (i) five percent for the 2026 through 2035 compliance years and (ii) six percent for the 2036 through 2045 compliance years. No more than 3,000 kilowatts of any such behind-the-meter solar, wind, or anaerobic digestion resources may be located at any single location or at contiguous locations owned by the same entity or affiliated entities, and, to the extent that low-income qualifying projects are available, ~~then~~ no less than 25 percent of such ~~one~~

~~percent~~ required percentage shall be composed of low-income qualifying projects. To the extent that low-income qualifying projects are not available and projects located on or adjacent to public elementary or secondary schools are available, the remainder of no less than 25 percent of such ~~one percent~~ required percentage shall be composed of projects located on or adjacent to public elementary or secondary schools. A project located on or adjacent to a public elementary or secondary school shall have a contractual relationship with such school in order to qualify for the provisions of this section.

3. Beginning with the ~~2025~~ 2027 compliance year and thereafter, at least 75 percent of all RECs used by a Phase II Utility in a compliance period shall come from RPS eligible resources located in the Commonwealth.

4. Any Phase I or Phase II Utility may apply renewable energy sales achieved or RECs acquired in excess of the sales requirement for that RPS Program to the sales requirements for RPS Program requirements in the year in which it was generated and the five calendar years after the renewable energy was generated or the RECs were created. To the extent that a Phase I or Phase II Utility procures RECs for RPS Program compliance from resources the utility does not own, the utility shall be entitled to recover the costs of such certificates at its election pursuant to § 56-249.6 or subdivision A 5 d of § 56-585.1.

5. Energy from a geothermal heating and cooling system is eligible for inclusion in meeting the requirements of the RPS Program. RECs from a geothermal heating and cooling system are created based on the amount of energy, converted from BTUs to

kilowatt-hours, that is generated by a geothermal heating and cooling system for space heating and cooling or water heating. The Commission shall determine the form and manner in which such RECs are verified.

D. Each Phase I or Phase II Utility shall petition the Commission for necessary approvals to procure zero-carbon electricity generating capacity as set forth in this subsection and energy storage resources as set forth in subsection E. To the extent that a Phase I or Phase II Utility constructs or acquires new zero-carbon generating facilities or energy storage resources, the utility shall petition the Commission for the recovery of the costs of such facilities, at the utility's election, either through its rates for generation and distribution services or through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1. All costs not sought for recovery through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 associated with generating facilities provided by sunlight or onshore or offshore wind are also eligible to be applied by the utility as a customer credit reinvestment offset as provided in subdivision A 8 of § 56-585.1. Costs associated with the purchase of energy, capacity, or environmental attributes from facilities owned by the persons other than the utility required by this subsection shall be recovered by the utility either through its rates for generation and distribution services or pursuant to § 56-249.6.

1. Each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 600

megawatts of generating capacity using energy derived from sunlight or onshore wind.

a. By December 31, 2023, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

b. By December 31, 2027, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

c. By December 31, 2030, each Phase I Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of additional

generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase I Utility.

d. Nothing in this subdivision 1 shall prohibit such Phase I Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 600 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, ~~which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and~~ 35 percent of ~~such~~ which generating capacity ~~procured~~ shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates, and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's

Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts. At least ~~200~~ 1,000 megawatts of the 16,100 megawatts shall be placed on previously developed project sites. Thirty-five percent of such generating capacity on previously developed project sites shall be procured from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates. The 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project, and 65 percent of such generation capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates.

a. By December 31, 2024, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

b. By December 31, 2027, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 3,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

c. By December 31, 2030, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 4,000 megawatts of additional generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

d. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 6,100 megawatts of additional generating capacity located in the Commonwealth using energy

derived from sunlight or onshore wind, and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar or onshore wind facilities owned by persons other than the utility, with the remainder, in the aggregate, being from construction or acquisition by such Phase II Utility.

e. Nothing in this subdivision 2 shall prohibit such Phase II Utility from constructing, acquiring, or entering into agreements to purchase the energy, capacity, and environmental attributes of more than 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, provided the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. Nothing in this section shall prohibit a utility from petitioning the Commission to construct or acquire zero-carbon electricity or from entering into contracts to procure the energy, capacity, and environmental attributes of zero-carbon electricity generating resources in excess of the requirements in subsection B. The Commission shall determine whether to approve such petitions on a stand-alone basis pursuant to §§ 56-580 and 56-585.1, provided that the Commission's review shall also consider whether the proposed generating capacity (i) is necessary to meet the utility's native load, (ii) is likely to lower customer fuel costs, (iii) will provide economic development opportunities in the Commonwealth, and (iv) serves a need that cannot be more affordably met with demand-side or energy storage resources.

Each Phase I and Phase II Utility shall, at least once every year, conduct a request for proposals for new solar and wind resources. Such requests shall quantify and describe the utility's need for energy, capacity, or renewable energy certificates. The requests for proposals shall be publicly announced and made available for public review on the utility's website at least 45 days prior to the closing of such request for proposals. The requests for proposals shall provide, at a minimum, the following information: (a) the size, type, and timing of resources for which the utility anticipates contracting; (b) any minimum thresholds that must be met by respondents; (c) major assumptions to be used by the utility in the bid evaluation process, including environmental emission standards; (d) detailed instructions for preparing bids so that bids can be evaluated on a consistent basis; (e) the preferred general location of additional capacity; and (f) specific information concerning the factors involved in determining the price and non-price criteria used for selecting winning bids. A utility may evaluate responses to requests for proposals based on any criteria that it deems reasonable but shall at a minimum consider the following in its selection process: (1) the status of a particular project's development; (2) the age of existing generation facilities; (3) the demonstrated financial viability of a project and the developer; (4) a developer's prior experience in the field; (5) the location and effect on the transmission grid of a generation facility; (6) benefits to the Commonwealth that are associated with particular projects, including regional economic development and the use of goods and services from Virginia businesses; and (7) the environmental impacts of particular

resources, including impacts on air quality within the Commonwealth and the carbon intensity of the utility's generation portfolio.

4. In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage projects behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section; (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, including those resources not exceeding three megawatts or placed on previously developed project sites pursuant to subdivision 2; and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other

provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

5. If, in any year, a Phase I or Phase II Utility is unable to meet the compliance obligation of the RPS Program requirements or if the cost of RECs necessary to comply with RPS Program requirements exceeds $45 per megawatt hour, such supplier shall be obligated to make a deficiency payment equal to $45 for each megawatt-hour shortfall for the year of noncompliance, except that the deficiency payment for any shortfall in procuring RECs for solar, wind, or anaerobic digesters located in the Commonwealth shall be $75 per megawatts hour for resources ~~one megawatt~~ three megawatts and lower. The amount of any deficiency payment shall increase by one percent annually after 2021. A Phase I or Phase II Utility shall be entitled to recover the costs of such payments as a cost of compliance with the requirements of this subsection pursuant to subdivision A 5 d of § 56-585.1. All proceeds from the deficiency payments shall be deposited into an interest-bearing account administered by the Department of Energy. In administering this account, the Department of Energy shall manage the account as follows: (i) 50 percent of total revenue shall be directed to job training programs in historically economically disadvantaged communities; (ii) 16 percent of total revenue shall be directed to energy efficiency measures for public facilities; (iii) 30 percent of total revenue shall be directed to renewable energy programs located in historically economically

disadvantaged communities; and (iv) four percent of total revenue shall be directed to administrative costs.

For any project constructed pursuant to this subsection or subsection E, a utility shall, subject to a competitive procurement process, procure equipment from a Virginia-based or United States-based manufacturer using materials or product components made in Virginia or the United States, if reasonably available and competitively priced.

6. The provisions of this section are in furtherance of the Commonwealth's interest in the health, safety, and welfare of its citizens, including by increasing fuel and resource diversity within the Commonwealth, minimizing the risk and exposure to capacity market pricing volatility, enhancing the reliability and resilience of the Commonwealth's electric system, minimizing emissions of sulfur dioxide, nitrogen oxide, particulate matter, and other pollution that adversely affect public health and the environment in the Commonwealth, and meeting goals to limit carbon dioxide emissions under the laws of the Commonwealth.

E. To enhance reliability and performance of the utility's generation and distribution system, each Phase I and Phase II Utility shall petition the Commission for necessary approvals to construct or acquire new, utility-owned energy storage resources.

1. By December 31, 2035, each Phase I Utility shall petition the Commission for necessary approvals to construct or acquire 400 megawatts of energy storage capacity. Nothing in this subdivision shall prohibit a Phase I Utility from constructing or acquiring more than 400 megawatts of energy storage, provided that the utility

receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

2. By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct or acquire 2,700 megawatts of energy storage capacity. Nothing in this subdivision shall prohibit a Phase II Utility from constructing or acquiring more than 2,700 megawatts of energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.

3. No single energy storage project shall exceed 500 megawatts in size, except that a Phase II Utility may procure a single energy storage project up to 800 megawatts.

4. All energy storage projects procured pursuant to this subsection shall meet the competitive procurement protocols established in subdivision D 3.

5. After July 1, 2020, at least 35 percent of the energy storage facilities placed into service shall be (i) purchased by the public utility from a party other than the public utility or (ii) owned by a party other than a public utility, with the capacity from such facilities sold to the public utility. By January 1, 2021, the Commission shall adopt regulations to achieve the deployment of energy storage for the Commonwealth required in subdivisions 1 and 2, including regulations that set interim targets and update existing utility planning and procurement rules. The regulations shall include programs and mechanisms to deploy energy storage, including competitive solicitations, behind-the-meter incentives, non-wires alternatives programs, and peak demand reduction programs.

F. All costs incurred by a Phase I or Phase II Utility related to compliance with the requirements of this section or pursuant to § 56-585.1:11, including (i) costs of generation facilities powered by sunlight or onshore or offshore wind, or energy storage facilities, that are constructed or acquired by a Phase I or Phase II Utility after July 1, 2020, (ii) costs of capacity, energy, or environmental attributes from generation facilities powered by sunlight or onshore or offshore wind, or falling water, or energy storage facilities purchased by the utility from persons other than the utility through agreements after July 1, 2020, and (iii) all other costs of compliance, including costs associated with the purchase of RECs associated with RPS Program requirements pursuant to this section shall be recovered from all retail customers in the service territory of a Phase I or Phase II Utility as a non-bypassable charge, irrespective of the generation supplier of such customer, except (a) as provided in subsection G for an accelerated renewable energy buyer or (b) as provided in subdivision C 3 of § 56-585.1:11, with respect to the costs of an offshore wind generation facility, for a PIPP eligible utility customer or an advanced clean energy buyer or qualifying large general service customer, as those terms are defined in § 56-585.1:11. If a Phase I or Phase II Utility serves customers in more than one jurisdiction, such utility shall recover all of the costs of compliance with the RPS Program requirements from its Virginia customers through the applicable cost recovery mechanism, and all associated energy, capacity, and environmental attributes shall be assigned to Virginia to the extent that such costs are requested but not recovered from any system customers outside the Commonwealth.

By September 1, 2020, the Commission shall direct the initiation of a proceeding for each Phase I and Phase II Utility to review and determine the amount of such costs, net of benefits, that should be allocated to retail customers within the utility's service territory which have elected to receive electric supply service from a supplier of electric energy other than the utility, and shall direct that tariff provisions be implemented to recover those costs from such customers beginning no later than January 1, 2021. Thereafter, such charges and tariff provisions shall be updated and trued up by the utility on an annual basis, subject to continuing review and approval by the Commission.

G. 1. An accelerated renewable energy buyer may contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain (i) RECs from RPS eligible resources or (ii) bundled capacity, energy, and RECs from solar or, wind, or zero-carbon electricity generation resources located within the PJM region and initially placed in commercial operation after January 1, 2015, including any contract with a utility for such generation resources that does not allocate the cost of such resources to or recover the cost of such resources from any other customers of the utility that have not voluntarily agreed to pay such cost. Such an accelerated renewable energy buyer may offset all or a portion of its electric load for purposes of RPS compliance through such arrangements. An accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS compliance costs pursuant to subsection F, with the exception of the costs of an offshore wind generating facility pursuant to § 56-585.1:11, based on the amount of

RECs obtained pursuant to this subsection in proportion to the customer's total electric energy consumption, on an annual basis. An accelerated renewable energy buyer may also contract with a Phase I or Phase II Utility, or a person other than a Phase I or Phase II Utility, to obtain capacity from energy storage facilities located within the network service area of the utility pursuant to this subsection, provided that the costs of such resources are not recovered from any of the utility's customers who have not voluntarily agreed to pay for such costs. Such accelerated renewable energy buyer shall be exempt from the assignment of non-bypassable RPS Program compliance costs specifically associated with energy storage facilities pursuant to this subsection in proportion to the customer's total capacity demand on an annual basis. An accelerated renewable energy buyer obtaining RECs only shall not be exempt from costs related to procurement of new solar or onshore wind generation capacity, energy, or environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, however, an accelerated renewable energy buyer that is a customer of a Phase II Utility and was subscribed, as of March 1, 2020, to a voluntary companion experimental tariff offering of the utility for the purchase of renewable attributes from renewable energy facilities that requires a renewable facilities agreement and the purchase of a minimum of 2,000 renewable attributes annually, shall be exempt from allocation of the net costs related to procurement of new solar or onshore wind generation capacity, energy, or environmental attributes, or energy storage facilities, by the utility pursuant to subsections D and E, based on the amount of RECs associated with the customer's

renewable facilities agreements associated with such tariff offering as of that date in proportion to the customer's total electric energy consumption, on an annual basis. To the extent that an accelerated renewable energy buyer contracts for the capacity of new solar or wind generation resources or energy storage facilities pursuant to this subsection, the aggregate amount of such nameplate capacity shall be offset from the utility's procurement requirements pursuant to subsection D. All RECs associated with contracts entered into by an accelerated renewable energy buyer with the utility, or a person other than the utility, for an RPS Program shall not be credited to the utility's compliance with its RPS requirements, and the calculation of the utility's RPS Program requirements shall not include the electric load covered by customers certified as accelerated renewable energy buyers.

2. Each Phase I or Phase II Utility shall certify, and verify as necessary, to the Commission that the accelerated renewable energy buyer has satisfied the exemption requirements of this subsection for each year, or an accelerated renewable energy buyer may choose to certify satisfaction of this exemption by reporting to the Commission individually. The Commission may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection.

3. Provided that no incremental costs associated with any contract between a Phase I or Phase II Utility and an accelerated renewable energy buyer is allocated to or recovered from any other customer of the utility, any such contract with an accelerated renewable energy buyer that is a jurisdictional customer of the utility

shall not be deemed a special rate or contract requiring Commission approval pursuant to § 56-235.2.

4. The State Corporation Commission shall ensure that any distribution and transmission costs associated with new energy generation resources procured pursuant to subsection G of § 56-585.5 of the Code of Virginia, as amended by this act, are justly and reasonably allocated.

H. No customer of a Phase II Utility with a peak demand in excess of 100 megawatts in 2019 that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to April 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS Program requirements. No customer of a Phase I Utility that elected pursuant to subdivision A 3 of § 56-577 to purchase electric energy from a competitive service provider prior to February 1, 2019, shall be allocated any non-bypassable charges pursuant to subsection F for such period that the customer is not purchasing electric energy from the utility, and such customer's electric load shall not be included in the utility's RPS Program requirements.

I. In any petition by a Phase I or Phase II Utility for a certificate of public convenience and necessity to construct and operate an electrical generating facility that generates electric energy derived from sunlight submitted pursuant to § 56-580, such utility shall demonstrate that the proposed facility was subject to

competitive procurement or solicitation as set forth in subdivision D 3.

J. Notwithstanding any contrary provision of law, for the purposes of this section, any falling water generation facility located in the Commonwealth and commencing commercial operations prior to July 1, 2024, shall be considered a renewable energy portfolio standard (RPS) eligible source.

K. Nothing in this section shall apply to any entity organized under Chapter 9.1 (§ 56-231.15 et seq.).

L. The Commission shall adopt such rules and regulations as may be necessary to implement the provisions of this section, including a requirement that participants verify whether the RPS Program requirements are met in accordance with this section.

§ 56-594.02. Solar-powered or wind-powered electricity generation; power purchase agreements; pilot programs.

A. The Commission shall conduct pilot programs under which a person that owns or operates a solar-powered or wind-powered electricity generation facility located on premises owned or leased by an eligible customer-generator, as defined in § 56-594, shall be permitted to sell the electricity generated from such facility exclusively to such eligible customer-generator under a power purchase agreement used to provide third party financing of the costs of such a renewable generation facility (third party power purchase agreement), subject to the following terms, conditions, and restrictions:

1. Notwithstanding subsection G of § 56-580 or any other provision of law, a pilot program shall be conducted within the

certificated service territory of each investor-owned electric utility ("Pilot Utility");

2. Except as provided in this subdivision, both jurisdictional and nonjurisdictional customers may participate in such pilot programs on a first-come, first-serve basis. The aggregated capacity of all generation facilities that are subject to such third party power purchase agreements at any time during the pilot program shall not exceed 500 megawatts for Virginia jurisdictional customers and 500 megawatts for Virginia nonjurisdictional customers. Such limitation on the aggregated capacity of such facilities shall constitute a portion of the existing limit of six percent of each Pilot Utility's adjusted Virginia peak-load forecast for the previous year that is available to eligible customer-generators pursuant to subsection E of § 56-594. Notwithstanding any provision of this section that incorporates provisions of § 56-594, the seller and the customer shall elect either to (i) enter into their third party power purchase agreement subject to the conditions and provisions of the Pilot Utility's net energy metering program under § 56-594 or (ii) provide that electricity generated from the generation facilities subject to the third party power purchase agreement will not be net metered under § 56-594, provided that an election not to net meter under § 56-594 shall not exempt the third party power purchase agreement and the parties thereto from the requirements of this section that incorporate provisions of § 56-594;

3. A solar-powered or wind-powered generation facility with a capacity of ~~no less than 50 kilowatts and~~ no more than three megawatts shall be eligible for a third party power purchase

agreement under a pilot program~~; however, if the customer under such agreement is a low-income utility customer, as defined in § 56-576, or is an entity with tax-exempt status in accordance with § 501(c) of the Internal Revenue Code of 1954, as amended, then such facility is eligible for the pilot program even if it does not meet the 50 kilowatts minimum size requirement~~. The maximum generation capacity of three megawatts shall not affect the limits on the capacity of electrical generating capacities of 25 kilowatts for residential customers and three megawatts for nonresidential customers set forth in subsection B of § 56-594, which limitations shall continue to apply to net energy metering generation facilities regardless of whether they are the subject of a third party power purchase agreement under the pilot program;

4. A generation facility that is the subject of a third party power purchase agreement under the pilot program shall serve only one customer, and a third party power purchase agreement shall not serve multiple customers;

5. The customer under a third party power purchase agreement under the pilot program shall be subject to the interconnection and other requirements imposed on eligible customer-generators pursuant to subsection C of § 56-594, including the requirement that the customer bear the reasonable costs, as determined by the Commission, of the items described in clauses (a) and (b) of such subsection;

6. A third party power purchase agreement under the pilot program shall not be valid unless it conforms in all respects to the requirements of the pilot program conducted under the provisions of

this section and unless the Commission and the Pilot Utility are provided written notice of the parties' intent to enter into a third party power purchase agreement not less than 30 days prior to the agreement's proposed effective date; and

7. An affiliate of the Pilot Utility shall be permitted to offer and enter into third party power purchase arrangements on the same basis as may any other person that satisfies the requirements of being a seller under a third party power purchase agreement under the pilot program.

B. The Commission shall review the pilot program established pursuant to subsection A in 2015 and every two years thereafter during the pilot program. In its review, the Commission shall determine whether the limitations in subdivisions A 2 and 3 should be expanded, reduced, or continued.

C. Any third party power purchase agreement that is not entered into pursuant to the pilot program established pursuant to subsection A is prohibited in the Pilot Utility's service territory, unless such third party power purchase agreement is entered into between a licensed supplier and a retail customer pursuant to § 56-577 where such supplier is responsible for serving 100 percent of the load requirements for each retail customer account it serves.

D. If the Commission approves a tariff proposed for electric power provided 100 percent from renewable energy that serves 100 percent of the load requirements for each retail customer account it serves under such tariff, hereafter referred to as a "green tariff," such a green tariff shall not be available to any party to a third party power purchase agreement for the account being served by such power

purchase agreement, and such an agreement shall remain in effect notwithstanding the approval of the green tariff.

E. Nothing in this section shall be construed as (i) rendering any person, by virtue of its selling electric power to an eligible customer-generator under a third party power purchase agreement entered into pursuant to the pilot program established under this section, a public utility or a competitive service provider, (ii) imposing a requirement that such a person meet 100 percent of the load requirements for each retail customer account it serves, or (iii) affecting third party power purchase agreements in effect prior to July 1, 2013.

F. Nothing in this section shall abridge any rights of either party to an agreement between a Pilot Utility and a group purchasing organization acting on behalf of Virginia local governments regarding the purchase of electric service.

G. The Commission shall, by December 1, 2013, establish guidelines concerning (i) information to be provided in notices required under subdivision A 6 and (ii) procedures for aggregating and posting to the Commission's web site information derived from the aforesaid notices, including total capacity utilized by pilot projects for which notice has been received and capacity remaining available for future pilot projects. In addition, the Commission may adopt such rules or establish such guidelines as may be necessary for its general administration of the pilot program established under this section.

3. That it is the policy of the Commonwealth to encourage the development of electric generation projects on previously

developed project sites, as defined in § 56-585.5 of the Code of Virginia, as amended by this act, to reduce the land use impacts of solar development.

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APPENDIX R

Policy recommendation #16 to 2026 General Assembly as adopted on December 4, 2025:

Shared Solar in Appalachian Power Company Service Territory

House Bill 809 – Legislative Draft Number 26103023

Senate Bill 255 – Legislative Draft Number 26104619

SUMMARY

Electric utilities; shared solar programs; Phase I Utility. Amends certain provisions related to the shared solar program established by the State Corporation Commission for Appalachian Power Company. The bill permits excess bill credits to be distributed to shared solar subscribers more than once annually. The bill also requires the utility in administering its shared solar program to require net crediting functionality for customer utility bills, as described in the bill. The bill directs the Commission to update its regulations and Appalachian Power to file any tariffs, agreements, or forms necessary to implement the provisions of the bill by March 1, 2027. This bill is a recommendation of the Commission on Electric Utility Regulation.

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 56-594.4 of the Code of Virginia, relating to electric utilities; shared solar programs; Phase I Utility.

Be it enacted by the General Assembly of Virginia:

1. That § 56-594.4 of the Code of Virginia is amended and reenacted as follows:

§ 56-594.4. Shared solar programs; Phase I Utility.

A. As used in this section:

"Administrative cost" means the reasonable incremental cost to the investor-owned utility to process subscribers' bills for the program.

"Applicable bill credit rate" means the dollar-per-kilowatt-hour rate used to calculate the subscriber's bill credit.

"Bill credit" means the monetary value of the electricity, in kilowatt-hours, generated by the shared solar facility allocated to a subscriber to offset that subscriber's electricity bill.

"Dual-use agricultural facility" means agricultural production and electricity production from solar photovoltaic panels occurring simultaneously on the same property.

"Gross bill" means the amount that a customer would pay to the utility based on the customer's monthly energy consumption before any bill credits are applied.

"Incremental cost" means any cost directly caused by the implementation of the shared solar program that would not have

occurred absent the implementation of the shared solar program.

"Minimum bill" means an amount determined by the Commission under subsection D that a subscriber is required to, at a minimum, pay on the subscriber's utility bill each month after accounting for any bill credits.

"Net bill" means the resulting amount a customer must pay the utility after deducting the bill credit from the customer's monthly gross bill.

"Phase I Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

"Shared solar facility" means a facility that:

1. Generates electricity by means of a solar photovoltaic device with a nameplate capacity rating that does not exceed 5,000 kilowatts of alternating current;

2. Is interconnected with the distribution system of an investor-owned electric utility within the Commonwealth;

3. Has at least three subscribers;

4. Has at least 40 percent of its capacity subscribed by customers with subscriptions of 25 kilowatts or less; and

5. Is located on a single parcel of land.

"Shared solar program" or "program" means the program created through the adoption of rules to allow for the development of shared solar facilities.

"Subscriber" means a retail customer of a utility that (i) owns one or more subscriptions of a shared solar facility that is interconnected with the utility and (ii) receives service in the service

territory of the same utility in whose service territory the shared solar facility is interconnected.

"Subscriber organization" means any for-profit or nonprofit entity that owns or operates one or more shared solar facilities. A subscriber organization shall not be considered a utility solely as a result of its ownership or operation of a shared solar facility. A subscriber organization licensed with the Commission shall be eligible to own or operate shared solar facilities in more than one investor-owned utility service territory.

"Subscription" means a contract or other agreement between a subscriber and the owner of a shared solar facility. A subscription shall be sized such that the estimated bill credits do not exceed the subscriber's average annual bill for the customer account to which the subscription is attributed.

"Utility" means a Phase I Utility.

B. The Commission shall establish by regulation a program that affords customers of a Phase I Utility the opportunity to participate in shared solar projects. Under its shared solar program, ~~a~~ the utility shall provide a bill credit for the proportional output of a shared solar facility attributable to that subscriber. The shared solar program shall be administered as follows:

1. The value of the bill credit for the subscriber shall be calculated by multiplying the subscriber's portion of the kilowatt-hour electricity production from the shared solar facility by the applicable bill credit rate for the subscriber. Any amount of the bill credit that exceeds the subscriber's monthly bill, minus the minimum bill, shall be carried over and applied to the next month's bill.

2. The utility shall provide bill credits to a shared solar facility's subscribers for not less than 25 years from the date the shared solar facility becomes commercially operational.

3. The subscriber organization shall, on a monthly basis and in a standardized electronic format, and pursuant to guidelines established by the Commission, provide to the utility a subscriber list indicating the percentage of ~~shared solar~~ generation capacity attributable to each of the subscribers participating in a shared solar facility in accordance with the subscriber's portion of the output of the shared solar facility.

4. Subscriber lists may be updated monthly to reflect canceling subscribers and to add new subscribers. The utility shall apply bill credits to subscriber bills within two billing cycles following the cycle during which the energy was generated by the shared solar facility.

5. Each utility shall, on a monthly basis and in a standardized electronic format, provide to the subscriber organization a report indicating the total value of bill credits generated by the shared solar facility in the prior month, as well as the amount of the bill credit applied to each subscriber.

6. A subscriber organization may accumulate bill credits in the event that all of the electricity generated by a shared solar facility is not allocated to subscribers in a given month. ~~On an annual basis and pursuant~~ Pursuant to guidelines established by the Commission, the subscriber organization shall furnish to the utility allocation instructions for distributing excess bill credits to subscribers. A

subscriber organization may elect to distribute excess bill credits more frequently than once per year.

7. Any renewable energy certificates associated with a shared solar facility shall be distributed to ~~a Phase I Utility~~ the utility to be retired for compliance with such ~~Phase I Utility's~~ utility's renewable portfolio standard obligations pursuant to subsection C of § 56-585.5.

8. Projects shall be entitled to receive incentives when they are located on rooftops, brownfields, or landfills, are dual-use agricultural facilities, or meet the definition of another category established by the Department of Energy pursuant to this section.

C. Each subscriber shall pay a minimum bill, established pursuant to subsection D, and shall receive an applicable bill credit based on the subscriber's customer class of residential, commercial, or industrial. Each class's applicable credit rate shall be calculated by the Commission annually by dividing revenues to the class by sales, measured in kilowatt-hours, to that class to yield a bill credit rate for the class ($/kWh).

D. ~~The~~ By December 31, 2026, the Commission shall establish a minimum bill, which shall include the costs of all utility infrastructure and services used to provide electric service and administrative costs of the shared solar program. The Commission may modify the minimum bill over time. In establishing the minimum bill, the Commission shall (i) consider further costs the Commission deems relevant to ensure subscribing customers pay a fair share of the costs of providing electric services, (ii) minimize the costs shifted to customers not in a shared solar program, and (iii) calculate the benefits of shared solar to the electric grid and to the

Commonwealth and deduct such benefits from other costs. The Commission shall explicitly set forth its findings as to each cost and benefit, or other value used to determine such minimum bill.

E. The Commission shall approve a shared solar program of 50 megawatts or six percent of peak load, whichever is less.

F. The Commission shall establish by regulation a shared solar program that complies with the provisions of subsections B, C, D, and E by January 1, 2025, and shall require each utility to file any tariffs, agreements, or forms necessary for implementation of the program by July 1, 2025. Any rule or utility implementation filings approved by the Commission shall:

1. Reasonably allow for the creation of shared solar facilities;

2. Allow all customer classes to participate in the program;

3. Encourage public-private partnerships to further the Commonwealth's clean energy and equity goals, such as state agency and affordable housing provider participation as subscribers of a shared solar program;

4. Not remove a customer from its otherwise applicable customer class in order to participate in a shared solar facility;

5. Reasonably allow for the transferability and portability of subscriptions, including allowing a subscriber to retain a subscription to a shared solar facility if the subscriber moves within the same utility's service territory;

6. Establish standards, fees, and processes for the interconnection of shared solar facilities that allow the utility to recover reasonable interconnection costs for each shared solar facility;

7. Adopt standardized consumer disclosure forms;

8. Allow the utility the opportunity to recover reasonable costs of administering the program;

9. Ensure nondiscriminatory and efficient requirements and utility procedures for interconnecting projects;

10. Allow for the co-location of two or more shared solar facilities on a single parcel of land and provide guidelines for determining when two or more such facilities are co-located;

11. Include a program implementation schedule;

12. Prohibit credit checks as a means of establishing eligibility for residential customers to become subscribers;

13. Require a customer's affirmative consent by written or electronic signature before providing access to customer billing and usage data to a subscriber organization;

14. Establish customer engagement rules and minimum rules for education, contract reviews, and continued engagement;

15. Require net crediting functionality. Under net crediting, the utility shall include the shared solar subscription fee on the customer's utility bill and provide the customer with a net credit equivalent to the total bill credit value for that generation period minus the shared solar subscription fee as set by the subscriber organization. The net crediting fee shall not exceed one percent of the bill credit value. Net crediting shall be optional for subscriber organizations, and any shared solar subscription fees charged via the net crediting model shall be set to ensure that subscribers do not pay more in subscription fees than the amount received in bill credits for any billing period;

16. Require net financial savings for low-income customers, as that term is defined in § 56-594.3, of at least 10 percent, relative to the subscription fee throughout the life of the subscription; and

~~16.~~ 17. Allow the utility to recover as the cost of purchased power pursuant to § 56-249.6 any difference between the bill credit provided to the subscriber and the cost of energy injected into the grid by the subscriber organization.

~~G. Within 180 days of finalization of the Commission's adoption of regulations for the shared solar program, a utility shall begin crediting subscriber accounts of each shared solar facility interconnected in its service territory, subject to the requirements of this section and regulations adopted thereto.~~

2. That the State Corporation Commission shall update its regulations on shared solar programs to comply with the provisions of this act by December 31, 2026, and shall require each participating utility to file any tariffs, agreements, or forms necessary for implementation of such shared solar programs by March 1, 2027.

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APPENDIX S

Executive Branch Agency Update on Federal Grant Applications and Awards, Spring 2025

SENATE OF VIRGINIA

SCOTT A. SUROVELL
MAJORITY LEADER
34TH SENATORIAL DISTRICT
PART OF FAIRFAX COUNTY
POST OFFICE BOX 289
MOUNT VERNON, VIRGINIA 22121

COMMITTEE ASSIGNMENTS:
COURTS OF JUSTICE, CHAIR
COMMERCE AND LABOR
FINANCE AND APPROPRIATIONS
REHABILITATION AND SOCIAL SERVICES
RULES

February 5, 2025

The Honorable Glenn Davis, Director
Virginia Department of Energy
1100 Bank Street, 8th Floor
Richmond, VA 23219

Bryan Horn, Director
Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

Mike Rolband, Director
Department of Environmental Quality
1111 East Main Street, Suite 1400
Richmond, VA 23219

Dear Glenn, Bryan, and Mike:

Re: Trump Administration actions regarding federal energy grants

As Chairman of the Commission on Electric Utility Regulation (CEUR) I'm writing to request a written update on the status of energy-related grants and awards from the federal government to programs at the Virginia Department of Energy (Virginia Energy), Department of Environmental Quality (DEQ), and the Department of Housing and Community Development (DHCD).

One of the powers and duties of the CEUR per 30-205.4 is to "Monitor applications by the Commonwealth for grants and awards for energy projects from the federal government."

Please provide a detailed written response to my office no later than Wednesday, February 12, 2025, including the following information: program title; state agency or body administering the application, grant or award; total funding dollar amounts applied for or awarded to the Virginia body; accessibility of the funds if awarded; and project implementation schedules, including anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients.

The awards of interest include but are not limited to the following energy-related programs, grants or awards.

Virginia Energy

1. State Energy Program (annual allocation);
2. State Energy Program Special Projects: Carbon Storage Feasibility; Rural Virginia Electric Vehicle Charging Infrastructure; Renewable Energy Technology Recycling and Circular Waste Market Landscape Analysis (and others in the SEP Special Projects portfolio)
3. Greenhouse Gas Reduction Fund: Solar for All
4. Energy Efficiency Conservation Block Grant Program;
5. Energy Efficiency Revolving Loan Fund;
6. Home Energy Rebates (HOMES and HEAR);
7. Virginia Grid Reliability Improvement Program (VGRIP);
8. Grid Resilience Innovation Partnership (GRIP) grant relating to data centers and others from the Grid Deployment Office (GDO);
9. Renewable Energy Siting through Technical Engagement and Planning (R-STEP);
10. Abandoned Mine Land Economic Revitalization Program;
11. Loan Programs Office commitments;
12. Other energy related programs through the Inflation Reduction Act (IRA) and Infrastructure Investments and Jobs Act (IIJA)

DEQ

1. Climate Pollution Reduction Grants;
2. Other energy-related programs through the Inflation Reduction Act (IRA) and Infrastructure Investments and Jobs Act (IIJA)

DHCD

1. Weatherization Assistance for Low-Income Persons (WAP);
2. Low-Income Home Energy Assistance Program (LIHEAP);
3. Other energy-related programs through the Inflation Reduction Act (IRA) and Infrastructure Investments and Jobs Act (IIJA)

Thank you for your immediate attention to this request. Please submit materials via email no later than **Wednesday, February 12, 2025**, to my office at senatorsurovell@senate.virginia.gov and copy the CEUR Executive Director Carrie Hearne at chearne@ceur.virginia.gov so that these actions can be accounted for in the State Budget.

Very Truly,

Senator Scott A. Surovell
34th District

CC: Senator L. Louise Lucas
Delegate Luke E. Torian
Speaker Don L. Scott

COMMONWEALTH OF VIRGINIA
VIRGINIA DEPARTMENT OF ENERGY
1100 Bank Street (8th Floor), Richmond, VA 23219
Office: (804) 692-3200 | TDD: (800) 828-1120

The Honorable Scott Surovell
Majority Leader
34th Senatorial District
P.O. Box 289
Mount Vernon, VA 22121

March 19, 2025

Dear Senator Surovell,

I am responding on behalf of the Virginia Department of Energy (Virginia Energy), Department of Environmental Quality (DEQ), and the Department of Housing and Community Development (DCHD).

Per your request, attached is a list of grants and awards for energy projects from the federal government. As of today, all of the funds for grants awarded and meeting their respective award conditions are available. I'm sure you will be impressed by the number of energy grants and amount of dollars this administration has been awarded. As impressive, is the quickness that the Trump administration was able to thoroughly review these programs and grants upon taking office to allow their continuity.

I also recently had the opportunity to meet with many of the department heads at the US Department of Energy including the Loan Program Office and am excited about future assistance the Department may provide for nuclear and natural gas projects; the two energy sources Virginia must expand to ensure the lights stay on for our citizens.

As always, please feel free to contact me if you have any questions.

Sincerely,

Glenn R. Davis
Director

Energy Projects – Federal Grants and Awards

1. **State Energy Program (annual allocation):**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $2,685,240
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: July 1, 2023
        ii. Accessibility of the funds awarded: Funds Available
        iii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Contracts underway.
        iv. Anticipated project completion date: June 30, 2025

2. **State Energy Program Special Projects under SEP IIJA**
    a. State agency or body administering the application: Virginia Energy/VCEIB
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $9,509,490
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: April 1, 2023
        ii. Accessibility of the funds awarded: Funds Available
        iii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients:
        iv. Anticipated project completion date: March 31, 2028
        v. Projects include:
            1. Carbon Capture, Utilization and Storage Feasibility
            2. Rural Virginia Electric Vehicle Charging Infrastructure
            3. Southwest Virginia Hydrogen Production Hub Planning Grants
            4. Transmission and Distribution Planning
            5. Electric Power Load Forecasting
            6. Microgrid Development for Resiliency
            7. Clean Energy Workforce Development
            8. Economic Development Energy Readiness

9. Attracting an advanced recycling processing facility (Virginia Market feasibility study)

3. **Greenhouse Gas Reduction Fund: Solar for All:**
    a. State agency or body administering the application: Virginia Energy/VCEIB
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $156,120,000 awarded in September 2024.
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: One-year Planning Stage began December 2024.
        ii. Accessibility of the funds awarded: Funds Available
        iii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: January 2026
        iv. Anticipated project completion date: December 2029

4. **Energy Efficiency Conservation Block Grant Program:**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $2,646,050 awarded in May 2024.
        ii. Accessibility of the funds awarded: Funds Available
    c. Project implementation schedules:
        i. Anticipated or historic project start date: September 2024
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: In process of awarding sub-grants to eligible local governments.
        iii. Anticipated project completion date: May 2027

5. **Training for Residential Energy Contractors-Formula:**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts conditionally awarded to the Virginia body: $3,393,040
        ii. Virginia Energy has made no external contractual obligations on conditionally awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: As soon as additional award criteria are met.

ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: As soon as additional award criteria are met.
iii. Anticipated project completion date: 4-year period of performance, 2029

6. **Energy Auditors Training Program:**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $2,000,000.
        ii. In contract negotiations.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: Dependent on contract negotiation process.
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Dependent on contract negotiation process.
        iii. Anticipated project completion date: 3-year period of performance once work commences.

7. **Energy Efficiency Revolving Loan Fund:**
    a. State agency or body administering the application: Virginia Energy/VCEIB
    b. Grant or award:
        i. Total funding dollar amounts conditionally awarded to the Virginia body: $11,417,950 conditional award issued January 2025.
        ii. Accessibility of the funds if fully awarded: Conditional award requires approval from Federal Contract Officer with Modification for Final Approval.
        iii. Virginia Energy has made no external contractual obligations on conditionally awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: Once access to funding is granted.
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: As early as possible in 2025.
        iii. Anticipated project completion date: 2030

8. **Home Energy Rebates (HOMES and HEAR):**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:

i. Total funding dollar amounts awarded & conditionally awarded to the Virginia body: $4,625,149.80 July 2024 & $188,334,635 in January 2025 respectively.
ii. Accessibility of the funds if fully awarded: Awarded funds are available. Conditional awarded funds require approval from Contract Officer with Modification for Final Approval.
iii. Awarded funds are for administrative costs which include personnel and operational costs for which we have obligations.
iv. Virginia Energy has no external obligations for the conditionally awarded funds.

c. Project implementation schedules:
i. Anticipated or historic project start date: Planning since October 2023.
ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: As early as possible in 2025.
iii. Anticipated project completion date: 2029

9. **Transmission Siting and Economic Development Program:**
a. State agency or body administering the application: Virginia Energy/VCEIB
b. Grant or award:
i. Total funding dollar amounts conditionally awarded to the Virginia body: $8,380,735
ii. Accessibility of the funds if fully awarded: Funds available once conditions met.
iii. Virginia Energy has no external obligations for the conditionally awarded funds.
c. Project implementation schedules:
i. Anticipated or historic project start date: Dependent on conditional funding.
ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Dependent on funding.
iii. Anticipated project completion date: 4-year period of performance.

10. **40101d-Virginia Grid Reliability Improvement Program (VGRIP):**
a. State agency or body administering the application: Virginia Energy/VCEIB
b. Grant or award:
i. Total funding dollar amounts awarded to the Virginia body: $17,388,393
ii. Accessibility of the funds awarded: Funds Available
iii. Virginia Energy has no external obligations for awarded funds.
c. Project implementation schedules:
i. Anticipated or historic project start date: Round 1 estimate Q3 2025

ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Estimated Q3 2025.
iii. Anticipated project completion date: Timeline varies depending on project start date, size, and/or scope.

11. **Grid Resilience Innovation Partnership (GRIP) grant relating to data centers and others from the Grid Deployment Office (GDO):**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts conditionally awarded to the Virginia body: Conditional award of $85,433,351 received January 2025.
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has no external obligations for the conditionally awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: Estimate Q3 2025
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Estimated Q3 2025
        iii. Anticipated project completion date: Estimated Q2, 2031

12. **Renewable Energy Siting through Technical Engagement and Planning (R-STEP):**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $1,980,000
        ii. Project in contract negotiations.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 3 to 4 months after contract negotiations.
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: 6-8 months after contract negotiations.
        iii. Anticipated project completion date: 3 years after project start date.

13. **Mid-Atlantic Electrification Program:**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $5,388,154 in direct federal funding.
        ii. Accessibility of the funds awarded: Funds Available
        iii. Subgrants were selected and administered. All but two contracts are closed. The remaining two have been extended until September 30, 2025, to complete administration of remaining funds.

c. Project implementation schedules:
    i. Anticipated or historic project start date: 10/01/2020
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Time frame is completed. Existing sub-awards extended until September 30, 2025, for completion of program.
    iii. Anticipated project completion date: 09/30/2025

14. **Charging and Fueling Infrastructure Program:**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $10,797,461
        ii. Accessibility of the funds if awarded: Award announced but contract with U.S. Department of Transportation not yet negotiated.
        iii. Contract negotiations.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: To be determined, dependent on negotiations.
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Timelines unclear as award contract negotiations with U.S. DOT must still take place.
        iii. Anticipated project completion date: 12/31/2030

15. **Renewables Advancing Community Energy Resiliency (RACER):**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $999,927
        ii. Accessibility of the funds awarded: Funds Available
    c. Project implementation schedules:
        i. Anticipated or historic project start date: September 2023
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: August 2025
        iii. Anticipated project completion date: September 2025

16. **Loan Programs Office Commitments**
    a. State agency or body administering the application – Virginia Energy/VCEIB
    b. Grant or award:
        i. Total funding dollar amounts applied for or awarded to the Virginia body
            1. There are multiple companies in the hydrogen, solar, SMR, Carbon spaces working with LPO and our office on applications for funding from LPO.
        ii. Accessibility of the funds if awarded

1. To the applicant, not the agency

c. Project implementation schedules:
    i. Anticipated or historic project start date
        1. Varies
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients.
        1. Unknown due to current hold on funds
    iii. Anticipated project completion date
        1. Unknown

17. **Climate Pollution Reduction Grants**
    a. State agency or body administering the application: Department of Environmental Quality
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $80,800,000
        ii. Accessibility of the funds awarded: Virginia Energy is working towards entering subaward agreement with DEQ.
        iii. Virginia Energy has made no external contractual obligations on awarded funds until clarification received from DEQ.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: Projected start date was 7/1/24, however since subaward contract negotiations are ongoing, that date will need to adjust once the subaward agreement is secured.
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Virginia Energy is a subrecipient of DEQ.
        iii. Anticipated project completion date: 5-year period of performance. Estimated 6/30/2029 but will be adjusted based on project start date.

18. **Carbon Storage Assurance Facility Enterprise (CarbonSAFE): Phases III, III.5, and IV**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts conditionally awarded to the Virginia body: $5,582,302; budget amendment under review for new total award of $6,220,346
        ii. Virginia Energy has made no external contractual obligations on conditionally awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: Conditional award started on 01/01/2025.

ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Estimated Q3 of calendar year 2025; subrecipients invoiced throughout the entire grant period.
iii. Anticipated project completion date: 12/31/2025

19. **FY 2022 IIJA AML**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $22,790,474
        ii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 11/01/2022
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Each of the projects vary on start and end dates and the grant allocations are given out to contractors.
        iii. Anticipated project completion date: 10/31/2027

20. **FY 2023 IIJA AML**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $22,779,530
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 11/01/2023
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Each of the projects vary on start and end dates and the grant allocations are given out to contractors.
        iii. Anticipated project completion date: 10/31/2028

21. **FY2024 IIJA AML**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $23,075,826.30
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has not entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 11/01/2024

ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Individual Contracts are awarded to Subcontractors for AML Remediation at various times for different projects within the period of performance. No projects are currently contracted out under this grant.
iii. Anticipated project completion date: 10/31/2029

22. **Mitigating Emissions from Marginal Conventional Wells**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $2,643,702
        ii. Accessibility of the funds awarded: Funds Available
        iii. Virginia Energy has not entered into external contractual obligations utilizing awarded funds.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 12/01/2023
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Work is anticipated to be contracted out beginning in July 2025.
        iii. Anticipated project completion date: 09/30/2028

23. **Earth MRI Regolith Characterization Grant**
    a. State agency or body administering the application: North Carolina Department of Environmental Quality
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $106,911
        ii. Accessibility of the funds awarded: This is a direct bill reimbursement. We are not able to request funds per awarding agency.
        iii. Virginia Energy does not engage externally with contracts on this grant.
    c. Project implementation schedules:
        i. Anticipated or historic project start date: 07/06/2023
        ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A (Virginia Energy is the subrecipient)
        iii. Anticipated project completion date: 06/30/2026

24. **Data Preservation Inventory Grant - 2023-2025**
    a. State agency or body administering the application: Virginia Energy
    b. Grant or award:
        i. Total funding dollar amounts awarded to the Virginia body: $251,445.03
            1. Priority 1: $196,506.23
            2. Priority 2: $35,616.00

3. Priority 3: $19,322.80
   ii. Accessibility of the funds awarded: Funds Available
   iii. Virginia Energy does not engage externally with contracts on this grant.
c. Project implementation schedules:
   i. Anticipated or historic project start date: 04/01/2023
   ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Contract Employees will be completing work throughout the project period of 04/01/23 – 07/31/25.
   iii. Anticipated project completion date: 07/31/2025

25. **Data Preservation 2024-2025**
   a. State agency or body administering the application: Virginia Energy
   b. Grant or award:
      i. Total funding dollar amounts awarded to the Virginia body: $115,285.56
         1. Priority 1: $44,636.06
         2. Priority 2: $70,649.50
      ii. Accessibility of the funds awarded: Funds available
      iii. Virginia Energy does not engage externally with contracts on this grant.
   c. Project implementation schedules:
      i. Anticipated or historic project start date: 04/01/2024
      ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Contract Employees will be completing work throughout the project period of 04/01/24 – 03/31/25.
      iii. Anticipated project completion date: 03/31/2025

26. **FY 2024 Coastal Zone Management Grant Award**
   a. State agency or body administering the application: Department of Environmental Quality
   b. Grant or award:
      i. Total funding dollar amounts awarded to the Virginia body: $59,671
      ii. Accessibility of the funds awarded: This is a direct bill reimbursement. We can request funds per awarding agency.
      iii. Virginia Energy does not engage externally with contracts on this grant.
   c. Project implementation schedules:
      i. Anticipated or historic project start date: 10/01/2024
      ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A (Virginia Energy is the subrecipient)
      iii. Anticipated project completion date: 09/30/2025

27. Abandoned Mined Land Economic Revitalization Program 2017
   a. State agency or body administering the application: Virginia Energy

b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 9/25/19
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

28. Abandoned Mined Land Economic Revitalization Program 2018

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 8/7/19
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

29. Abandoned Mined Land Economic Revitalization Program 2019

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 2/18/2020
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

30. Abandoned Mined Land Economic Revitalization Program 2020

a. State agency or body administering the application: Virginia Energy

b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 9/16/2020
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

31. Abandoned Mined Land Economic Revitalization Program 2021

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 11/30/2021
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

32. Abandoned Mined Land Economic Revitalization Program 2022

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $10,652,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 11/6/20203
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

33. Abandoned Mined Land Economic Revitalization Program 2023

a. State agency or body administering the application: Virginia Energy

b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $11,739,333
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 1/3/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Ongoing
    iii. Anticipated project completion date: 06/30/2027; however, funds are available until last dollar expended with annual submission of one-year extension.

34. Abandoned Mined Land Economic Revitalization Program 2024

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $11,000,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. This was a direct deposit from DOI/OSMRE instead of a deposit in ASAP system.
    iv. Virginia Energy has not entered into external contractual obligations utilizing awarded funds as of today.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 7/1/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Has not begun yet, anticipate accepting applications Q1 2025.
    iii. Anticipated project completion date: Funds are available until last dollar expended with annual submission of one-year extension.

35. Abandoned Mined Land Traditional Grant 2022

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $5,212,976.31
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 4/1/2022
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Projects/Work on this grant was initiated when funds received in April 2022.

iii. Anticipated project completion date: 03/31/2025; however, we have asked for a 6-month extension due to BIL AML "pause" of funding. We have some funds to support emergencies available in this grant but not enough to cover the full impact of paused BIL AML funding.

36. Abandoned Mined Land Traditional Grant 2023

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $4,265,424.71
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 4/1/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Projects/Work on this grant was initiated when funds received in April 2023.
    iii. Anticipated project completion date: 03/31/2026

37. Abandoned Mined Land Traditional Grant 2024

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $2,829,000
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 4/1/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Projects/Work on this grant was initiated when funds received in April 2024.
    iii. Anticipated project completion date: 03/31/2027

38. Abandoned Mined Land Traditional Grant 2025

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts applied for by the Virginia body: $3,500,000
    ii. Accessibility of the funds if awarded: Awaiting approval, application submitted.
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:

i. Anticipated or historic project start date: Anticipated award date is 4/1/2025.
ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: Projects/Work on this grant will be initiated when funds are received. Anticipated award date of April 2025.
iii. Anticipated project completion date: 03/31/2028

39. Regulatory Administration & Enforcement Grant 2025

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $3,745,679
    ii. Accessibility of the funds awarded: Partial funds received in the amount of $841,841. Final deposit is forthcoming.
    iii. Virginia Energy does not enter into external contractual obligations for this award.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 1/1/2025
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A, Virginia Energy does not make subawards or contracts on this grant.
    iii. Anticipated project completion date: 12/31/2025

40. Mine Health Safety Administration 2024

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $246,837
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has not entered into external contractual obligations for this grant and does not do so as part of the program.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 9/24/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    iii. Anticipated project completion date: 9/30/2025

41. Brookwood Sago 2023

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $50,000
    ii. Accessibility of the funds awarded: Funds available
    iii. Virginia Energy has not entered into external contractual obligations.

c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 9/28/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: NA
    iii. Anticipated project completion date: 9/30/2025

42. State Map 2024

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $373,106
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 8/31/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    iii. Anticipated project completion date: 8/31/2025

43. State Map 2025

a. State agency or body administering the application: Virginia Energy
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $643,976
    ii. Accessibility of the funds awarded: Funds Available
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 8/18/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 8/31/2026

44. Energy Element Recovery C02

a. State agency or body administering the application: Virginia Tech
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $151,724
    ii. Accessibility of the funds awarded: Virginia Energy is a subrecipient of Virginia Tech.
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 06/23/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 04/13/2026

45. C02 Assessment in Mid-Atlantic

a. State agency or body administering the application: Virginia Tech
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $181,511
    ii. Accessibility of the funds awarded: Virginia Energy is a subrecipient of Virginia Tech. Funding is executed through direct billing.
    iii. Virginia Energy has entered into external contractual obligations utilizing awarded funds.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 12/01/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 8/31/2025

46. Natural Resource Stewardship

a. State agency or body administering the application: National Park Service
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $77,613.35
    ii. Accessibility of the funds awarded: Virginia Energy is a subrecipient for this grant.
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 09/03/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 02/28/2027

47. SE COOP

a. State agency or body administering the application: South Carolina Department of Natural Resources
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $75,000
    ii. Accessibility of the funds awarded: Virginia Energy is a subrecipient. Funding is executed through direct billing.
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 07/31/2023
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 07/31/2025

48. BRIC

a. State agency or body administering the application: Virginia Department of Emergency Management
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $545,653
    ii. Accessibility of the funds awarded: Virginia Energy is a subrecipient. Funding is executed through direct billing.
    iii. Virginia Energy has not entered into external contractual obligations.
c. Project implementation schedules:
    i. Anticipated or historic project start date: Award received 03/25/2024
    ii. Anticipated or known timeframes for awarding sub-grant allocations to eligible beneficiaries, contractors or recipients: N/A
    Anticipated project completion date: 02/16/2027

49. Weatherization Assistance Program Formula

a. State agency or body administering the application: Virginia Department of Housing and Community Development
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $17,500,168
c. Project implementation schedules:
    i. Individual project implementation schedules determined by subgrantee/contractor for each project in coordination with homeowner.

50. Weatherization Assistance Program IIJA

a. State agency or body administering the application: Virginia Department of Housing and Community Development
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $65,591,635
    ii. 50% awarded as of June 2024; remaining 50% upon meeting certain benchmarks
c. Project implementation schedules:
    i. Individual project implementation schedules determined by subgrantee/contractor for each project in coordination with homeowner.

51. Low-Income Home Energy Assistance Program (LIHEAP)

a. State agency or body administering the application: Virginia Department of Social Services provides subaward to Virginia Department of Housing and Community Development
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $15,214,407
c. Project implementation schedules:

i. Individual project implementation schedules determined by subgrantee/contractor for each project in coordination with homeowner.

52. IIJA Resilient and Efficient Codes Implementation (RECI)

a. State agency or body administering the application: Virginia Department of Housing and Community Development
b. Grant or award:
c. Total funding dollar amounts awarded to the Virginia body: $1,800,000 subject to entry into mutually acceptable cooperative agreement.
d. Project implementation schedules:
    i. TBD

53. Climate Pollution Reduction Grant (Award # 5D95316001)

a. State agency or body administering the application: Virginia Department of Environmental Quality
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $3,000,000
    ii. Accessibility of the funds awarded: Open & Available in ASAP system
c. Project implementation schedules:
    i. 2024 - Submit Priority Climate Action Plan (PCAP) to EPA - March 1, 2024 (COMPLETED)
    ii. 2025- Submit Comprehensive Climate Action Plan (CCAP)
    iii. 2027 - Submit Plan Implementation Status Report

54. Climate Pollution Reduction Grant (Award # 5E953A0032)

a. State agency or body administering the application: Virginia Department of Environmental Quality, Virginia Energy is subrecipient of $80,800,000 for Project 1 (as listed above in item #17). Project funding contains two other projects with awards of $9,500,000 for Project 2 and $9,600,000 for Project 3.
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $99,000,000
    ii. Accessibility of the funds awarded: Open & Available in ASAP system
c. Project implementation schedules:
    i. Project 1:
        1. 2025 - Program design and requests for project proposals
        2. 2026 - Project permitting, equipment procurement and installation
        3. 2027 - Begin operations and perform initial performance assessments
        4. 2028 - Installation of additional wells and related equipment
        5. 2029 - Comprehensive project assessment and performance reporting"
    ii. Project 2:

1. 2025 - Program design, information collection, and requests for project proposals
2. 2026 - Pre-installation planning and project permitting
3. 2027 - Procurement and equipment installation and testing
4. 2028 - begin operations an perform initial performance assessments
5. 2029 - Ongoing monitoring and project assessment and performance reporting"

iii. Project 3:

1. 2025 - Program design and development of outreach and engagement materials
2. 2026 - Launch program, request for projects, and subaward selections
3. 2027 - Implement and monitor projects
4. 2028 - Continue project implementations and initial performance assessments
5. 2029 - Ongoing monitoring and project assessment and performance reporting

55. Climate Pollution Reduction Grant

a. State agency or body administering the application: North Carolina Department of Natural and Cultural Resources
b. Grant or award:
   i. Total funding dollar amounts awarded to the Virginia body: $50,000,000
   ii. Accessibility of the funds awarded: Award pending.
c. Project implementation schedules:
   1. 2025 - Complete the planning/permitting of projects, hire additional DWR staff, and land acquisition as needed
   2. 2026 - Construction of most projects begins
   3. 2027 - Continued construction of projects
   4. 2028 - Initial project evaluation and future planning
   5. 2029 - Project closeout and final project performance reporting **This schedule is for the overall grant, not specific to the 10 Virginia projects involved**

56. Pollution Prevention Grants Program (Award # 4U95304001)

a. State agency or body administering the application: Virginia Department of Environmental Quality
b. Grant or award:
   i. Total funding dollar amounts awarded to the Virginia body: $59,939
   ii. Accessibility of the funds awarded: Open & Available in ASAP system
c. Project implementation schedules:

i. 1/25 to 3/25 - Virginia Green Conference. Planning, hosting, and follow-up for conference. Conference scheduled for March 20 & 21. Requisition for conference sponsorship to be submitted in Feb 2025.
ii. 2/25 to 7/25 - Second set of pollution prevention on-site assessments. Requisition to be submitted by March 2025.
iii. 6/25 to 9/25 - Data Collection & Report. Coordinate awards program to collect implementation data. Partner with industry group to host/present awards. Awards ceremony support expenses anticipated September 2025.

57. Pollution Prevention Grants Program (Award # 4U-953A0099)

a. State agency or body administering the application: Virginia Department of Environmental Quality
b. Grant or award:
    i. Total funding dollar amounts awarded to the Virginia body: $ $235,391
    ii. Accessibility of the funds awarded: Open & Available in ASAP system
c. Project implementation schedules:
    i. 1/25 to 3/25 - Virginia Green Conference. Planning, hosting, and follow-up for conference. Conference scheduled for March 20 & 21. Requisition for conference sponsorship to be submitted in Feb 2025.
    ii. 2/25 to 7/25 - Second set of pollution prevention on-site assessments. Requisition to be submitted by March 2025.
    iii. 6/25 to 9/25 - Data Collection & Report. Coordinate awards program to collect implementation data. Partner with industry group to host/present awards. Awards ceremony support expenses anticipated September 2025.

APPENDIX T

Staff Overview of Energy Provisions from H.R.1, the "One Big Beautiful Bill Act" (Trump Administration 2025 Reconciliation Tax Package)

CEUR
Commission on
Electric Utility Regulation

COMMISSION ON ELECTRIC UTILITY REGULATION

STAFF SUMMARY AND ANALYSIS OF THE ONE BIG BEAUTIFUL BILL ACT: TRUMP ADMINISTRATION 2025 RECONCILIATION TAX PACKAGE

On July 4, 2025, President Donald J. Trump signed into law the "One Big Beautiful Bill Act" which is a budget reconciliation law passed by the 119th US Congress[1]. This bill contains various tax and spending policies that reflect the Trump Administration's second-term agenda, including but not limited to individual tax rates, Medicare program policies, military defense allocations, border security, student loan provisions, and phase-out of Biden-era Inflation Reduction Act ("IRA") clean energy tax credits and clean energy grant and loan programs.

This document represents a high-level overview of the energy-related provisions of the One Big Beautiful Bill Act ("OBBBA" or "the Act"). The final page shows economic modeling on the estimated impacts from the Act on Virginia's economy, workforce, and consumers (ratepayers). Economic impact estimates are presented from one modeling firm Energy Innovation which demonstrates expected economic and job losses the Act is expected to cost Virginia through 2035.

Following passage of the Act, President Trump issued an executive order ("EO") on July 7, 2025 that would strictly enforce the termination of the investment and production tax credits for wind and solar facilities. The EO is also briefly summarized in this document.

The OBBBA significantly limits incentives for solar and wind development of all forms. These industries now face compressive windows to secure tax credits before they are eliminated for these technologies. Incentives for battery storage, nuclear, geothermal, carbon capture, clean fuels, and hydrogen are substantially maintained, though additional restrictions regarding foreign entities were added. A shorter eligibility timeline for the hydrogen incentive is also now in place. The electric vehicles industry was among the hardest hit, with tax credits for EVs expiring in 2025.

[1] H.R.1 - One Big Beautiful Bill Act, July 4, 2025, https://www.congress.gov/bill/119th-congress/house-bill/1

The changes enacted in the OBBBA may have implications for economic development and the siting of new energy generation or manufacturing projects in Virginia. It also may have an impact on planned energy grant or loan programs previously applied for through the Inflation Reduction Act of 2022 if funds were not yet obligated under contract.

1. WIND (45Y and 48E): Wind facilities that begin construction after 1 year from bill enactment (July 2026) will be required to be placed in service by Dec. 31, 2027, to receive the tech-neutral production tax credit ("PTC," Section 45Y) and tech-neutral investment tax credits ("ITC," Section 48E). The proposed excise tax of up to 50% for wind projects for violation of the material assistance cost ratio with respect to materials obtained from prohibited foreign entities was omitted from the final bill.

   In Virginia, Dominion Energy's Coastal Virginia Offshore Wind project ("CVOW") will likely not be affected by OBBBA. However, the development of new wind resources is unlikely in the foreseeable future due to high project development costs in the face of this less favorable tax regime, among other factors. Furthermore, the Hampton Roads region of Virginia has positioned itself to be the offshore wind development hub for the nation, in anticipation of the growth opportunity that offshore wind presents as a unique economic development strategy.[2] Wind projects support construction and operations jobs, expand the tax base in communities, and generate new demand for regional manufacturing.

2. SOLAR (45Y and 48E): No form of solar fared well in the final bill. Commercial and utility-scale solar facilities that begin construction beyond one year from bill enactment (i.e. July 2026) are now required to be placed in service by Dec. 31, 2027, to receive the ITC or PTC. A steep excise tax provision on imported solar modules and other equipment was stripped from the final Senate version.

   Utilities are expected to continue to honor Virginia's legal requirements per the Virginia Clean Economy Act ("VCEA"), such as clean energy build targets that contribute to the renewable portfolio standard ("RPS"). Solar energy, in particular utility-scale solar, is still the fastest resource to deploy and utility scale solar energy generation is very cost competitive. But local permitting and regional interconnection issues persist. Nationally, the industry may see support from certain state legislative bodies through new or continued incentives such as state tax credits, rebates or grants to not only bring down the costs for project owners but to ensure the addition of megawatt hours of electricity production onto the grid.

3. RESIDENTIAL SOLAR (25D): In addition to this rapid drawdown on tax credits for large projects, a significant change with a much shorter timeline goes into effect for residential rooftop solar projects. The 30 percent residential clean energy credit (Section 25D) will now expire completely on December 31, 2025.

[2] Hampton Roads Alliance, "Offshore Wind," from July 10, 2025, https://hamptonroadsalliance.com/offshore-wind/

For residential PV projects, payback periods are modeled to increase between 40-60% across the country per Ohm Analytics[3]. This is expected to result in negative fiscal impacts to smaller companies, for smaller projects, and developers solely focused on the residential solar market. It will additionally have implications for the state's $156 million "Solar for All" grant program, awarded to Virginia Department of Energy through the EPA Greenhouse Gas Reduction Fund, and obligated under an active contract. The program will likely require an administrative amendment to decrease the overall number of beneficiaries and projects the program can serve given the changed tax credit landscape. Virginia's residential-serving solar contractor network and workforce will undoubtedly face challenges without increased support through state incentives, utility programs, or other financial investments.

4. STORAGE (45Y and 48E): Battery energy storage projects are treated better than expected in the final bill. Storage projects were excluded from the "placed in service" requirements for projects to earn the PTC and ITC tax credits. Similar to all other non-solar or wind projects, including storage, nuclear, geothermal, hydropower and hydrogen, the credit phases out after 2032 and remains on the original statutory timeline. Projects will receive 100% in 2033, 75% in 2034, 50% in 2035 and 0% in 2036 and beyond. Homeowners would not be allowed to claim the residential clean energy credit (Section 25D) for battery storage systems as it will now expire completely on December 31, 2025.

5. GEOTHERMAL (45Y, 48E): The OBBBA provides that, for all non-solar and non-wind clean energy technologies such as geothermal, the ITC and PTC will remain available at their full value through 2033, 75% of their value in 2034, and 50% of their value in 2035, with final phase-out in 2036. However, homeowners would not be allowed to claim the residential clean energy credit (Section 25D) or the energy efficient home improvement credit (Section 25C) for geothermal heat-pumps as they will now expire completely on December 31, 2025.

6. CLEAN HYDROGEN PRODUCTION (45V): Clean hydrogen production facilities beginning construction before Jan. 1, 2028, would remain eligible for credits under Section 45V, with no applicable foreign entity of concern (FEOC) requirements. The 45V tax credit will expire on Jan. 1, 2028, five years earlier than originally provided under the IRA.

7. NUCLEAR (45U, 45Y, 48E): New nuclear projects can tap incentives under the zero-emission nuclear power production credit (Section 45U) if they start construction before 2033. The tax credit is set to expire on December 31, 2032, as initially established. Transferability would continue to be available for the duration of the credit period. FEOC restrictions were added as follows: after enactment the taxpayer cannot be a specified foreign entity, and 2 years after enactment the taxpayer cannot be a foreign-influenced entity. Additionally, the initial proposed

[3] The New York Times, "Why Rooftop Solar Could Crash Under the G.O.P. Tax Bill," June 11, 2025, https://www.nytimes.com/2025/06/11/climate/rooftop-solar-republicans-congress.html

prohibition of use of imported nuclear fuel sourced from China, Russia, Iran or North Korea under Section 45U was removed in the final bill. Nuclear facilities can also tap into the ITC and PTC tax credits, following the existing post-2033 phase out schedule: phasing down after 2032, at 100% in 2033, 75% in 2034, 50% in 2035, and 0% in 2036.

Investors and utilities are not necessarily looking at deployment of nuclear energy projects solely due to tax credits. Advanced nuclear deployment is far enough out that these tax credit changes will not necessarily have an impact on their development, however it may change the anticipated capital structure needs to make projects financially viable, potentially resulting in longer lead-times for energy production from these emerging technologies. In the meantime, private and public sector announcements for advanced nuclear energy development continue to move forward in Virginia, most recently from Virginia Department of Energy's Clean Energy Innovation Bank awarding funding in SW Virginia to help prepare the region for advanced nuclear deployment[4].

8. ELECTRIC VEHICLES (25E, 30D, 45W, 30C): EV tax credits such as the used clean vehicle credit, new clean vehicle credit, and the qualified commercial clean vehicles credit (respectively Section 25E, Section 30D, Section 45W) now have an end date of September 30, 2025. Tax credits for installing charging stations at a residence or business (Section 30C) will expire on June 30th, 2026. A proposed provision to force the U.S. Postal Service to scrap its new electric vehicles as well as a separate proposal to charge an annual fee on EV or hybrid vehicle registration was omitted in the final bill.

   EV sales are expected to continue forward as the vehicles demonstrate market competitiveness in their appealing product to consumers (e.g. high performance and lower maintenance costs over time). However, there may be cost impacts to consumers, auto dealers and auto makers in the absence of the federal incentive. With OBBBA ending the $7,500 federal tax credit for new EVs and the $4,000 credit for used EVs, the vehicles will be more expensive for consumers unless makers, dealers or states can offer a similar incentive. Many states offer a state-level EV incentive program in the form of grants, rebates or state level tax credit, but many other states offer none. The patchwork of state level incentives may become more apparent to consumers in the absence of the federal tax credit.

9. ENERGY EFFICIENCY (179D, 45L, 25C): The energy efficient commercial building deduction (Section 179D) and the new energy efficient home credit (Section 45L) are scheduled to expire after will be terminated after June 30, 2026. The home energy efficiency credit (Section 25C) will expire after December 31, 2025.

[4] Virginia Clean Energy Innovation Bank, "Virginia Moves Forward on Advanced Nuclear Deployment in Southwest Virginia," July 8, 2025, https://energy.virginia.gov/public/documents/newsroom/2025/Virginia%20Move_Press_.pdf

Despite the elimination of certain efficiency provisions, the IRA residential energy efficiency rebate programs have been awarded and contracted ("obligated") to Virginia Department of Energy, with over $94.3 million under program administration for the Comprehensive Home Energy Rebates ("HOMES") program, and $93.9 million under program administration for the High Efficiency and Appliance Rebates ("HEAR") program. Only "unobligated" IRA funds are retracted through OBBBA, so this IRA-funded program should move forward in Virginia, with expected program rollout in early 2026.

10. ADVANCED MANUFACTURING (45X): The advanced manufacturing production tax credit (Section 45X) for most eligible components remains the same: 75% by 2030, 50% by 2031, 25% by 2032, and 0% after December 31, 2032. The credit for wind energy components is terminated after December 31, 2027. Critical minerals (excluding metallurgical coal) would be subject to a new, accelerated phase-out schedule, departing from the current timeline: 75% in 2031, 50% in 2032, 25% in 2033, and 0% after 2033. Metallurgical coal produced after December 31, 2029, is no longer eligible to claim the tax credit. Additional requirements for battery modules were established, and no credits for integrated components will be allowed after December 31, 2026. FEOC restrictions have been added.

    In Virginia's Southside region, last November Governor Youngkin announced that Microporous LLC, a leading manufacturer of battery separators, will invest $1.35 billion to establish a new manufacturing facility in Pittsylvania County.[5] Investments of advanced manufacturing projects such as this may be impacted in the future with this new scheduled decline in federal tax credits.

11. CARBON CAPTURE (45Q): The credit for carbon oxide sequestration (Section 45Q) retains its current structure and full eligibility through 2032. FEOC restrictions have been added.

12. CLEAN FUELS (45Z): The clean fuel production credit (Section 45Z) is extended through 2029 but limited to U.S.-Mexico-Canada feedstocks and restricted by foreign entity bans.

13. FOREIGN ENTITY OF CONCERN (FEOC) RESTRICTIONS: Starting in 2026, taxpayers will be unable to claim the 45Y, 48E, and 45X tax credits if they are a prohibited foreign entity (specified or foreign-influenced entity). The Secretary of the Treasury must issue guidance on "effective control" by December 31, 2026.

14. TRANSFERABILITY: There is no deadline on the transfer of credits (Section 6418); however, transfers of credits under 45Q, 45U, 45X, 45Y, 45Z, or 48E to a "specified foreign entity" would be prohibited. Additional FEOC requirements would apply to credits under

[5] Virginia Business Magazine, "Pittsylvania megasite wins $1.3B battery separator project," November 13, 2024, https://virginiabusiness.com/pittsylvania-co-megasite-wins-1-3b-lithium-ion-battery-project/

sections 45Y,48E, and 45X, but do not apply to credits under sections 45U, 45Q, 45Z, and 48.

15. DIRECT PAY: Similar to transferability, direct pay (Section 6417) is preserved in the OBBBA. However, the recipients will be subject to clawbacks if underlying credits are disallowed as a result of a failure to comply with material assistance provisions.

16. NATURAL GAS: While the OBBBA does not explicitly change tax treatment for natural gas facilities, it is important to note that there are significant supply chain delays for constructing new natural gas plants. According to S&P Global, wait times for new natural gas turbines are up to seven (7) years[6].

17. IRA GRANTS: Many IRA programs such as the Greenhouse Gas Reduction Fund are being repealed IF UNOBLIGATED. Many of these programs from the IRA such as Solar for All and Home Energy Rebates have been officially contracted with state agencies such as Virginia Department of Energy.[7] However, if funds were awarded but not contracted, it is not clear how federal agencies will treat the term "unobligated." They are likely at risk of being pulled back if not under a signed contract agreement.

18. ENERGY ASSISTANCE: From CEUR staff analysis it appears that the Low-Income Heating and Energy Assistance Program ("LIHEAP") will remain funded in the foreseeable future, however it is unclear if federal administrative staff will be reinstated to support program needs while states implement the program and deploy federal funds.

19. PJM INTERCONNECTION QUEUE: Impacts on projects in the queue will only be truly understood when and if projects withdraw. Despite tax credit changes, projects could proceed with commencing construction to begin operations, depending on financial stability. However, inquiries are being made to industry trade associations and their developer member companies to assess the viability of projects under the new tax regime.

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[6] S&P Global "US gas-fired turbine wait times as much as seven years; costs up sharply," May 20, 2025, https://www.spglobal.com/commodity-insights/en/news-research/latest-news/electric-power/052025-us-gas-fired-turbine-wait-times-as-much-as-seven-years-costs-up-sharply

[7] Virginia Department of Energy "Grant Tracker," July 10, 2025, https://energy.virginia.gov/grants-and-programs/grants-tracker.shtml

Executive Order "Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources":

On July 7, 2025, President Trump issued an EO directing the Secretary of the Treasury to publish guidance within 45 days following enactment of the One Big Beautiful Bill Act to strictly enforce the termination of 45Y and 48E tax credits for wind and solar facilities. Specifically, it seeks to "ensure that policies concerning the 'beginning of construction' are not circumvented," "revise any identified regulations, guidance, policies, and practices [...] to eliminate any such preferences for wind and solar facilities" and "implement the enhanced Foreign Entity of Concern restrictions in the law."[8]

Modeling from Energy Innovation: Economic Impacts of OBBBA on Virginia

Energy Innovation is a non-partisan energy policy think tank that provides science-based research to decision-makers to support policy design. Energy Innovation developed the Energy Policy Simulator (EPS) model, an open-source, peer-reviewed tool that uses government data to model the combined effects of different policies. The numbers below reflect the most current economic modeling, using inputs based on the final passed "One Big Beautiful Bill Act."[9] These figures were updated and presented by Energy Innovation on July 7, 2025.

OVERALL ECONOMIC IMPACTS IN VIRGINIA:

Cumulative GDP loss in Virginia (2025-2034)
$17 billion

ENERGY GENERATION CAPACITY LOSSES IN VIRGINIA:

Generation capacity lost by 2035:
17 Gigawatts (GW)

Solar capacity lost by 2035:
15 GW

Battery capacity lost by 2035:
1.1 GW

[8] The White House "Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources," July 7, 2025, https://www.whitehouse.gov/presidential-actions/2025/07/ending-market-distorting-subsidies-for-unreliable-foreign%e2%80%91controlled-energy-sources/

[9] Energy Innovation, "Economic Impacts of the "One Big Beautiful Bill Act" Energy Provisions on Virginia," July 8, 2025, https://energyinnovation.org/wp-content/uploads/OBBBA-impacts-on-Virginia.pdf

Natural gas capacity lost by 2035:
.05 GW

ELECTRICITY COST INCREASES IN VIRGINIA:

Wholesale electricity costs in 2035 with One Big Beautiful Bill Act:
$6.2 billion USD

Comparison of previous policy landscape for wholesale electricity costs in 2035:
$3.3 billion USD

Range in 2035 electricity rate increases (across residential, commercial, and industrial):
9-14%

Increase in annual energy costs per household by 2030:
$110

Increase in annual energy costs per household by 2035:
$250

LOST JOBS IN VIRGINIA:

Lost jobs in Virginia by 2030 (cumulative):
11,000

Lost jobs in Virginia by 2035 (cumulative):
17,000

The above data set reflects outputs and estimated economic impacts from one model. All models are future-oriented and known to have limitations on certainty. Staff of the Commission on Electric Utility Regulation (CEUR) will continue to review other models and sources of information to develop an informed perspective on the impacts from this federal policy. CEUR welcomes input on alternative sources.

Questions or comments may be sent to CEUR Executive Director Carrie Hearne via email: chearne@ceur.virginia.gov. Learn more about the Commission on Electric Utility Regulation online at ceur.virginia.gov.

Disclaimer: this memorandum has been developed by the Commission on Electric Utility Regulation to help inform decision-makers and the general public on the potential economic and energy system impacts in Virginia. This information is not meant to be comprehensive, but rather a summary for general informational purposes only. It should not be used as a substitute for advice from a qualified legal attorney.