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## SENATE BILL NO. 257

Offered January 9, 2002

Prefiled January 8, 2002

*A BILL to amend the Code of Virginia by adding a section numbered 56-586.1, relating to electric utility restructuring; electric energy emergencies; penalty.*

Patron—Watkins

Referred to Committee on Commerce and Labor

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

**1. That the Code of Virginia is amended by adding a section numbered 56-586.1 as follows:**

**§ 56-586.1. Electric energy emergencies.**

A. As used in this section, "electric energy emergency" means an unplanned interruption in the generation or transmission of electricity resulting from a hurricane, ice storm, windstorm, earthquake or similar natural phenomena, or from a criminal act, act of war or act of terrorism, which interruption is (i) of such severity that minimum levels of reliable service cannot be maintained using resources practicably obtainable from the market and (ii) so imminently and substantially threatens the health, safety or welfare of residents of this Commonwealth that immediate action of state government is necessary to prevent loss of life, protect the public health or safety, and prevent unnecessary or avoidable damage to property.

B. The Governor is authorized, after finding that an electric energy emergency exists and that appropriate federal and state agencies and appropriate reliability councils cannot adequately address such emergency, to declare an electric energy emergency by filing a written declaration with the Secretary of the Commonwealth. The declaration shall state the counties and cities or utility service areas of the Commonwealth in which the declaration is applicable, or its statewide application. A declared electric energy emergency shall go into immediate effect upon filing and continue in effect for the period prescribed in the declaration, but not more than thirty days. At the end of the prescribed period, the Governor may issue another declaration extending the emergency. The governor shall terminate such declaration as soon as the basis for such declaration no longer exists.

C. During a declared electric energy emergency, the Governor is authorized, in compliance with rules of the Commission promulgated as provided in subsection G, to require any generator licensed by the Commission or any municipal electric utility to generate, dispatch or sell electricity from a facility that it operates within the Commonwealth, to the Commonwealth for distribution within the areas of the Commonwealth designated in the declaration. The quantity of electricity required to be generated, dispatched or sold, and the duration of such requirements, shall be as determined by the Governor to be necessary to alleviate the electric energy emergency hardship. The Commonwealth shall compensate a entity required to generate, dispatch, or sell electricity pursuant to this subsection, and the operator of any transmission facilities over which the electricity is transmitted, in the manner provided in § 56-522, mutatis mutandis, unless otherwise provided by federal law. Any entity that is required to generate, dispatch or sell electricity pursuant to this subsection shall be exempted from any statutory, regulatory or permit-specific environmental limitations that would be exceeded as a result of the subject requirement. Such exemption shall apply during the period of the declared emergency.

D. During a declared electric energy emergency, the Governor may use the services, equipment, supplies, and facilities of existing departments, offices, and agencies of the Commonwealth, and of the political subdivisions thereof, to the maximum extent practicable and necessary to meet the electric energy emergency. The officers and personnel of all such departments, offices, and agencies shall cooperate with and extend such services and facilities to the Governor upon request.

E. During a declared electric energy emergency, the Governor is authorized to request the Secretary of the United States Department of Energy to invoke section 202(C) of the Federal Power Act, 16 U.S.C. 824a (1935).

F. The General Assembly is authorized by joint resolution to terminate any declaration of an electric energy emergency. The emergency shall be terminated at the time of filing of the concurrent resolution with the Secretary of the Commonwealth.

G. The Commission shall promulgate rules for the implementation of the Governor's powers pursuant to subsection C that protect the public health and safety and prevent unnecessary or avoidable damage to property with a minimum of economic disruption to generators, transmitters and distributors of electricity. Such rules shall:

1. Define various foreseen levels of electric energy emergencies and specifying appropriate measures

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59 *to be taken for each type of electric energy emergency as necessary to protect the public health or*  
60 *safety or prevent unnecessary or avoidable damage to property;*

61 *2. Prescribe appropriate response measures for each level of electric energy emergency; and*

62 *3. Equitably distribute the burdens and benefits resulting from the implementation of this section*  
63 *among other members of the affected class of persons within all geographic regions of the*  
64 *Commonwealth.*

65 *H. During a declared electric energy emergency, the attorney general may bring an action for*  
66 *injunctive or other appropriate relief to secure prompt compliance in the Circuit Court of the City of*  
67 *Richmond. The court may issue an ex parte temporary order without notice that shall enforce the*  
68 *prohibitions, restrictions or actions that are necessary to secure compliance with the rule or order.*

69 *I. During a declared electric energy emergency, no person shall intentionally violate any rule*  
70 *adopted or order issued under this section. Any person who violates this section shall be guilty of a*  
71 *Class 1 misdemeanor.*