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HOUSE BILL NO. 1287

Offered January 9, 2008

Prefiled January 9, 2008

A *BILL to direct the State Corporation Commission to conduct a proceeding relating to electric energy conservation; report.*

Patron—Athey

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. § 1. As used in this act:

"Commission" means the State Corporation Commission.

"Electric utility" means any investor-owned utility or cooperative formed under or subject to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56 of the Code of Virginia that distributes electric energy for use by retail customers in the Commonwealth.

§ 2. The Commission shall:

a. Conduct a proceeding, consistent with its rules of practice and procedure, pursuant to which it shall consider the establishment of electric energy conservation goals that provide for (i) increasing efficiency for electric energy usage and (ii) reducing the rate of growth of the consumption of electric energy in the Commonwealth, while sustaining economic growth in the Commonwealth;

b. Establish a work group, under the auspices of staff of the Commission, comprised of those parties involved in electric generation, transmission, and distribution facilities and the sale of electricity in the Commonwealth and other interested parties. The work group participants shall work together to (i) establish electric energy conservation goals that are achievable and cost effective, (ii) develop a plan with incentives to achieve such goals, (iii) identify the entity or entities that could most efficiently deploy and administer various elements of the plan, and (iv) estimate the costs of attaining such goals; and

c. Report the findings and recommendations of the work group on electric energy conservation goals, with proposed legislation to implement the findings and recommendations, to the Governor and the 2009 Session of the General Assembly.

§ 3. In establishing the electric energy conservation goals, the Commission and the work group shall consider:

a. The full spectrum of electric energy conservation programs, including, but not limited to, variations in rate design, conservation, load control, demand-side management, cogeneration, distributed generation, consumer education, emerging technologies, including solar water heating systems, energy audits, and any other measures that the Commission finds likely to be effective;

b. The requirements of the Virginia Energy Plan prepared pursuant to Chapter 2 (§ 67-200 et seq.) of Title 67 of the Code of Virginia and any other legislation pertaining to energy conservation, energy efficiency, or renewable energy that was enacted by the 2007 Session or 2008 Session of the General Assembly;

c. The requirements of the federal Energy Policy Act of 2005 and other federal programs relating to electric energy conservation, including, but not limited to, the federal Energy Star program administered jointly by the federal Environmental Protection Agency and federal Department of Energy;

d. The need for a consumer education program to provide retail customers with information on opportunities and options for reducing electric energy consumption;

e. The need for adoption of numerical goals for reducing electric energy consumption within the service territory of each electric utility, which goals shall be set at such levels that the Commission finds may be achieved without imposing unreasonable net costs on an electric utility and its customers;

f. The need for proper measurement and verification of reductions in energy consumption associated with the electric energy conservation programs implemented in the Commonwealth;

g. Whether such electric energy conservation programs, consumer education programs, numerical goals, and measurement and verification should be administered by an independent third party, by electric utilities, or any combination thereof;

h. The need for funding requirements and mechanisms for any independent third-party administrator, as applicable; and

i. The need for the full and timely recovery by electric utilities of all direct and indirect costs associated with implementing and administering any electric energy conservation programs implemented in the Commonwealth, including the establishment of incentives for the implementation of such programs.

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HB1287

59 § 4. *In addition to establishing the electric energy conservation goals, the Commission and the work*
60 *group shall define the electric energy conservation programs to be used to attain the goals and*
61 *determine the most efficient and cost-effective model or structure to deploy and administer the electric*
62 *energy conservation programs in the Commonwealth either by (i) a third-party administrator identified*
63 *through a competitive bidding process; (ii) an existing or new state agency; (iii) electric utilities; or (iv)*
64 *the Commission.*