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## HOUSE BILL NO. 1319

Offered January 9, 2008

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A BILL to establish a pilot program to place certain transmission lines underground.

Patrons—May, Brink, Cole, Rust and Scott, J.M.

Referred to Committee on Commerce and Labor

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

§ 1. 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, 2008, and July 1, 2012, the State Corporation Commission shall approve four applications for qualifying projects to be constructed in whole or in part underground, as a part of the pilot program established pursuant to this Act.

§ 2. For purposes of this Act, a project shall be qualified to be placed underground, in whole or in part, if it meets all of the following criteria:

1. An engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground;

2. The estimated additional cost of placing the proposed line, in whole or in part, underground 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 State Corporation 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; and

3. 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 line to be placed underground.

§ 3. A. If the State Corporation Commission identifies an application as a potentially qualified project for purposes of the pilot program, the State Corporation Commission shall request that the public utility provide technical and cost analyses for placing the proposed line overhead and for placing the proposed line, in whole or in part, underground.

B. If any application relates to the construction of a proposed line to meet a specific and identifiable industry's needs, and the project must be completed by the public utility within a specific amount of time to facilitate an economic development agreement, then such application need not include the two analyses, so long as the public utility provides documentation regarding the economic development agreement.

§ 4. An independent review committee shall review all analyses submitted pursuant to subsection A of § 3, and provide a review and evaluation of the overhead and underground analyses to the State Corporation Commission. Recommendations to the State Corporation Commission by the review committee shall be advisory, and shall not be binding on any decision of the State Corporation Commission. The review committee shall be comprised of a representative of the public utility company submitting the application; an expert in electricity transmission, to be appointed by the State Corporation Commission; the Chairman of the Joint Commission on Technology and Science, or his designee; a representative of the governing body of a locality that would be impacted by the proposed transmission line, to be appointed by the State Corporation Commission; and a member of the staff of the State Corporation Commission, to be appointed by the State Corporation Commission.

§ 5. The State Corporation Commission shall report annually to the Commission on Electric Utility Restructuring, 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 Act is in effect. The State Corporation Commission shall submit a final report to the Commission on Electric Utility Restructuring, the Joint Commission on Technology and Science, and the Governor no later than December 1, 2012, analyzing the entire program and making recommendations about the continued placement of transmission lines underground in the Commonwealth.

§ 6. For any project chosen to be constructed underground, in whole or in part, pursuant to this Act, the utility shall be fully reimbursed for the additional costs, through appropriate mechanisms. Before approving an application for the pilot program, the State Corporation Commission shall make a finding that the public utility will receive full reimbursement for the additional cost of placing the line underground and shall outline the means through which the public utility shall receive the reimbursement.

§ 7. Approval of a proposed transmission line for inclusion in this program shall not preclude the

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59 placing of existing or future overhead facilities in the same area or corridor by other transmission  
60 projects.

61 § 8. Public utility companies granted a certificate of public convenience and necessity for a proposed  
62 transmission line not included in this program or not otherwise being place underground shall seek to  
63 implement low-cost and effective means to improve the aesthetics of new overhead transmission lines  
64 and towers.

65 § 9. The provisions of this Act shall not be construed to limit the ability of the State Corporation  
66 Commission to approve additional applications for placement of transmission lines underground.

67 § 10. If four applications are not submitted to the State Corporation Commission that meet the  
68 requirements of this Act, the State Corporation Commission shall document the failure of the projects to  
69 qualify for the pilot program in order to justify approving less than four projects to be placed  
70 underground, in whole or in part.