

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding in Title 56 a chapter numbered 24, consisting of*
 3 *sections numbered 56-597, 56-598, and 56-599, relating to resource planning by electric utilities.*

4 [H 1523]

5 Approved

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

7 **1. That the Code of Virginia is amended by adding in Title 56 a chapter numbered 24, consisting**
 8 **of sections numbered 56-597, 56-598, and 56-599, as follows:**

9 **CHAPTER 24.**

10 **ELECTRIC UTILITY INTEGRATED RESOURCE PLANNING.**

11 *§ 56-597. Definitions.*

12 *As used in this chapter:*

13 *"Affiliate" means a person that controls, is controlled by, or is under common control with an*
 14 *electric utility.*

15 *"Electric utility" means any investor-owned public utility that provides electric energy for use by*
 16 *retail customers.*

17 *"Integrated resource plan" or "IRP" means a document developed by an electric utility that provides*
 18 *a forecast of its load obligations and a plan to meet those obligations by supply side and demand side*
 19 *resources over the ensuing 15 years to promote reasonable prices, reliable service, energy*
 20 *independence, and environmental responsibility.*

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

23 *§ 56-598. Contents of integrated resource plans.*

24 *An IRP should:*

25 *1. Integrate, over the planning period, the electric utility's forecast of demand for electric generation*
 26 *supply with recommended plans to meet that forecasted demand and assure adequate and sufficient*
 27 *reliability of service, including, but not limited to:*

28 *a. Generating electricity from generation facilities that it currently operates or intends to construct*
 29 *or purchase;*

30 *b. Purchasing electricity from affiliates and third parties; and*

31 *c. Reducing load growth and peak demand growth through cost-effective demand reduction*
 32 *programs;*

33 *2. Identify a portfolio of electric generation supply resources, including purchased and self-generated*
 34 *electric power, that:*

35 *a. Consistent with § 56-585.1, is most likely to provide the electric generation supply needed to meet*
 36 *the forecasted demand, net of any reductions from demand side programs, so that the utility will*
 37 *continue to provide reliable service at reasonable prices over the long term; and*

38 *b. Will consider low cost energy/capacity available from short-term or spot market transactions,*
 39 *consistent with a reasonable assessment of risk with respect to both price and generation supply*
 40 *availability over the term of the plan;*

41 *3. Reflect a diversity of electric generation supply and cost-effective demand reduction contracts and*
 42 *services so as to reduce the risks associated with an over-reliance on any particular fuel or type of*
 43 *generation demand and supply resources and be consistent with the Commonwealth's energy policies as*
 44 *set forth in § 67-102;*

45 *4. Include such additional information as the Commission requests pertaining to how the electric*
 46 *utility intends to meet its obligation to provide electric generation service for use by its retail*
 47 *customers over the planning period.*

48 *§ 56-599. Integrated resource plan required.*

49 *A. Not later than December 31, 2008, the Commission shall order each electric utility to develop an*
 50 *integrated resource plan. The order may establish guidelines for developing an IRP.*

51 *B. By September 1, 2009, each electric utility shall file an initial integrated resource plan with the*
 52 *Commission, which plan shall comply with the provisions of the order of the Commission issued*
 53 *pursuant to subsection A.*

54 *C. Each electric utility shall file an updated integrated resource plan at least every two years*
 55 *thereafter, which plan shall comply with the provisions of any relevant order of the Commission*
 56 *establishing guidelines for the format and contents of updated and revised integrated resource plans.*

57 *D. In preparing an integrated resource plan, each electric utility shall systematically evaluate, and*
58 *may propose:*

- 59 *1. Entering into short-term and long-term electric power purchase contracts;*
- 60 *2. Owning and operating electric power generation facilities;*
- 61 *3. Building new generation facilities;*
- 62 *4. Relying on purchases from the short term or spot markets;*
- 63 *5. Making investments in demand-side resources, including energy efficiency and demand-side*
64 *management services;*
- 65 *6. Taking such other actions, as the Commission may approve, to diversify its generation supply*
66 *portfolio and ensure that the electric utility is able to implement an approved plan; and*
- 67 *7. The methods by which the electric utility proposes to acquire the supply and demand resources*
68 *identified in its proposed integrated resource plan.*

69 *E. The Commission shall analyze and review an integrated resource plan and, after giving notice*
70 *and opportunity to be heard, the Commission shall make a determination as to whether an IRP is*
71 *reasonable and is in the public interest.*

72 **2. That as part of its 2009 integrated resource plan developed pursuant to this act, each electric**
73 **utility shall assess governmental, nonprofit, and utility programs in its service territory to assist**
74 **low income residential customers with energy costs and shall examine, in cooperation with relevant**
75 **governmental, nonprofit, and private sector stakeholders, options for making any needed changes**
76 **to such programs.**

77 **3. That a copy of each electric utility's integrated resource plan filed with the State Corporation**
78 **Commission in 2009 pursuant to this act shall also be provided to the chairmen of the House**
79 **Committee on Commerce and Labor, the Senate Committee on Commerce and Labor, and the**
80 **Commission on Electric Utilities Restructuring.**