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HOUSE BILL NO. 2372

Offered January 14, 2009

Prefiled January 14, 2009

A BILL to amend the Code of Virginia by adding a section numbered 56-235.1:1, relating to electric utility rate schedules that reflect curtailing electricity purchases at times of peak costs.

Patrons—Nutter, Athey, Poindexter and Rust

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 56-235.1:1 as follows:

§ 56-235.1:1. Rates to induce electricity usage curtailment in response to peak costs.

A. The Commission shall adopt regulations, pursuant to its rules of practice and procedure, that require each public utility providing electric service in the Commonwealth to offer electric service to nonresidential retail customers in the Commonwealth under a tariff that utilizes rates, tolls, charges, or schedules, including terms and conditions of service, to induce such customers that have access to appropriate communications capabilities to curtail electricity usage during periods when the utility's costs of purchasing electric power rise above their norm as a result of heightened load demand and system congestion, including the use of congestion pricing by the utility's independent system operator as defined in § 56-576. Such inducements shall provide greater incentives for such customers to shed load during periods of peak demand than are provided currently under interruptible service schedules. The tariff shall ensure that costs saved by the utility, including reduced wholesale power expenditures and reduced expenditures on capacity to meet generation reserve requirements, as a result of the implementation of customers' curtailments of electricity usage during such periods are shared with curtailing customers through reduced rates or charges. Nothing in this section shall be construed to authorize the implementation of any rate or charge that is in the nature of a penalty for otherwise permissible use of utility services. The Commission shall ensure that the terms of the tariff (i) are in the public interest, (ii) will not unreasonably prejudice or disadvantage any customer or class of customers, and (iii) will not jeopardize the continuation of reliable electric service.

B. Within 90 days following the effective date of the regulations promulgated pursuant to subsection A, each public utility providing electric service in the Commonwealth shall submit tariff provisions that comply with the regulations adopted pursuant to subsection A.

C. The Commission shall, after notice and the opportunity for hearing, determine whether a utility's submission complies with the regulations adopted pursuant to subsection A. If the utility's submission complies with such regulation, the utility shall offer electric service at such rates and upon such terms and conditions to eligible customers. Eligible customers shall have the option to purchase electric service under such tariff, but shall not be precluded from receiving electric service under any other approved rate, toll, charge, or schedule.

INTRODUCED

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