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HOUSE BILL NO. 586

Offered January 10, 2018

Prefiled January 8, 2018

A BILL to amend the Code of Virginia by adding a section numbered 56-594.3, relating to community energy programs.

Patron—Gooditis

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 56-594.3 as follows: § 56-594.3. Community energy programs.

A. As used in this section:

"Community energy agreement" means an agreement between a supplier and a community subscriber organization that establishes the terms and conditions for a community energy program.

"Community energy program" means a program established and implemented by a participating supplier and a community subscriber organization that affords community subscribers and community subscriber organizations the opportunity to participate in community net energy metering with mutually agreed community subscriber payment rates and community subscriber credit rates.

"Community generation facility" means an electrical generating facility that (i) is operated by the community subscriber organization in compliance with the terms and conditions of a community energy agreement, (ii) is located within the certificated service territory of the participating supplier, (iii) uses as its total source of fuel renewable energy as defined in § 56-576, and (iv) is interconnected and operated in parallel with the participating supplier's transmission and distribution facilities.

"Community net metering" means a system under which community subscribers receive community subscriber credits against their bills from the participating supplier based on their allocated share of the electric power from a community generation facility that is added to the electric grid.

"Community subscriber" means a retail customer of a supplier who (i) owns a community subscription, (ii) receives community subscriber credits, and (iii) pays community subscriber payments.

"Community subscriber credit" means the monetary credit on a community subscriber's bill from the participating supplier for electric utility service, which credit is equal to the product obtained by multiplying (i) the community subscriber's allocated share of the electric power from a community generation facility that is added to the electric grid by (ii) the community subscriber credit rate.

"Community subscriber credit rate" means the rate, expressed as dollar amount per kilowatt hour, designated as such in the applicable community energy agreement.

"Community subscriber organization" means the person that owns and operates a community generation facility and that conducts a community energy program.

"Community subscriber payment" means the amount that a community subscriber is required to pay for the community subscriber's allocated share of the electric power from a community generation facility that is added to the electric grid, which payment is equal to the product obtained by multiplying (i) the community subscriber's allocated share of the electric power from a community generation facility that is added to the electric grid by (ii) the community subscriber payment rate.

"Community subscriber payment rate" means the rate, expressed as dollar amount per kilowatt hour, designated as such in the applicable community energy agreement.

"Community subscription" means a proportional interest in a generation output of a community generation facility.

"Participating supplier" means an investor-owned electric utility or electric cooperative in the Commonwealth that has entered into a community energy agreement with a community subscriber organization.

B. Any investor-owned electric utility or electric cooperative in the Commonwealth is authorized to enter into a community energy agreement with a community subscriber organization. Any community energy agreement shall:

1. Establish the community subscriber credit rate and community subscriber payment rate, including energy pricing, environmental attributes pricing, escalators, and term;

2. Set forth that the community subscriber organization will receive monthly payments from the participating supplier equal to the product obtained by multiplying (i) the electricity, in kilowatt hours, generated in the previous month from a community generation facility that is added to the electric grid by (ii) the community subscriber payment rate;

- 59 3. *Require the community subscriber organization to provide to the participating supplier (i) an*
60 *accounting of the amount of electricity generated from the community generation facility that is added*
61 *to the electric grid; (ii) the allocation of the amount of electricity set forth in clause (i) to each*
62 *community subscriber; (iii) information regarding the identity and address of community subscribers that*
63 *will allow the participating supplier to provide any community subscriber credits; and (iv) the portion of*
64 *the amount of electricity set forth in clause (i) that is not allocated to a community subscriber, if any;*
65 4. *Require the participating supplier to provide to each community subscriber monthly community*
66 *subscriber credits;*
67 5. *Require each community subscriber to pay monthly community subscriber payments;*
68 6. *Establish eligibility parameters for community subscribers and the premises at which they receive*
69 *electric utility service;*
70 7. *Permit a community subscriber to change the premises to which the on-bill credits from the*
71 *community generation facility are credited, provided that the new premises also complies with all*
72 *applicable conditions;*
73 8. *Permit community subscriptions to be transferred or assigned to a community subscriber*
74 *organization or to any person who qualifies to be a community subscriber;*
75 9. *Require that the process by which community subscriptions are transferred or assigned remains*
76 *the responsibility of the community subscriber organization;*
77 10. *Prohibit any person from being a community subscriber who does not receive service at a*
78 *premises that is located within the certificated service territory of the participating supplier; and*
79 11. *Establish such other terms and conditions as agreed to by the parties.*
80 C. *A community generation facility need not be located on the premises of a community subscriber.*
81 D. *A community subscriber organization shall comply with all applicable laws and regulations.*
82 E. *Nothing in this section shall be construed to require any investor-owned electric utility or electric*
83 *cooperative to participate in a community energy program or enter into a community energy agreement.*