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SENATE JOINT RESOLUTION NO. 118

Offered January 22, 1996

Establishing a joint subcommittee to study the role of the General Assembly in the development of a competitive electric utility industry within the Commonwealth.

Patrons—Reasor, Barry, Benedetti, Chichester, Colgan, Goode, Marsh, Martin, Norment, Potts, Quayle, Schrock, Wampler and Williams; Delegates: Armstrong, Behm, Bennett, Callahan, Crittenden, Diamonstein, Grayson, Hamilton, Ingram, Landes, Morgan, Reynolds, Sherwood, Stump and Wagner

Referred to the Committee on Rules

WHEREAS, electricity is a necessity for all individuals, industries, businesses, and municipalities in the Commonwealth; and

WHEREAS, the generation and transmission of electric power, and the sale and distribution of electricity to consumers within the Commonwealth, are affected with the public interest; and

WHEREAS, the public welfare is promoted by competition in the pricing of electricity and the sale of electric power; and

WHEREAS, it is the policy of the General Assembly and this Commonwealth to support a regulatory climate that ensures the lowest possible electricity prices for all customers by encouraging competition; and

WHEREAS, markets for electricity are becoming increasingly competitive nationally; and

WHEREAS, greater competition in the electric utility industry will enhance the competitive position of Virginia's businesses and industries; as well as Virginia's ability to compete for new business development; and

WHEREAS, providing for an orderly transition to customer choice in the electric utility industry requires careful consideration of all issues involving the restructuring of, and competition in, the electric utility industry, and the system of electric utility regulation; and

WHEREAS, electric utilities have expressed the desire to have their profits deregulated, to be able to negotiate special rates with individual customers, to enter competitive, unregulated lines of business, and to offer a full package of energy services; and

WHEREAS, the Federal Energy Regulatory Commission, and the legislatures and regulatory commissions of more than thirty-five states, either have implemented or are studying initiatives to restructure, and to increase competition in, the electric utility industry; and

WHEREAS, the State Corporation Commission of Virginia is currently studying electric industry restructuring and customer choice issues in its pending investigation in Case No. PUE 950089; and

WHEREAS, the interest of Virginia's citizens in a competitive electric utility industry warrants the immediate attention of the General Assembly; now, therefore, be it

RESOLVED, by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the role of the General Assembly in facilitating the development of a competitive electric utility industry in the Commonwealth. The study shall include an examination of the following issues:

1. The impact of deregulation of electric utility profits on Virginia's electric power consumers;

2. The impact on Virginia's electric power consumers of allowing electric utilities to negotiate special rates with individual customers;

3. The impact on Virginia's electric power consumers of authorizing electric utilities to enter into additional lines of business;

4. The impact on Virginia's electric power consumers of measures restricting municipalization of facilities, equipment, or appurtenances of electric utilities; and

5. Changes required in Virginia's existing laws governing regulation of electric utilities, to promote competition that will benefit the citizens of the Commonwealth.

The joint subcommittee shall be composed of fifteen members;; two members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; two members of the House of Delegates, to be appointed by the Speaker of the House; the Attorney General and the Secretary of Commerce and Trade, or their respective designees; two representatives of the electrical utility industry as recommended by Virginia Power and Appalachian Power Company, to be appointed by the Speaker of the House; one representative of electrical energy consumers as recommended by the Virginia Citizens Consumer Council, to be appointed by the Speaker of the House; two representatives of independent power producers as recommended by Virginia Independent Power, Inc., to be appointed by the Senate Committee on Privileges and Elections; two members as recommended by the Virginia

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60 Committee for Fair Utility Rates, to be appointed by the Speaker of the House; and two members as
61 recommended by the Old Dominion Committee for Fair Utility Rates, to be appointed by the Senate
62 Committee on Privileges and Elections.

63 The direct costs of this study shall not exceed \$4,500.

64 The Division of Legislative Services shall provide staff support for the study. Technical assistance
65 shall be provided by the Public Utilities Division of the Virginia State Corporation Commission. All
66 agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

67 The joint subcommittee shall complete its work in time to submit its findings and recommendations
68 to the Governor and the 1997 Session of the General Assembly as provided in the procedures of the
69 Division of Legislative Automated Systems for processing legislative documents.

70 Implementation of this resolution is subject to subsequent approval and certification by the Joint
71 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
72 study.