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SENATE BILL NO. 464**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Rules
on March 3, 2008)

(Patron Prior to Substitute—Senator Whipple)

A *BILL* to amend the Code of Virginia by adding in Title 30 a chapter numbered 45, consisting of sections numbered 30-293 through 30-300, relating to the Virginia Commission on Energy and Environment.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 30 a chapter numbered 45, consisting of sections numbered 30-293 through 30-300 as follows:

CHAPTER 45.**VIRGINIA COMMISSION ON ENERGY AND ENVIRONMENT.**

§ 30-293. *Virginia Commission on Energy and Environment; purpose.*

The Virginia Commission on Energy and Environment (the Commission) is established as a commission in the legislative branch of state government for the purposes of reviewing and recommending steps to implement the Virginia Energy Plan developed pursuant to Chapter 2 (§ 67-200 et seq.) of Title 67.

§ 30-294. *Membership; terms.*

The Commission shall have a total membership of 15 members that shall consist of eight legislative members, four nonlegislative citizen members, and three ex officio members. Members shall be appointed as follows: three members of the Senate, to be appointed by the Senate Committee on Rules; five members of the House of Delegates, to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; two nonlegislative citizen members with expertise in energy issues, to be appointed by the Senate Committee on Rules; two nonlegislative citizen members with expertise in energy issues, to be appointed by the Speaker of the House of Delegates; and two members of the staff of the State Corporation Commission, of whom one shall be appointed, upon the recommendation of the Commissioners of the State Corporation Commission, by the Senate Committee on Rules, and one of whom shall be appointed, upon the recommendation of the Commissioners of the State Corporation Commission, by the Speaker of the House of Delegates, and the Director of the Division of Mines, Minerals and Energy or his designee, all to serve ex officio with nonvoting privileges.

Legislative and ex officio members of the Commission shall serve terms coincident with their terms of office; however, staff members of the State Corporation Commission serving ex officio shall serve at the pleasure of the appointing authority. Nonlegislative citizen members of the Commission shall serve for terms of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms and shall be made in the same manner as the original appointment. No member of the Senate shall serve more than two consecutive four-year terms and no member of the House of Delegates shall serve more than four consecutive two-year terms. Nonlegislative citizen members shall not serve more than two consecutive four-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining the member's eligibility for reappointment.

The Commission shall elect a chairman and vice-chairman from among its membership who shall be members of the General Assembly.

§ 30-295. *Quorum; meetings; voting on recommendations.*

A majority of the members shall constitute a quorum. The Commission shall meet no more than four times each year. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request.

No recommendation of the Commission shall be adopted if a majority of the Senate members or a majority of the House members appointed to the Commission (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the Commission.

§ 30-296. *Compensation; expenses.*

Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative citizen members shall receive such compensation for the performance of their duties as provided in § 2.2-2813. All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs of compensation and expenses of the members shall be provided by the Commission from such funds as may be appropriated therefor.

§ 30-297. *Powers and duties.*

The Commission shall have the following powers and duties:

1. To undertake studies, gather information and data, and make recommendations as may be necessary to accomplish its purposes as set forth in this chapter, including:

- a. To evaluate the impact of state and federal energy statutes and regulations;
- b. To identify reliable supplies of energy;
- c. To pursue distributed generation plans;
- d. To evaluate the upgrading electric power grids and other energy infrastructure;
- e. To evaluate the impact of carbon taxing, cap and trade programs, carbon sequestration, or other carbon measures on the rate payer and utility;
- f. To evaluate the research, development, and use of renewable sources of energy;
- g. To evaluate remote power production;
- h. To evaluate demand-side energy conservation by utilities and consumers with appropriate return on investments by utilities;
- i. To evaluate energy efficiency goals;
- j. To evaluate renewable energy portfolios;
- k. To evaluate all energy consumption and demand reduction alternatives, their ability to reduce energy growth, their cost effectiveness, economic impacts on the Commonwealth, and impacts on the rate payers;
- l. To evaluate programs that reduce energy consumption;
- m. To evaluate low-income energy assistance programs; and
- n. To evaluate rate decoupling, time-of-use pricing, building standards for energy efficient commercial and residential buildings or public buildings, and transportation demand management.

Wherever possible, the Commission shall examine opportunities to couple the achievement of its purposes with economic development;

2. Make such special studies of and reports on measures to secure Virginia's energy future as it deems appropriate or as may be requested by the General Assembly;

3. Establish advisory committees composed of persons with special expertise not represented by individuals serving on the Commission. Such persons shall serve without compensation, but shall be reimbursed from funds appropriated or otherwise available to the Commission for reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825, unless they waive reimbursement;

4. Apply for, accept, and expend gifts, grants or donations from any public or private sources to enable the Commission to carry out its objectives. No person that provides a gift, grant, or donation shall be eligible for a contract award resulting from a Commission recommendation;

5. Review and make recommendations on legislation affecting energy policy to the General Assembly; and

6. Report annually on its activities during the preceding year and include a discussion of studies made and recommendations for legislative action. The chairman shall submit to the General Assembly and the Governor an annual executive summary of the interim activity and work of the Commission no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

§ 30-298. Staffing.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates or the Office of the Clerk of the Senate as may be appropriate for the house in which the chairman of the Commission serves. The Division of Legislative Services shall provide legal, research, policy analysis, and other services as requested by the Commission. All agencies of the Commonwealth shall provide assistance to the Commission as requested.

§ 30-299. Virginia Commission on Energy and Environment Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Commission on Energy and Environment Fund, hereafter referred to as the "Fund." The Fund shall be established on the books of the Comptroller and shall consist of gifts, grants and donations, bequests, general fund appropriations, or other funds from any source as may be received by the Commission for its work. Moneys shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purpose of enabling the Commission to undertake such studies and gather informational data as may be necessary to accomplish its purposes as set forth in this chapter. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request of the chairman of the Commission.

§ 30-300. Sunset.

This chapter shall expire on July 1, 2011.

122 2. For its first year of existence, if the Commission is not funded by a separate appropriation in
123 the appropriation act, the Commission may be funded from the operating budgets of the Clerk of
124 the Senate and the Clerk of the House of Delegates upon the approval of the Joint Rules
125 Committee. If the Commission is not funded by a separate appropriation in the appropriation act
126 or moneys received under § 30-299 for any year thereafter, this chapter shall expire on July 1 of
127 the fiscal year that the Commission fails to receive such funding.