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## SENATE JOINT RESOLUTION NO. 331

Offered January 9, 2013

*Directing the Commission on Electric Utility Regulation to study the establishment of a mandatory renewable energy portfolio standard program for the Commonwealth. Report.*

Patron—Northam

Referred to Committee on Rules

WHEREAS, in 2007 the General Assembly enacted § 56-585.2 of the Code of Virginia, which established a voluntary program under which certain investor-owned electric utilities could apply to the State Corporation Commission for approval to participate in a renewable energy portfolio standard (RPS) program; and

WHEREAS, Virginia's RPS program entitles a utility that meets the program's goals, in addition to the right to recover its costs of meeting the goals with a performance incentive for investing in renewable energy generation facilities, to a Performance Incentive of 50 basis points to be added to the fair combined rate of return on its rate base that the utility is otherwise authorized to earn as determined in a biennial rate review conducted pursuant to § 56-585.1 of the Code of Virginia; and

WHEREAS, the goals established under the RPS program are phased in over several years and ultimately provide for participating utilities to achieve 15 percent of their base year energy sales from renewable sources by 2025; and

WHEREAS, concerns have been expressed that the voluntary RPS program provides incentives that are disproportionately large when compared to the limited impact that compliance with the program's goals will have on the development of renewable energy industry in Virginia; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Commission on Electric Utility Regulation be directed to study the establishment of a mandatory renewable energy portfolio standard program for the Commonwealth.

In conducting its study, the Commission on Electric Utility Regulation shall (i) address issues associated with transitioning from the existing voluntary RPS program to a mandatory program; (ii) determine the costs and benefits that would be associated with requiring electric utilities to meet varying levels of RPS goals, including effects on retail electricity rates and the socioeconomic implications of requiring that only renewable energy generated in Virginia be counted in meeting the RPS goals; (iii) recommend measures, such as alternative compliance payments, to address electric utilities that do not meet the program's goals; and (iv) determine if it is feasible and advisable to require that all electric utilities in Virginia, including cooperatives and municipal utilities, participate in a mandatory renewable energy portfolio standard program.

The Office of the Clerk of the Senate shall provide administrative staff support. The Division of Legislative Services shall provide legal, research, policy analysis, and other services as requested by the Commission on Electric Utility Regulation. Technical assistance shall be provided to the Commission on Electric Utility Regulation by the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the Commission on Electric Utility Regulation for this study, upon request.

The Commission on Electric Utility Regulation shall complete its meetings by November 30, 2013, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2014 Regular Session of the General Assembly. The executive summary shall state whether the Commission on Electric Utility Regulation intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report 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.

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