

2015 SESSION

LEGISLATION NOT PREPARED BY DLS
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HOUSE BILL NO. 2356

Offered January 23, 2015

A BILL to establish a pilot program to place an electrical line underground.

Patrons—Marshall, R.G., Hugo and Ramadan; Senator: Black

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

§ 1. There is hereby established a pilot program to construct qualifying electrical transmission lines of 230 kilovolts or less in whole or in part underground. Such pilot program shall consist of a total of three qualifying electrical transmission line projects, constructed in whole or in part underground, as set forth in this act.

§ 2. In reviewing applications submitted by public utilities for certificates of public convenience and necessity for the construction of electrical transmission lines of 230 kilovolts or less filed between the effective date of this act and July 1, 2018, the State Corporation Commission shall approve three applications for qualifying projects to be constructed in whole or in part underground, as a part of the pilot program. One or more qualifying transmission line projects shall include a route to be proposed during the 2015 calendar year that includes a fully or partially buried transmission line upon or adjacent to a right of way administered by the Virginia Department of Transportation.

§ 3. For purposes of this act, a project shall be qualified to be placed underground, in whole or in part, if it meets all of the following criteria:

1. An engineering analysis demonstrates that it is technically feasible to place the proposed line, in whole or in part, underground;

2. The estimated cost of the proposed project which includes, in whole or in part, underground transmission lines does not exceed 2.5 times the cost of the public utility's preferred overhead project, assuming accepted industry standards for undergrounding to ensure safety and reliability. If the public utility, the affected localities, and the State Corporation Commission agree, a proposed underground project whose cost exceeds 2.5 times the cost of the otherwise preferred overhead project may also be accepted into the pilot program; and

3. The governing body of each locality in which a portion of the proposed line will be placed underground indicates, by resolution, general community support for the line to be placed underground.

§ 4. A. If the State Corporation Commission identifies an application as a potentially qualified project for purposes of the pilot program, the Commission shall request that the public utility provide technical and cost analyses for placing the proposed line overhead and for placing the proposed line, in whole or in part, underground.

B. If any application relates to the construction of a proposed line to meet a specific and identifiable industry's needs, and the project must be completed by the public utility within a specific amount of time to facilitate an economic development agreement, then such application need not include the two analyses, so long as the public utility provides documentation regarding the economic development agreement.

§ 5. The State Corporation Commission shall report annually to the Commission on Electric Utility Restructuring, the Joint Commission on Technology and Science, and the Governor on the progress of the pilot program by no later than December 1 of each year that this act is in effect. The State Corporation Commission shall submit a final report to the Commission on Electric Utility Restructuring, the Joint Commission on Technology and Science, and the Governor no later than December 1, 2012, analyzing the entire program, including the accuracy of cost projections for underground transmission projects, and making recommendations about the continued placement of transmission lines underground in the Commonwealth.

§ 6. For any qualifying project chosen pursuant to this act and not fully recoverable as charges for new transmission facilities pursuant to subdivision A 4 of § 56-585.1, the State Corporation Commission shall approve a rate adjustment clause. The rate adjustment clause shall provide for the full and timely recovery of any portion of the cost of such project not recoverable under applicable rates, terms, and conditions approved by the Federal Energy Regulatory Commission and shall include the use of the fair return on common equity most recently approved in a Commission proceeding for such utility, as defined by subsection A of § 56-585.1. Such costs shall be entirely assigned to the utility's Virginia jurisdictional customers. The Commission's final order regarding any petition filed pursuant to this subsection shall be entered not more than three months after the filing of such petition.

§ 7. If a transmission line is included in the pilot program pursuant to § 2 that includes only radial,

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59 *rather than networked, electric service, there shall be a presumption of need in applications for a*
60 *certificate of public convenience and necessity for electrical transmission lines that will complete the*
61 *network for such qualifying project. The State Corporation Commission shall give priority on its docket*
62 *for any such application of a public utility.*

63 *§ 8. Approval of a proposed transmission line for inclusion in this program shall not preclude the*
64 *placing of existing or future overhead facilities in the same area or corridor by other transmission*
65 *projects.*

66 *§ 9. Public utility companies granted a certificate of public convenience and necessity for a proposed*
67 *transmission line not included in this program or not otherwise being placed underground shall seek to*
68 *implement low-cost and effective means to improve the aesthetics of new overhead transmission lines*
69 *and towers.*

70 *§ 10. The provisions of this act shall not be construed to limit the ability of the State Corporation*
71 *Commission to approve additional applications for placement of transmission lines underground.*

72 *§ 11. If three applications are not submitted to the State Corporation Commission that meet the*
73 *requirements of this act, the State Corporation Commission shall document the failure of the projects to*
74 *qualify for the pilot program in order to justify approving fewer than three projects to be placed*
75 *underground, in whole or in part.*

76 *§ 12. Insofar as the provisions of this act are inconsistent with the provisions of any other law or*
77 *local ordinance, the provisions of this act shall be controlling.*

78 *2. That an emergency exists and this act is in force from its passage.*