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## SENATE BILL NO. 1111

Offered January 9, 2019

Prefiled December 23, 2018

A BILL to amend the Code of Virginia by adding a section numbered 56-235.2:1, relating to electric utility regulation; customer classifications; energy efficiency.

Patrons—Marsden; Delegate: Guzman

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 56-235.2:1 as follows:**

**§ 56-235.2:1. Customer classifications; abatement when decreased consumption attributed to investments in energy efficiency.**

A. The Commission shall require that each electric utility's classification of customers based on the amount of electricity consumed ensures that residential, commercial, and industrial customers are not subjected to higher rates per unit of consumption as a result of decreased consumption resulting from the customer's implementation of material investments in energy efficiency. Such requirement shall become effective 120 days following the effective date of the regulations adopted by the Commission pursuant to subsection B.

B. The Commission shall by January 1, 2020, adopt regulations implementing the provisions of subsection A. The regulations shall:

1. Define a material investment in energy efficiency, provided that such regulation shall require that a customer invest not less than \$10,000 in efficiency or conservation products or services that reduce the amount of electric energy consumed at the facility or other site where the customer's usage is metered in order to qualify for an abatement under this section;

2. Provide that the utility shall abate a portion of the charges for each customer who makes a material investment in energy efficiency;

3. Establish how a customer will quantify the amount of its reduction in electricity consumption resulting from its material investment in energy efficiency;

4. Determine whether the customer's reduction in electricity consumption resulting from its material investment in energy efficiency resulted in the customer being placed in a class or tier with higher rates per unit of consumption;

5. Provide a mechanism for calculating the amount of the abatement for customers who satisfy the provisions of subdivisions 3 and 4, which mechanism shall fix the amount of the abatement at the amount, if any, by which (i) the product obtained by multiplying the amount of the customer's electricity usage in the billing period by the higher cost-per-unit of consumption under the applicable tariff for customers in such lower-volume class or tier exceeds (ii) the product obtained by multiplying the amount of the customer's electricity usage in the billing period by the lower cost-per-unit of consumption under the applicable tariff for customers in the higher volume class or tier in which the customer would be charged if the customer had not reduced its electricity consumption as a result of material investment in energy efficiency;

6. Establish the period during which a customer will receive such an abatement as a result of the customer's implementation of a material investment in energy efficiency, which period shall be not less than 20 years following the date the completion of the material investment in energy efficiency; and

7. Establish requirements and procedures for the crediting to qualifying customers' bills of the amount of any abatement provided under this section.

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