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HOUSE BILL NO. 1783

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Commerce and Energy
on January 17, 2023)

(Patron Prior to Substitute—Delegate O'Quinn)

A BILL to amend the Code of Virginia by adding a section numbered 56-265.4:7, relating to natural gas utilities; retail supply choice.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-265.4:7 as follows:

§ 56-265.4:7. *Retail supply choice for utility gas service.*

A. As used in this section:

"Energy justice" means the fair treatment and meaningful involvement of every consumer by ratepayer class, regardless of race, color, national origin, income, faith, or disability, relating to the affordability, reliability, security, and sustainability of the energy laws, regulations, and policies of the Commonwealth.

"Natural gas utility" means an investor-owned public service company engaged in the business of furnishing natural gas service to the public.

"Public entity" means the Commonwealth and any agency or authority thereof, any county, city, or town, and any other political subdivision of the Commonwealth, any public body politic and corporate, or any regional entity that serves a public purpose.

"Renewable propane" means low-pressure liquefied gas composed of propane derived from nonpetroleum or renewable sources and other molecules derived from nonpetroleum or renewable sources, including renewable dimethyl ether or renewable hydrogen.

B. Every person who desires (i) natural gas service or (ii) retail natural gas supply choice, if elected by a natural gas utility and accepted by the Commission as provided in § 56-235.8, shall have the right to acquire such service and natural gas supply from the natural gas utility authorized to provide natural gas service in the certificated area where the natural gas service will be received in accordance with the natural gas utility's tariff and the principles of energy justice.

C. Every person who desires (i) individually metered propane service or (ii) non-utility gas service in accordance with § 56-265.4:6 shall have the right to acquire such service in accordance with the provider's terms and conditions of service.

D. No public entity shall enact an ordinance or resolution or promulgate or impose any building code, contractual provision, or other requirement that limits, prohibits, has the effect of prohibiting, or prevents residential, commercial, or industrial consumers within their boundaries from acquiring or using the following:

1. Natural gas utility service;

2. Supply of natural gas, renewable natural gas, or hydrogen from a natural gas public utility or natural gas supplier in accordance with § 56-235.8;

3. Individually metered propane service including renewable propane; or

4. Non-utility gas service in accordance with § 56-265.4:6 and nonjurisdictional propane service.

E. No public entity requiring the issuance of a building permit shall deny a permit application based solely on the utility provider proposed to serve the project. A public entity issuing a building permit shall ensure that all applicable permits and fees (i) contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and (ii) do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is authorized to provide service.

F. Nothing in this section shall be construed either to limit a natural gas utility's ability to provide service to new customers or to require a natural gas utility to provide an extension of facilities that is not economic under the terms of its tariff.