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## SENATE BILL NO. 1454

Offered January 12, 2023

A BILL to direct the State Corporation Commission to convene a work group to study energy-intensive trade-exposed industries; report.

Patron—McPike

Referred to Committee on Rules

**Be it enacted by the General Assembly of Virginia:**

1. § 1. The State Corporation Commission (the Commission) shall convene a work group for the purposes of assessing the competitiveness of energy-intensive trade-exposed industry manufacturers in the Commonwealth versus foreign manufacturers that are not required to meet the same federal and state standards regarding labor, energy, intellectual property, and environmental factors. For the purposes of this act, "energy-intensive trade-exposed (EITE) industries" means companies that are constrained in their ability to pass through carbon costs due to international competition and engage in importation of products that cause emission leakage, identified by the North American Industry Classification System and defined within the American Clean Energy and Security Act of 2009. "Energy-intensive trade-exposed industries" or "EITE industries" also means critical infrastructure facilities identified by the U.S. Department of Homeland Security, the U.S. Department of Defense through its Defense Critical Infrastructure Program, and the U.S. Cybersecurity and Infrastructure Security Agency and its Defense Industrial Base Sector.

The work group shall assess and quantify (i) the competitive disadvantages to manufacturers in the Commonwealth that compete against foreign manufacturers that use employment practices such as paying a lower minimum wage than that required by federal or state law, banning labor unions, or using unpaid or extremely low paid labor that may include forced, child, or prison labor; (ii) the lack of protection for intellectual property and the long-term economic costs and threats to manufacturers in the Commonwealth by foreign manufacturers that illegally obtain intellectual property by methods such as reverse engineering, industrial espionage, and cyber theft; (iii) the additional costs to manufacturers in the Commonwealth for meeting federal and state requirements for clean energy and environmental protection goals as compared to foreign manufacturers that are not required to meet the same or equivalent standards; and (iv) the advantages of clean energy use for EITE industry manufacturers. The work group shall also provide examples of EITE manufacturers successfully operating by using, generating, or procuring clean energy in the Commonwealth and in other states. The work group shall make all reasonable efforts to ensure that its recommendations do not shift costs onto non-EITE electric utility customers or otherwise impede the Commonwealth's clean energy goals.

The work group shall be comprised of the following members: the Secretary of Labor; the Secretary of Finance; the Secretary of Commerce and Trade; a representative from the Department of Energy; a representative from the Virginia Manufacturers Association; the Chair and Vice-Chair of the Manufacturing Development Commission; an economic, foreign labor, or energy policy expert from a reputable institution of higher education in the Commonwealth; a representative of labor organizations; a representative of the Southern Environmental Law Center; and other interested parties as determined by the Commission. Administrative support shall be provided by the Commission staff.

The work group shall be required to report its findings and provide legislative, regulatory, and budget recommendations that would allow manufacturers in EITE industries in the Commonwealth to compete on more equal standing with foreign manufacturers to the Chairs of the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor no later than December 1, 2025.

INTRODUCED

SB1454