

VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

CHAPTER 633

An Act to establish a schedule for Virginia's transition to retail competition in the electric utility industry.

[H 1172]

Approved April 15, 1998

Whereas, other states have begun making modifications to their electric utility industries for the ultimate purpose of permitting competition in the retail sale of electricity, and these regional changes are likely to impact Virginia's electric utilities and their customers irrespective of whether a transition to retail competition is begun in this Commonwealth; and

Whereas, it is in the best interest of the citizens of this Commonwealth that preparations begin for Virginia's transition to a competitive retail electricity market to ensure that (i) all Virginians have access to electricity at reasonable prices and (ii) Virginia's electric utilities are sufficiently prepared to enter and thrive in this new market; and

Whereas, the State Corporation Commission may, pursuant to the provisions of Title 56 of the Code of Virginia, approve and impose requirements on electric utilities doing business in the Commonwealth to implement electric energy programs that are intended to benefit the public health, safety and welfare, including programs the purpose of which are to (i) educate consumers; (ii) ensure that each distributor in the Commonwealth provides access to its retail distribution system to each retail customer in its service territory; (iii) promote electric energy efficiency and conservation, protection of the environment, and research and development; (iv) provide minimum standards of training for employees who operate and maintain the facilities of an independent system operator or a regional power exchange; or (v) educate, retrain, or provide outplacement services for employees of electric utilities whose employment will be directly affected by the implementation of competition for the purchase and sale of electric energy pursuant to this act; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. *The State Corporation Commission and those parties involved in electric generating and transmission facilities and the sale of electricity in Virginia shall work together to strive to establish one or more independent system operators and one or more regional power exchanges that serve the public interest in the Commonwealth by January 1, 2001.*

§ 2. *The transition to retail competition and the deregulation of generation facilities, as defined and determined by the General Assembly and, thereafter, by regulation of the State Corporation Commission, shall commence in Virginia on January 1, 2002.*

§ 3. *Retail competition, as defined and determined by the General Assembly and, thereafter, by regulation of the State Corporation Commission, shall commence in Virginia on January 1, 2004.*

§ 4. *Just and reasonable net stranded costs shall be recoverable and appropriate consumer safeguards related to stranded costs and considering stranded benefits shall be implemented, as defined and determined by the General Assembly and, thereafter, by regulation of the State Corporation Commission.*

§ 5. *In the implementation of any of the previous sections, the General Assembly and the State Corporation Commission shall ensure reliable electric service at reasonable and just rates to all classes of consumers with due regard to the protection of the environment.*

§ 6. *In implementing the provisions hereof, the General Assembly shall give due regard to the unique regulatory and taxation structures of all electric utilities and power supply cooperatives in Virginia.*

§ 7. *The enactment shall have no effect on any pending litigation at the State Corporation Commission or in any court in the Commonwealth, or on any power or duty of the Commission granted by law or the Constitution of Virginia.*