

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [H 1172]

5 Approved

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

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

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

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

26 1. § 1. *The State Corporation Commission and those parties involved in electric generating and*
27 *transmission facilities and the sale of electricity in Virginia shall work together to strive to establish one*
28 *or more independent system operators and one or more regional power exchanges that serve the public*
29 *interest in the Commonwealth by January 1, 2001.*

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

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

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

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

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

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