

OPPOSE HB 1275

Topic: Electric utilities; recovery of certain project development costs.

Bill Patron: Del. Phillips

OVERVIEW:

HB 1275 would authorize investor-owned utilities to petition the State Corporation Commission for cost recovery under a rate adjustment clause (RAC) for up to five new electric generation projects, “regardless of fuel source.” Among other requirements, the bill would create a new approval standard for these projects, and exempt such projects from numerous existing requirements including the retirement requirements for carbon-emitting facilities established by the Virginia Clean Economy Act.

REASONS TO OPPOSE:

- This bill is unnecessary, as utilities already have the ability to propose new carbon-emitting electric generation facilities under current law, and the Commission already must take into account any threats to reliability. See Va. Code § 56-585.1 A. 5 c.
- As such, the new proceeding would appear to be designed as a vehicle to avoid existing environmental and customer protections. For example, the law currently requires the Commission to consider the social cost of carbon, whether the utility has met its energy efficiency standards, and whether demand-side or storage resources might meet any capacity needs more cost-effectively than new supply-side resources. This bill would exempt a new project from making any of these required showings.



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This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit www.vcnva.org/bill-tracker. VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.