

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 5, 2024

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUR-2023-00227

Ex Parte: In the matter of establishing
energy efficiency savings targets pursuant
to Code §§ 56-596.2 B 3 and 56-596.2:2

ORDER ESTABLISHING PROCEEDING

During its 2020 Session, the Virginia General Assembly enacted the Virginia Clean Economy Act ("VCEA").¹ Among other things, the VCEA, in Code § 56-596.2, established annual energy savings amounts to be achieved by incumbent electric utilities in Virginia, at separate levels applicable to Phase I and Phase II electric utilities.² Pursuant to Code § 56-596.2 B 3, "[f]or the time period 2026 through 2028, and for every successive three-year period thereafter, the [State Corporation Commission ("Commission")] shall establish new energy efficiency savings targets." Code § 56-596.2 B 3 further provides:

[i]n advance of the effective date of such targets, the Commission shall, after notice and opportunity for hearing, initiate proceedings to establish such targets. As part of such proceeding, the Commission shall consider the feasibility of achieving energy efficiency goals and future energy efficiency savings through cost-effective programs and measures.

Pursuant to separate legislation passed during the 2023 Session of the General Assembly,³ and subsequently codified at Code § 56-596.2:2, the Commission is required to:

¹ Senate Bill 851, 2020 Va. Acts ch. 1194, and identical House Bill 1526, 2020 Va. Acts ch. 1193.

² Consistent with Code § 56-585.1 A 1, Appalachian Power Company ("APCo") is a Phase I Utility and Virginia Electric and Power Company ("Dominion") is a Phase II Utility.

³ 2023 Va. Acts of Assembly ch. 728.

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establish for Phase II Utilities annual energy efficiency savings targets for customers who are low-income, elderly, disabled, or veterans of military service to be achieved through utility energy efficiency programs (low-income energy efficiency savings programs) designed to benefit such customers, provided that each year's target shall be measured by the total combined kilowatt-hour savings achieved by electric utility energy efficiency and demand response programs and measures installed for such customers in that program year, as well as savings still being achieved by measures and programs implemented for such customers in prior years, and that such annual targets shall be at least one percent of the average annual energy retail sales by that utility to those customers, to the extent that the potential exists and is reasonably achievable as determined by the Commission.

Code § 56-596.2:2 further provides, among other things:

- In establishing such targets, the Commission shall seek to optimize energy efficiency and the health and safety benefits of utility energy efficiency programs.
- In advance of the effective date of such annual energy efficiency targets, the first of which shall be for 2025, the Commission shall, after notice and opportunity for hearing, initiate proceedings to establish such targets and the appropriate retail sales against which the energy efficiency targets will be measured.
- In setting such targets, the Commission shall consider the impact and savings of energy efficiency programs authorized by subdivision C 2 of § 10.1-1330 of the Code of Virginia. The Commission shall also consider federal loan guarantees, grant funds, and rebates made available pursuant to the federal Inflation Reduction Act (P.L. 117-169) or other similar federal legislation that facilitates energy efficiency projects.
- All savings from low-income energy efficiency programs shall be applied to the energy efficiency savings set forth in subsection B of § 56-596.2 of the Code of Virginia.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that this proceeding should be established for the purpose of establishing annual energy efficiency savings targets pursuant to Code §§ 56-596.2 and 56-596.2:2. Herein, the Commission directs Dominion and APCo to propose savings targets pursuant to Code § 56-596.2 and directs Dominion additionally to propose savings targets pursuant to Code § 56-596.2:2. We

also invite interested persons and entities to file comments on those proposals and provide an opportunity to request a hearing.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2023-00227.

(2) On or before February 14, 2024, Dominion and APCo shall notify participants in their respective stakeholder processes required by Code § 56-596.2 C of this proceeding and provide a copy of this Order. Proof of such notice shall be filed with the Clerk of the Commission on or before February 28, 2024.

(3) On or before March 12, 2024, Dominion and APCo shall file proposed energy efficiency savings targets pursuant to Code § 56-596.2 to be applicable for the period 2026 to 2028 and shall address the feasibility of such targets. Such filing shall include any request for a hearing to be convened in this matter.

(4) On or before March 12, 2024, Dominion shall file proposed energy efficiency savings targets pursuant to Code § 56-596.2:2.

(5) On or before April 30, 2024, any interested person or entity may file comments on Dominion's and APCo's proposed energy efficiency savings targets by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to file comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00227.

(6) On or before April 30, 2024, any interested person or entity may file with the Clerk of the Commission at: scc.virginia.gov/clk/efiling, a request that the Commission convene a

hearing in this matter. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (5). Such request for hearing shall include the email address of the filer or its counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All requests for a hearing shall refer to Case No. PUR-2023-00227.

(7) On or before June 13, 2024, Staff shall investigate Dominion's and APCo's proposals, together with comments thereto, and file with the Clerk of the Commission a Staff Report containing its findings and recommendations. The Staff Report shall address the feasibility of the proposed targets under Code § 56-596.2 for Dominion and APCo, and under Code § 56-596.2:2 for Dominion.

(8) On or before July 12, 2024, Dominion and APCo shall file any response to comments filed in this matter and to the Staff Report.

(9) This matter is continued.

Commissioner James C. Dimitri participated in this matter.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter, as well as the service lists in Case Nos.

PUR-2021-00236 and PUR-2022-00210. The Service Lists are available from the Clerk of the Commission.