

2009 Session of the General Assembly: Energy Efficiency and Conservation Legislation (Enacted)

Bill No.	Catch line	Patron	Summary
HB1707	Energy performance-based contracts; local assistance	Oder	Requires the Department of Mines, Minerals and Energy to make a reasonable effort as long as workload permits, to provide general assistance to localities, upon request, considering energy performance-based contracts. The bill also requires the Department to compile information annually concerning any energy performance-based contract of a locality of which the Department becomes aware.
HB1828	Localities and water authorities; rate incentives for green roof construction	Fralin	Allows localities and water authorities to offer rate incentives for green roof construction.
HB1975	Local incentives for green roofs	Ware, RL	Authorizes counties, cities, and towns to grant incentives or provide regulatory flexibility to encourage the use of green roofs in the construction, repair, or remodeling of residential and commercial buildings. The incentives or regulatory flexibility could include (i) a reduction in permit fees when green roofs are used, (ii) a streamlined process for the approval of building permits when green roofs are used, or (iii) a reduction in any gross receipts tax on green roof contractors as defined by the local ordinance. This bill is identical to SB 1058.
HB2155	Net energy metering	Toscano	Authorizes utilities to elect a capacity limit for participation by nonresidential customers in the net energy metering program that exceeds the existing limit of 500 kW. The measure also permits customers who are served on time-of-use tariffs that have electricity supply demand charges contained within the electricity supply portion of the time-of-use tariff to participate as customer-generators. In addition, the measure provides that a participating customer-generator owns any renewable energy certificate associated with its generation of electricity, and provides for a one-time option to sell the certificates to its supplier at a rate established by the State Corporation Commission. The utility's costs of acquiring the certificates shall be recoverable under the Renewable Energy Portfolio Standard rate adjustment clause or through the supplier's fuel adjustment clause. HB 1705 is incorporated.
HB2371	Electric utilities; pilot proceeding for rate initiatives	Nutter	Directs the State Corporation Commission to conduct a proceeding to establish two types of pilot programs for certain customers that generate electricity from renewable generation facilities. One type of pilot program addresses dynamic rates for power purchases by eligible customer/renewable generators. The second type of pilot program addresses rates at which participating customers are provided the opportunity to sell electricity to a participating utility at dynamic rates.
HB2506	Energy efficiency programs	Pollard	Authorizes investor-owned electric utilities to recover, through a rate adjustment clause, the costs of designing, implementing, and operating energy efficiency programs, including a general rate of return on operating expenses, if such programs are found to be in the public interest. The utility may earn a general rate of return on energy efficiency programs. The State Corporation Commission may allow for the recovery of reductions in revenue related to energy efficiency programs, to the extent the revenue is not recovered through off-system sales. The costs of new energy efficiency programs shall not be assigned to certain large customers. In proceedings regarding such programs, the Commission shall take into consideration the goals of economic development, energy efficiency, and environmental protection. HB 2176 is incorporated.

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HB2531	Demand-side management, energy conservation, energy efficiency, and demand reduction	Kilgore	Directs the State Corporation Commission (SCC) to conduct a proceeding to determine achievable, cost-effective energy conservation and demand response targets that can be accomplished through demand-side management portfolios administered by generating electric utilities. The SCC is required to report to the Governor and the General Assembly by November 15, 2009. The measure also requires the SCC to approve a demand response program that is proposed by a certain generating electric utility or a qualified nonutility provider if certain conditions are satisfied. The Air Pollution Control Board, in consultation with the SCC and Department of Mines, Minerals and Energy, is required to adopt a general permit for certain generation facilities that participate in voluntary demand response programs. The measure also directs the Air Pollution Control Board to adopt a general permit or permits for the use of back-up generation, in order to allow emergency generation sources to operate during periods that the independent system operator has notified electric utilities that an emergency exists or may occur. HB 2000 is incorporated. SB 1348 is identical.
SB1004	Certification of energy-efficient buildings for local taxes	Quayle	Adds architects to those persons currently authorized to certify buildings as energy efficient using standards prescribed in the Uniform Statewide Building Code. The bill also makes technical changes.
SB1058	Local incentives for green roofs	Whipple	Authorizes counties, cities, and towns to grant incentives or provide regulatory flexibility to encourage the use of green roofs in the construction, repair, or remodeling of residential and commercial buildings. The incentives or regulatory flexibility could include (i) a reduction in permit fees when green roofs are used, (ii) a streamlined process for the approval of building permits when green roofs are used, or (iii) a reduction in any gross receipts tax on green roof contractors as defined by the local ordinance. This bill is identical to HB 1975.
SB1128	Construction of wells; geothermal heating systems	Petersen	Requires the Board of Health to develop regulations for the issuance of an express geothermal permit allowing the construction of wells used solely for closed loop geothermal heating systems. Such regulations shall include a provision that a single application and a single fee shall be required for any geothermal well system, and that the fee shall be equal to the fee for a single private well.
SB1212	Clean energy financing	Deeds	Grants localities the authority to authorize, by ordinance, contracts to provide loans for the initial acquisition and installation of clean energy improvements.
SB1348	Demand-side management, energy conservation, energy efficiency, and demand reduction	Wagner	Directs the State Corporation Commission (SCC) to conduct a proceeding to determine achievable, cost-effective energy conservation and demand response targets that can be accomplished through demand-side management portfolios administered by generating electric utilities. The SCC is required to report to the Governor and the General Assembly by November 15, 2009. The measure also requires the SCC to approve a demand-side management program that is proposed by a certain generating electric utility or a qualified nonutility provider if certain conditions are satisfied. The Air Pollution Control Board, in consultation with the SCC and Department of Mines, Minerals and Energy, is required to adopt a general permit for certain generation facilities that participate in voluntary demand response programs. The measure also directs the Air Pollution Control Board to adopt a general permit or permits for the use of back-up generation, in order to allow emergency generation sources to operate during periods that the independent system operator has notified electric utilities that an emergency exists or may occur. HB 2531 is identical.

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HB1932	HOV lanes; clean special fuel vehicles	Plum	Extends until July 1, 2010, the "sunset" provision allowing vehicles bearing clean special fuel license plates to use HOV lanes regardless of the number of their passengers. This bill was incorporated into HB 2476.
HB2000	Electric utility rate structures; advancing conservation and efficiency.	Vanderhye	Directs the State Corporation Commission to encourage investor-owned electric utilities to file tariffs with rate structures that reflect time of day and seasonal cost differentials. In proceedings that involve a new or amended retail rate structure, the Commission is directed to consider several factors, including the extent to which the rates are designed to align with the utility's marginal cost of providing service at different times of the day. In such rate structure proceedings, electric utilities may seek, and the Commission may approve, financial incentives for the implementation of creative rate options that would allow the utility and its customers to share the economic benefits of rate structures that lower the utility's fuel costs. The measure also directs the Commission to give the highest level of priority in its development of the electric energy consumer education program to efforts to increase consumer awareness and knowledge of electricity rate structures and the overall cost of electricity. This bill was incorporated into HB 2531.
HB2009	Incandescent light bulbs	Ebbin	Bans the sale or distribution in the Commonwealth, effective July 1, 2010, of any general purpose incandescent light bulb. The Board of Agriculture and Consumer Services is authorized to adopt regulations to exempt types of light bulbs from the ban if it finds that the ban creates a significant hardship on the user or is unreasonable because of the lack of an adequate substitute. A violation of the ban is a Class 1 misdemeanor.
HB2012	Sale of certain appliances	Ebbin	Bans the sale or distribution in the Commonwealth, effective July 1, 2011, of any clothes washer, dehumidifier, dishwasher, refrigerator, or room air conditioner that is designed for residential, non-commercial use, which has not been designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each such agency's requirements under the federal Energy Star program. The Board of Agriculture and Consumer Services is authorized to adopt regulations to exempt appliances from the ban if it finds that the ban creates a significant hardship on the user or is unreasonable because of the lack of an adequate substitute. A violation is a Class 1 misdemeanor.
HB2105	Electric utility regulation	McClellan	Directs the State Corporation Commission to take into account, when considering requests for a certificate, permit, or approval for a generation facility, whether the facility is consistent with the utility's integrated resource plan. The measure also (i) establishes a fourth voluntary renewable portfolio standard goal of 15 percent by 2025; (ii) allows utilities to recover costs of designing and operating demand management, conservation, energy efficiency, and load management programs, including an enhanced rate of return on capital invested in energy efficiency, including advanced metering infrastructure, of 200 basis points for between three and seven years; (iii) requires utilities to develop tariffs offering real-time variable rates; and (iv) requires that rates for utility payments to eligible customer-generators under a net energy metering program be not less than the rate the utility charges its customers for electricity provided 100 percent from renewable energy.
HB2151	Retention of energy savings by school boards	Rust	Establishes a program under which the amount of general funds appropriated to a local school board will be held harmless from any reduction that may result under the composite index of local ability-to-pay as a result of the school board's realization of savings from an energy conservation program. School boards are required to prepare an approved energy conservation program for public school buildings based on guidelines to be developed by the Department of Education with assistance from the Department of Mines, Minerals and Energy. The program is required to identify specific measures that the school board may implement in order to reduce its energy expenditures. The Department of Education shall track the energy expenditures for each school board and calculate its energy savings, which shall be reported to the Department of Planning and Budget, the House Appropriations Committee, and the Senate Finance Committee.

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HB2174	Retention of energy savings by state agencies	Hogan	Establishes a program under which the amount of general funds appropriated for a state agency's operating costs will be held harmless from any reduction in projected operational expenditures that results from the state agency's implementation of an energy conservation program. State agencies are required to prepare an approved energy conservation program for each building the state agency occupies or, if it does not occupy an entire building, for the portion of a building it occupies, based on guidelines to be developed by the Department of General Services. The program is required to identify specific measures that the state agency may implement in order to reduce energy expenditures. The Department shall track the energy expenditures for each state agency and calculate its energy savings, which shall be reported to the Department of Planning and Budget, the House Appropriations Committee, and the Senate Finance Committee.
HB2176	Electric energy efficiency standards	Plum	Establishes an energy efficiency standard under which investor-owned electric utilities are required to reduce the consumption by their retail customers in the Commonwealth, through implementation of energy efficiency and conservation programs, 2025 is 19 percent less than the consumption level currently projected for such year. Between 2010 and 2025, utilities are required to meet interim benchmarks established by the State Corporation Commission (SCC), which may be amended due to such factors as economic growth, the addition of load to serve plug-in vehicles, or regulatory, economic, or technological reasons beyond the utility's control. If a utility fails to comply with a benchmark, it is required to pay an alternate compliance payment in an amount not to exceed 3 cents per kilowatt hour consumed in excess of the benchmark amount. A utility's energy efficiency and conservation programs shall be reported in its integrated resource plans. This bill was incorporated into HB 2506.
HB2372	Electric utility rates; curtailing peak power purchases	Nutter	Directs the State Corporation Commission to promulgate regulations requiring electric utilities to offer electric service to nonresidential customers under a tariff that induces customers to curtail electricity usage during periods when the utility's costs of purchasing electric power rise above their norm as a result of heightened load demand and system congestion. The tariff shall ensure that the utility's costs savings are shared with customers who curtail demand for electric power through reduced rates or charges.
HB2387	Green Public Buildings Act	Ebbin	Requires public bodies entering the design phase for construction of a new building greater than 5,000 gross square feet in size, or renovating such a building where the cost of renovation exceeds 50 percent of the value of the building, to build to either the Green Globes Green Building Initiative green building rating standard or the United States Green Building Council Leadership in Energy and Environment Design green building rating standard (LEED). Exemptions from the requirement may be granted by the Director of the Department of General Services for state construction projects or the governing body of a locality or school board for local projects.
HB2404	Virginia Universities Clean Energy Development and Economic Stimulus Foundation	Bell	Creates the Virginia Universities Clean Energy Development and Economic Stimulus Foundation as a body corporate and a political subdivision of the Commonwealth. The Foundation shall identify, obtain, disburse and administer funding for: (i) research and development of alternative fuels, clean energy production, and related technologies; (ii) support of economic development projects in disadvantaged rural areas; and (iii) the provision of assistance in the commercialization of alternative fuels and clean energy technologies. Funding shall be awarded only to those proposed projects that best meet the established criteria and purposes of this act.
HB2572	Income tax; energy-efficient equipment deduction	Caputo	Provides an income tax deduction for taxable years beginning on or after January 1, 2010, to individuals who purchase energy-efficient equipment, on or after January 1, 2009, used for heating, cooling, and providing electricity to their residences. The amount of the deduction equals 50 percent of such equipment expenditures, but not more than \$7,500 total.

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HB2573	Income tax; energy-efficient equipment tax credit	Caputo	Grants an income tax credit for taxable years beginning on or after January 1, 2010, to taxpayers (individuals and corporations) who purchase energy-efficient equipment for heating, cooling, and electricity generation for their commercial property used in a business. The amount of the credit equals 25 percent of such equipment expenditures, but may not be more than \$7,500 total.
HJ675	Study; home energy consumption; report	Brink	Directs the Virginia Housing Commission to study home energy consumption.
HJ682	Study; redesign of electric consumption tax; Virginia Department of Taxation	Vanderhye	Requests the Virginia Department of Taxation to examine the implementation of the residential electric consumption tax and to recommend options for restructuring the tax to promote energy efficiency while remaining revenue neutral.
HJ704	Study; smart meters; report	Scott, JM	Requests the State Corporation Commission to study the advisability of increasing the implementation of smart meter technologies in the Commonwealth.
SB1041	Fuels taxes; annually adjusted	Hanger	Adjusts fuels taxes each year on April 1 by the percentage increase in the Corporate Average Fuel Economy (sales volume weighted), Total Fleet (the CAFE) for the immediately preceding calendar year over the CAFE for calendar year 2008. The first adjustment would occur on April 1, 2010.
SB1065	Covenants regarding wind energy drying devices	Puller	Provides that effective July 1, 2009, no community association shall prohibit an owner from installing or using a wind energy drying device on that owner's property. The bill provides that a community association may establish reasonable restrictions concerning the size, place, time and manner of placement of such wind energy drying device.
SB1125	Income tax; green jobs tax credit	Petersen	Provides an income tax credit to taxpayers in the amount of \$1,000 per year, for up to three years, for each "green job" created that pays at least \$50,000 a year. A green job is employment in an industry related to renewable alternative energies. The credit is available for taxable years beginning on or after January 1, 2009, but before January 1, 2014.
SB1126	Electric energy consumption reduction goal	Petersen	Revises the Commonwealth's stated goal to reduce electric energy consumption. The revised goal is to reduce the consumption of electric energy by retail customers, by the year 2022, to an amount equal to 90 percent of the amount of electric energy consumed by retail customers per capita in 2006. The existing goal is to reduce the consumption of electric energy by retail customers by the year 2022 by an amount equal to 10 percent of the amount of electric energy consumed by retail customers in 2006.
SB1127	State energy efficiency programs	Petersen	Requires the Division of Purchase and Supply of the Department of General Services to ensure that, by 2020 and thereafter, 20 percent of the electricity purchased by or for the departments, agencies, or institutions of the Commonwealth is sustainable energy. Prior to that date, interim percentage requirements for purchases of sustainable energy are established. The measure requires any state agency that is authorized to undertake construction of a state-owned facility over 5,000 gross square feet in size or a renovation of a state-owned facility over 5,000 gross square feet in size where the value of the renovation exceeds 50 percent of the assessed building value to build to energy performance standards of the U.S. Green Building Council's Leadership in Energy and Environmental Design building rating system or equivalent energy performance standards that provide for the use of Virginia forest products, unless granted an exemption by the Director of the Department of General Services. Finally, the measure authorizes the Governor or his designee to permit any state agency to enter into a contract through the use of competitive negotiation, rather than through the requirements of the Commonwealth's public procurement laws, if
SB1215	Clean Energy Manufacturing Incentive Grant Program	Deeds	Repeals the Solar Photovoltaic Manufacturing Incentive Grant Program and creates a program to provide financial incentives to companies that manufacture or assemble equipment, systems, or products used to produce renewable energy, nuclear energy, or energy efficiency products. To be eligible for a grant, the manufacturer must make a capital investment greater than \$50 million and create at least 200 full-time jobs. The program would be managed by the Director of the Department of Mines, Minerals and Energy.

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SB1231	Income tax; energy-efficient equipment tax credit	Barker	Grants an income tax credit for taxable years beginning on or after January 1, 2011, to individuals who purchase energy-efficient equipment for their homes on or after January 1, 2009. The amount of the credit equals five percent of such equipment expenditures but not more than \$2,500 total.
SB1245	Virginia Public Building Authority; financing energy performance-based contract projects	Stosch	Authorizes the Virginia Public Building Authority to issue bonds in a principal amount not to exceed \$50,000,000 for the financing of projects on state-owned buildings that are contracted under an energy performance-based contract. The bill will not become effective unless the State Treasurer, by September 1, 2009, certifies that bonds or indebtedness issued pursuant to the act would not negatively impact the debt capacity of the Commonwealth.
SB1248	Energy efficiency programs	Northam	Authorizes investor-owned electric utilities to recover, through a rate adjustment clause, the projected and actual costs of designing, implementing, and operating energy efficiency programs and fair and effective peak-shaving programs. The utility may earn a general rate of return on energy efficiency programs. The State Corporation Commission may allow for the recovery of reductions in revenue related to energy efficiency programs, to the extent the revenue is not recovered through off-system sales. Certain large general service customers may be exempted from paying the costs of such energy efficiency programs. The measure also requires electric cooperatives to file assessments of impediments to their implementation of certain rate initiatives.
SB1252	Green Public Buildings Act	Petersen	Requires public bodies entering the design phase for construction of a new building greater than 5,000 gross square feet in size, or renovating such a building where the cost of renovation exceeds 50 percent of the value of the building, to build to either the Green Globes Green Building Initiative green building rating standard or the United States Green Building Council Leadership in Energy and Environment Design green building rating standard (LEED). The bill also provides that such buildings shall be designed, constructed, verified, and operated to achieve energy savings that exceed the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASH RAE) Standard 90.1-2004 by at least 15 percent for new construction and 10 percent for major renovation and that the water systems designed for such buildings be required to provide water use savings of at least 25 percent over the baseline standard established in the federal Energy Policy Act of 1992. Exemptions from the requirement may be granted by the Director of the Department of General Services for state construction projects or the governing body of a locality or school board for local projects. The provisions of the bill do not apply to local put
SB1296	Energy efficiency and demand response goals	Reynolds	Establishes a goal that every investor-owned utility in the Commonwealth reduce the consumption by their retail customers in the Commonwealth, through implementation of energy efficiency programs, in 2025 by 19 percent compared to the consumption level currently projected for such year. The measure also establishes a goal that such utilities reduce their maximum peak demand in 2025 through their implementation of load-shifting and similar demand response programs to a level that is 26 percent less than the currently projected maximum peak demand for such year. The measure allows utilities to recover costs of designing and operating demand response and energy efficiency programs through a rate adjustment clause, and requires utilities to develop tariffs offering real-time variable rates.
SB1345	Energy efficiency in state government	Wagner	Establishes a goal of reducing the annual cost of nonrenewable energy purchases by each executive branch agency and institution by at least 20 percent of fiscal year 2008 expenditures by fiscal year 2012. Such agencies and institutions are required to implement energy efficiency measures that have a payback period of five years or less, as general fund appropriations become available to the state agency. The bill requires state public bodies entering the design phase for construction of a new building greater than 5,000 gross square feet in size, or renovating such a building where the cost of renovation exceeds 50 percent of the value of the building, to build to either the Green Globes Green Building Initiative green building rating standard or the United States Green Building Council Leadership in Energy and Environment Design green building rating standard (LEED). The bill also provides that such buildings shall be designed, constructed, verified, and operated to achieve energy savings that exceed the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASH RAE) Standard 90.1-2004 by at least 15 percent for new construction and 10 percent for major renovation and that the water systems designed for s

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SB1440	Integrated resource planning; electrical consumption	Herring	Requires each electric utility to include in its integrated resource plan, and amendments thereto, a plan for the utility to reduce its customers' electricity consumption by 2025 to a level that is 19 percent less than the forecasted 2025 consumption level, through investments in programs that will reduce the amount of base load power that the utility will be required to make available to meet expected customer consumption. The measure requires electric cooperatives to prepare integrated resource plans on the same terms applicable to investor-owned electric utilities. If a utility fails to comply with a benchmark, it is required to pay an alternate compliance payment in an amount not to exceed three cents per kilowatt hour consumed in excess of the benchmark amount. Funds collected from alternate compliance payments are to be deposited in a special fund named the Virginia Energy Efficiency and Integrated Resource Plan Compliance Fund. The Fund shall be used to finance financial incentives, including grants and low-interest loans, to persons other than utilities for the implementation of energy efficiency and conservation programs.
SB1447	Energy efficiency by electric utilities	McEachin	Requires investor-owned electric utilities and electric cooperatives to implement energy efficiency programs. Utilities are eligible to recover costs of approved programs that achieve quantifiable, observable savings where the scope of the program is sufficient to reduce demand from retail customers by amounts needed to attain a targeted 19 percent consumption reduction goal by 2025. Investor-owned electric utilities are also eligible to earn a 200 basis points' enhanced return on equity on investments in approved energy efficiency programs. The integrated resource plans developed by electric utilities shall include investments in energy efficiency resources sufficient to achieve a 19 percent reduction in the utility customer's consumption in 2025, compared to the projected level of consumption that would occur without such investments. The net energy metering program shall be revised to supplement energy efficiency programs. The State Corporation Commission is required to develop regulations that provide access to the electrical grid by distributed generators with combined heat and power systems. The measure requires electric cooperatives to prepare integrated resource plans on the same terms applicable to investor-own
SB1452	Energy efficiency programs	Petersen	Imposes a \$1 per month surcharge on rates for retail customers of investor-owned electric utilities and distribution electric cooperatives. The moneys generated from the charge will be deposited in the Energy Efficiency Fund, which shall be administered by a program administrator selected by the State Corporation Commission subject to the approval of the Governor. The program administrator is charged with developing energy efficiency plans and, if approved by the SCC, implementing such plans. The SCC shall approve a proposed energy efficiency plan if it is consistent with energy objectives of the Virginia Energy Plan.
SJ319	Study; home energy consumption; report	Whipple	Directs the Virginia Housing Commission to study home energy consumption