

2017 VIRGINIA LEGISLATIVE AND POLITICAL REPORT
PRESENTED TO THE UTILITY STATE GOVERNMENT ORGANIZATION
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Virginia's 46-day General Assembly session kept Washington Gas engaged in 25 House of Delegates and Senate bills relevant to the company. Legislation that the company supported and was enacted includes:

- ✓ Preserving natural gas company property rights during pipeline surveying and construction
- ✓ Expediting local approvals of utility easements related to critically-needed road projects
- ✓ Providing more flexibility to the Virginia Economic Development Partnership in evaluating potential economic development sites to be potentially powered by natural gas
- ✓ Maintaining state budget funding for Virginia's Business Ready Sites Program, which leverages state resources and utilizes industry sector expertise to target, assess, and develop quality sites for future investment
- ✓ Authorizing local governments to create green development energy zones with tax incentives and regulatory flexibility for businesses operating in energy efficient buildings or producing products used to reduce negative impact on the environment
- ✓ Increasing criminal penalties for computer trespass if the computer targeted is exclusively for use of, or used by or for, public utilities, the state government, or localities
- ✓ Mandating home inspectors to report the presence of yellow shaded corrugated stainless steel tubing used to connect a home's natural gas supply to gas appliances, and to verify if the installation meets current building code requirements. If lightning strikes on or near a structure, there is a risk it can travel through the gas piping system, causing a leak or a fire.
- ✓ This is a major election year in the Commonwealth, with the statewide offices of governor, lieutenant governor, and attorney general on November's ballot. The 100-member House of Delegates is also at stake. The 40-member Senate is up in 2019.

With regard to electric utility issues, there were four major issues addressed: strategic undergrounding of distribution lines, rider treatment for life extensions (from 60 to 80) for nuclear units, pumped storage hydro, recommendations of the solar stakeholder work group, and coal ash.

- ✓ The General Assembly passed and the Governor signed Senate Bill 1473 (Saslaw), establishing a methodology for the State Corporation Commission to use in evaluating strategic undergrounding of small distribution lines to improve reliability (the overall program—ten years and \$2 billion—had already been found in the public interest by 2014 legislation. The 2017 bill set a standard that any filing with an average, in aggregate, of nine or more unplanned outages over a rolling ten-year period was presumed (rebuttable presumption) to be reasonable and prudent.
- ✓ The General Assembly also passed and the Governor signed House Bill 2291 (Kilgore) that allowed for rider treatment of the expenses associated with extending the life and license of Virginia’s four nuclear units from 60 to 80 years.
- ✓ The General Assembly passed and the Governor approved bills by Senator Chafin and Delegate Kilgore (HB 2390 has the final form of the legislation) declaring pumped storage hydro-electric facilities in the coalfields region (seven counties in far Southwest Virginia) to be in the public interest, along with associated renewable energy projects in the coalfields (these do not need to be on the same site).
- ✓ The General Assembly passed three legislative recommendations of the solar work group, using a professional facilitator, established in 2016 between the utility industry and the solar industry. These proposals established a non-net metering alternative for agriculture net metering, eliminated the requirement for SCC approval of “ring fenced” solar projects where a single customer pays all the costs (the same bill also increased the size limit on environmental permit by rule for solar from 100 MW to 150 MW), and established a utility-owned community net metering program with a one year commitment by customers and a mix of small and larger

scale solar projects for customers to buy into. Note, this legislation was structured with no ratepayer cross subsidy.

- ✓ The General Assembly approved the Governor's proposed amendment to coal ash legislation establishing a moratorium on permitting of coal ash closure proposals until May 2017, pending completion of an assessment of closure options.