

# PERFORMANCE BASED REGULATION (PBR)

## STAKEHOLDER WORKGROUP MEETING #2

### VIRGINIA DEPARTMENT OF ENERGY

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**December 20, 2024**



# AGENDA

## Meeting #2

- Welcome
- SCC Overview of Current Ratemaking Practices
- Stakeholder Perspectives on Current Regulatory Structure
  - *Southern Environmental Law Center*
  - *The Nature Conservancy*
  - *Virginia Poverty Law Center and Virginia Energy Consumer Alliance*
  - *Clean Virginia*
  - *Dominion Energy*
  - *Appalachian Power NRG Energy, Inc.*
- Group Discussion
- Next Steps and Closing





# REVIEW OF ENABLING RESOLUTION

## Goals outlined in HJ30/SJ47 :

- i. Evaluate the potential of performance-based regulatory tools and alternative regulatory tools to modernize the legal or regulatory framework and
- ii. Consider the long-term financial stability of investor-owned utilities and balance the interests of all stakeholders for the benefit of the Commonwealth.



# PROCESS - PARTICIPANTS

## Named Stakeholder Groups :

- Electric utilities in the Commonwealth
- Competitive service suppliers in the Commonwealth
- Representatives of all customer classes
- Commission staff
- Office of the Attorney General
- Environmental organizations
- Consumer protection groups
- Local communities



# STAKEHOLDER GROUP

- Appalachian Power
- Appalachian Voices
- Chesapeake Climate Action Network
- Clean Virginia
- Climate Action Alliance of the Valley
- Commission on Electric Utility Regulation
- Data Center Coalition
- Department of Energy
- Department of Environmental Quality
- Dominion Energy
- Great Plains Institute
- Office of Attorney General
- Old Dominion Committee for fair Utility Rates
- Natural Resources Defense Council (NRDC)
- New Virginia Majority
- NRG Energy
- Pacific Economics Group Research LLC
- Plan RVA
- Regulatory Assistance Project (RAP)
- Rocky Mountain Institute (RMI)
- Secure Solar Futures
- Sierra Club Virginia Chapter
- Solar United Neighbors
- The Nature Conservancy
- The Virginia Grassroots Coalition
- Virginia Association of Counties
- Virginia Energy Consumer Alliance
- Virginia Energy Purchasing Governmental Association
- Virginia Committee for Fair Utility Rates
- Virginia Manufacturers Association
- Virginia Municipal League
- Virginia Organizing
- Virginia Poverty Law Center

# SCC

## OVERVIEW OF CURRENT RATEMAKING PRACTICES







# **SOUTHERN ENVIRONMENTAL LAW CENTER**

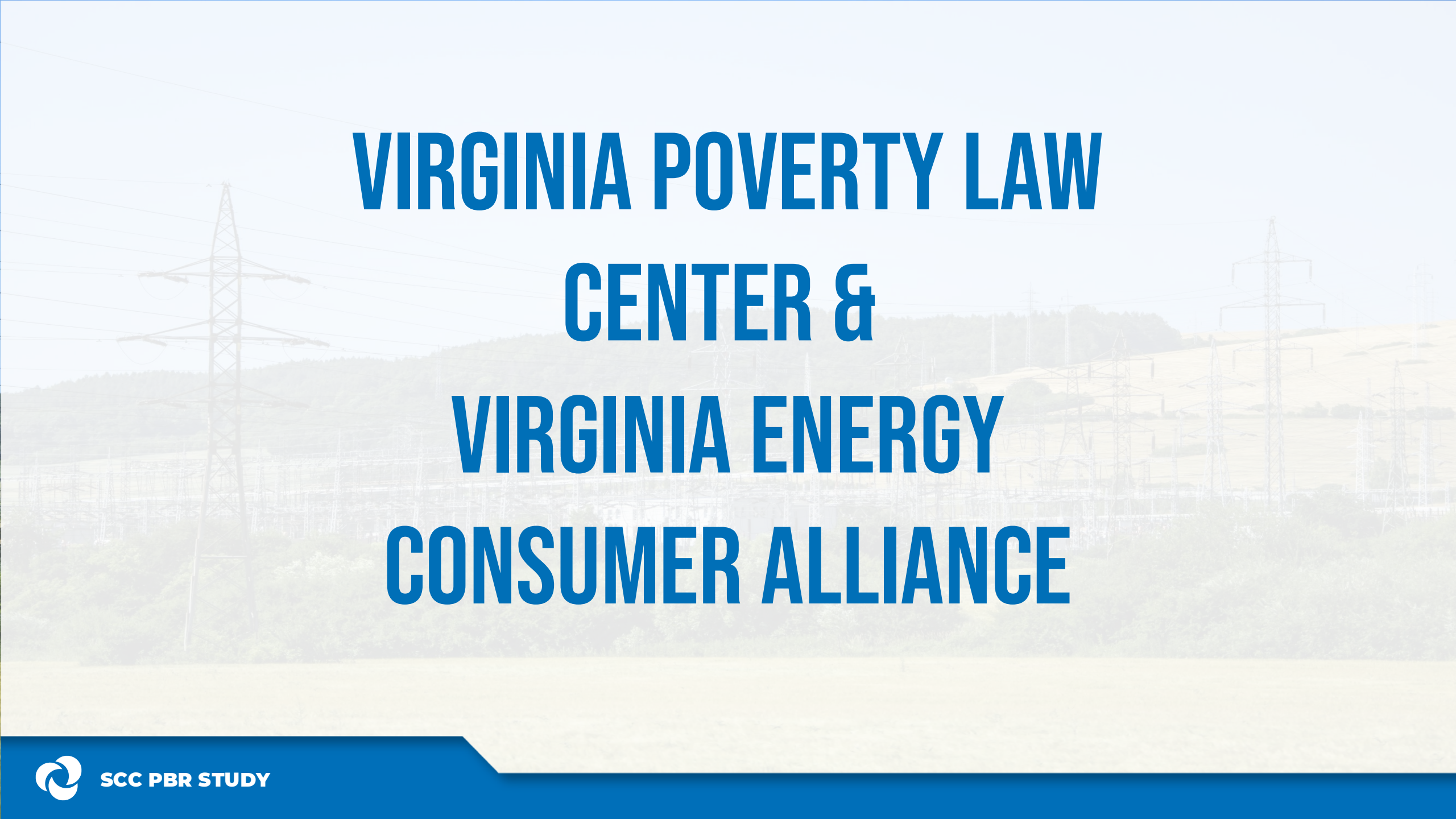




# THE NATURE CONSERVANCY







**VIRGINIA POVERTY LAW  
CENTER &  
VIRGINIA ENERGY  
CONSUMER ALLIANCE**



# CLEAN VIRGINIA





# DOMINION ENERGY



# APPALACHIAN POWER



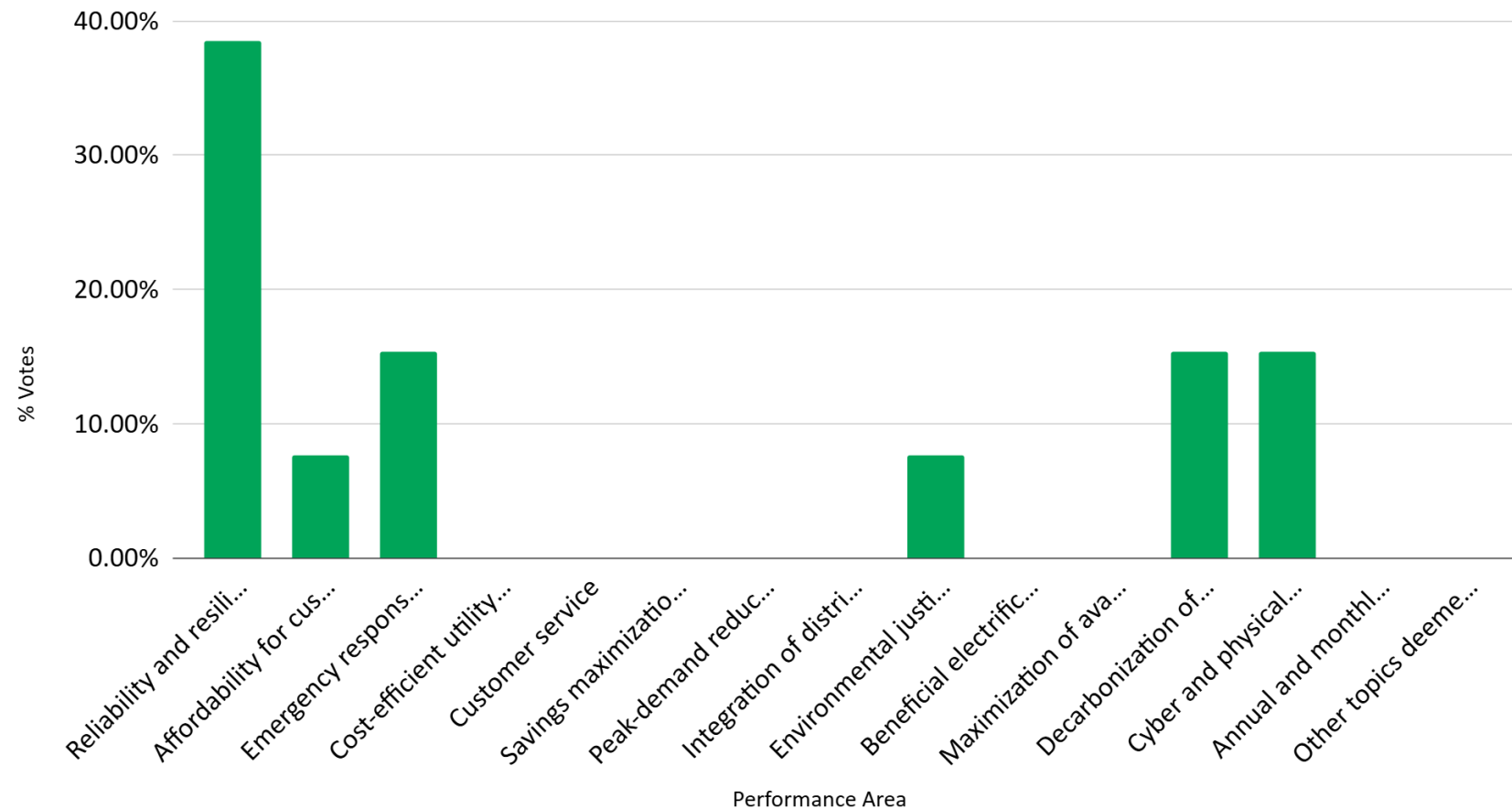


# NRG ENERGY, INC.



# VIRGINIA'S CURRENT REGULATORY FRAMEWORK SURVEY

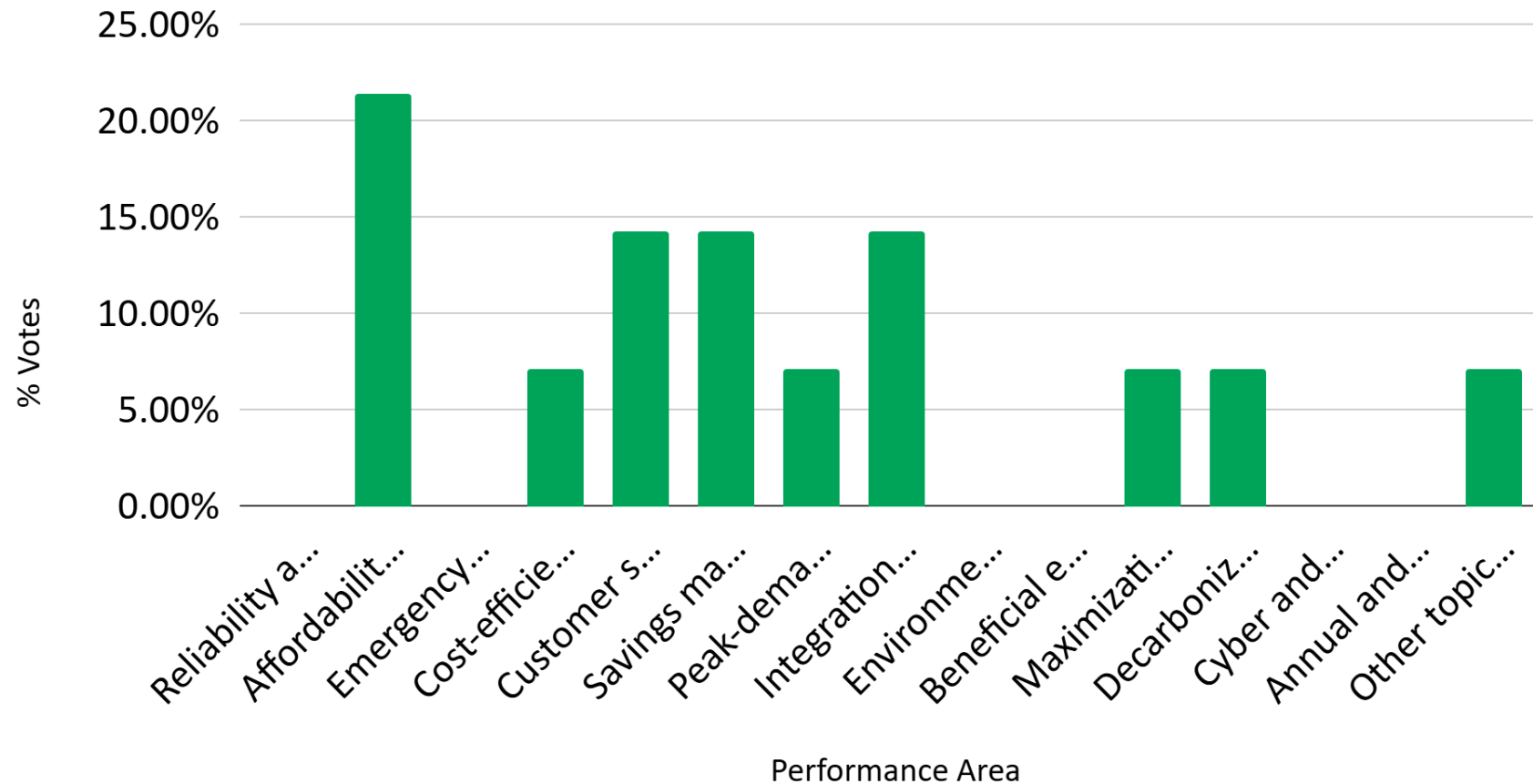
For which performance area do you feel Virginia's regulatory framework successfully promotes performance that furthers Commonwealth policy goals?





# VIRGINIA'S CURRENT REGULATORY FRAMEWORK SURVEY

For which performance area do you feel Virginia's regulatory framework currently DOES NOT promote performance that furthers Commonwealth...



# GROUP DISCUSSION





# GROUP DISCUSSION

1. Any other areas to highlight when evaluating the efficacy of the current structure?
2. Any response to any of the perspectives offered in the presentations?
3. Any other thoughts on the current structure?



# NEXT STEPS





# STUDY TIMELINE

## Timeline :

- DOE will submit a summary of the Stakeholder Process's conclusions and recommendations concerning PBR and alternative regulatory tools to SCC - ~~February 7, 2025~~ May 09, 2025
- SCC will report its findings and recommendations concerning the PBR Study to the Governor and the General Assembly - October 15, 2025
- SCC and DOE present their findings and recommendations in a public meeting to the Commission on Electric Utility Regulation - November 15, 2025
- Complete report due to General Assembly - First day of 2026 General Assembly Session

# NEXT STEPS

## Timeline :

- Written comments following this meeting
- Meeting #3 scheduled for Friday, January 17 from 1pm - 3pm
  - RMI to present on PBR experience from other jurisdictions
  - Revisit activities and goals of the stakeholder process given new timeline
- Tentative calendar hold for the afternoon of Friday, January 31