

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 4632

FISCAL
NOTE

By Delegate Young

[Introduced January 11, 2024; Referred to the
Committee on Energy and Manufacturing]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §20-20-1, §20-20-2, and §20-20-3, all relating to energy storage, establishing
 3 legislative intent, defining terms, establishing mechanisms for procurement, and providing
 4 for legislative rules.

Be it enacted by the Legislature of West Virginia:

ARTICLE 20. ENERGY STORAGE SYSTEMS.

§20-20-1. Title and Legislative intent.

1 (a) The short title of this article is the "Energy Storage Procurement Act".
 2 (b) This Legislature declares that energy storage systems reduce system costs, support
 3 diversification of energy resources, and enhance grid stability. Therefore, it is in the public interest
 4 to explore the use of energy storage systems in West Virginia and to integrate into the planning
 5 process mechanisms for the procurement of energy storage systems by West Virginia's electric
 6 utilities through evaluation and procurement methodologies.

§20-20-2. Definitions.

1 As used in this section:
 2 "Electric utility" means an investor-owned electric utility;
 3 "Energy storage system" means commercially available technology that is capable of
 4 retaining energy, storing the energy for a period of time, and delivering the energy after storage by
 5 chemical, thermal, mechanical, or other means;
 6 "Procure" or "procurement" means to acquire by ownership or by a contractual right to use
 7 the energy from, or the capacity of, an energy storage system.

§20-20-3. Procurement mechanisms - determination by commission - rules.

1 (a) On or before February 1, 2025, the West Virginia Division of Energy shall establish, by
 2 rule, in accordance with the provisions of §29A-3-1 et seq. of this code, as part of the planning
 3 process, mechanisms for the procurement of energy storage systems by an electric utility; except
 4 that these mechanisms must not affect any ongoing resource acquisitions or competitive bidding

5 processes.

6 (b) In adopting the rules required by subsection (a) of this section, the division shall use its
7 best efforts to create conditions under which the procurement of energy storage systems by an
8 electric utility will provide systemic benefits, including:

9 (1) Increased integration of energy into the grid of the electric utility;

10 (2) Improved reliability of the grid;

11 (3) A reduction in the need for the increased generation of electricity during periods of peak
12 demand; and

13 (4) The avoidance, reduction, or deferral of investment by the electric utility.

14 (c) Pursuant to subsection (a) of this section, and in consideration of all known and
15 measurable benefits and costs to an electric utility, the commission shall adopt rules:

16 (1) Establishing mechanisms for the inclusion of benefits and costs associated with energy
17 storage systems into the planning conducted by electric utilities;

18 (2) Requiring electric utilities to provide to the division, and allowing electric utilities to
19 provide to third parties as approved by the division, appropriate data and analysis of potential
20 storage acquisitions in their planning processes, including potential interconnection points;

21 (3) Ensuring that any storage system project added to the electric grid will not compromise
22 the security, safety, or reliability of the electric grid or any part of the electric grid;

23 (4) Establishing that an energy storage system may be owned by an electric utility or by
24 any other person;

25 (5) (A) Establishing requirements for the filing by an electric utility of acquisition plans
26 containing an analysis of the integration and use of electric storage systems.

27 (B) The electric utility provide in its acquisition plans:

28 (i) Modeling assumptions used to assess the costs and benefits of energy storage
29 systems; and

30 (ii) Model contracts for procurement of energy storage systems.

31 (6) Requiring the electric utility to include such other information as the division may
32 require in its documentation relating to planning.

33 (d) Nothing in this section is intended to prohibit or deter cost-effective storage
34 deployment.

NOTE: The purpose of this bill is to establish an energy storage program.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.