

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 763

By Senators Hart, Smith (Mr. President), Helton,

Phillips, and Rose

[Introduced March 17, 2025; referred
to the Committee on Energy, Industry, and Mining]

1 A BILL to amend and reenact §24-2-1 of the Code of West Virginia, 1931, as amended, relating to
2 the creation of the Public Electrical Savings Act.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.

§24-2-1. Jurisdiction of commission; waiver of jurisdiction.

1 (a) The jurisdiction of the commission extends to all public utilities in this state and includes
2 any utility engaged in any of the following public services:

3 (1) Common carriage of passengers or goods, whether by air, railroad, street railroad,
4 motor, or otherwise, by express or otherwise, by land, water, or air, whether wholly or partly by
5 land, water, or air;

6 (2) Transportation of oil, gas, or water by pipeline;

7 (3) Transportation of coal and its derivatives and all mixtures and combinations thereof
8 with other substances by pipeline;

9 (4) Sleeping car or parlor car services;

10 (5) Transmission of messages by telephone, telegraph, or radio;

11 (6) Generation and transmission of electrical energy by hydroelectric or other utilities for
12 service to the public, whether directly or through a distributing utility;

13 (7) Supplying water, gas, or electricity by municipalities or others: *Provided*, That natural
14 gas producers who provide natural gas service to not more than 25 residential customers are
15 exempt from the jurisdiction of the commission with regard to the provisions of the residential
16 service: *Provided, however*, That upon request of any of the customers of the natural gas
17 producers, the commission may, upon good cause being shown, exercise authority as the
18 commission may consider appropriate over the operation, rates, and charges of the producer and
19 for the length of time determined proper by the commission: *Provided further*, That the provision of
20 a ~~an~~ solar photovoltaic onsite energy facility located on and designed to meet only the electrical
21 needs of the premises of a retail electric customer, the output of which is subject to a power

purchase agreement (PPAs) with the retail electric customer, shall not constitute a public service, subject to the following conditions and limitations:

(i) PPAs must be 11 point font or larger;

(ii) The aggregate of all PPAs and net metering arrangements in the state for any utility shall not exceed three percent of the utility's aggregate customer peak demand in the state during the previous year;

(iii) There shall be individual customer on-site generator limits of designing the ~~photovoltaic~~ onsite energy facility to meet only the electrical needs of the premises of the retail electric customer and which in no case shall exceed 50kW for residential customers, 1,000 kW for commercial customers, and 2,000 kW for industrial customers;

(iv) Customers who enter into PPAs relating to ~~photovoltaic~~ onsite facilities are to notify the utility of its intent to enter into a transaction. In response, the utility shall notify within 30 days if any of the caps have been reached. If the utility does not respond within 30 days, the generator may proceed and the caps will be presumed not to have been reached; and

(v) The Public Service Commission may promulgate rules to govern and implement the provisions of interconnections for PPAs and inspect the meters implemented in such agreements at the onset of the agreement, and no less than once per three-year period thereafter, except the PSC does not have authority over the power rates for the arrangements between the on-site generator and the customer;

(vi) No public entity shall enter into a PPA unless such agreement contractually guarantees the customer a total cost per kilowatt-hour which is less than that offered by the public electrical utility serving the location, beginning at the onset of the agreement and continuing for each year of the agreement; and

(vii) No public entity shall enter into a PPA exceeding five years in duration. PPAs for public entities may be renewed at the conclusion of a previous contract term; and

(viii) No public entity shall enter into a PPA unless such quote and subsequent agreement

include provisions for onsite power storage sufficient to provide a backup source of electricity capable of meeting the power demands of the facility for a period no shorter than 48 hours in event of utility power outage or a disruption or temporary decline of onsite generation.

(8) Sewer systems servicing 25 or more persons or firms other than the owner of the sewer systems: *Provided*, That if a public utility other than a political subdivision intends to provide sewer service by an innovative, alternative method, as defined by the federal Environmental Protection Agency, the innovative, alternative method is a public utility function and subject to the jurisdiction of the Public Service Commission, regardless of the number of customers served by the innovative, alternative method;

(9) Any public service district created under the provisions of §16-13A-1 *et seq.* of this code, except that the Public Service Commission has no jurisdiction over the provision of stormwater services by a public service district;

(10) Toll bridges located more than five miles from a toll-free bridge which crosses the same body of water or obstacle, wharves, ferries; solid waste facilities; and

(11) Any other public service.

(b) The jurisdiction of the commission over political subdivisions of this state providing separate or combined water and/or sewer services and having at least 4,500 customers and annual combined gross revenues of \$3 million or more that are political subdivisions of the state is limited to:

(1) General supervision of public utilities, as granted and described in §24-2-5 of this code;

(2) Regulation of measurements, practices, acts, or services, as granted and described in §24-2-7 of this code;

(3) Regulation of a system of accounts to be kept by a public utility that is a political subdivision of the state, as granted and described in §24-2-8 of this code;

(4) Submission of information to the commission regarding rates, tolls, charges, or practices, as granted and described in §24-2-9 of this code;

(5) Authority to subpoena witnesses, take testimony, and administer oaths to any witness in any proceeding before or conducted by the commission, as granted and described in §24-2-10 of this code; and

(6) Investigation and resolution of disputes between a political subdivision of the state providing wholesale water and/or wastewater treatment or other services, whether by contract or through a tariff, and its customer or customers, including, but not limited to, rates, fees, and charges, service areas and contested utility combinations: *Provided*, That any request for an investigation related to a dispute that is based on the act or omission of the political subdivision shall be filed within 30 days of the act or omission of the political subdivision and the commission shall resolve the dispute within 120 days of filing. The 120-day period for resolution of the dispute may be tolled by the commission until the necessary information showing the basis of the rates, fees, and charges or other information required by the commission is filed: *Provided, however*, That the disputed rates, fees, and charges fixed by the political subdivision providing separate or combined water and/or sewer services shall remain in full force and effect until set aside, altered, or amended by the commission in an order to be followed in the future.

(7) Customers of water and sewer utilities operated by a political subdivision of the state may bring formal or informal complaints regarding the commission's exercise of the powers enumerated in this section and the commission shall resolve these complaints: *Provided*, That any formal complaint filed under this section that is based on the act or omission of the political subdivision shall be filed within 30 days of the act or omission complained of and the commission shall resolve the complaint within 180 days of filing. The 180-day period for resolution of the dispute may be tolled by the commission until the necessary information showing the basis of the matter complained of is filed by the political subdivision: *Provided, however*, That whenever the commission finds any regulations, measurements, practices, acts, or service to be unjust, unreasonable, insufficient, or unjustly discriminatory, or otherwise in violation of any provisions of this chapter, or finds that any service is inadequate, or that any service which is demanded cannot

100 be reasonably obtained, the commission shall determine and declare, and by order fix reasonable
101 measurement, regulations, acts, practices or services, to be furnished, imposed, observed, and
102 followed in lieu of those found to be unjust, unreasonable, insufficient, or unjustly discriminatory,
103 inadequate, or otherwise in violation of this chapter, and shall make an order that is just and
104 reasonable: *Provided further*, That if the matter complained of would affect rates, fees, and
105 charges fixed by the political subdivision providing separate or combined water and/or sewer
106 services, the rates, fees, or charges shall remain in full force and effect until set aside, altered, or
107 amended by the commission in an order to be followed in the future.

108 (8) If a political subdivision has a deficiency in either its bond revenue or bond reserve
109 accounts, or is otherwise in breach of a bond covenant, any bond holder may petition the Public
110 Service Commission for any redress that will bring the accounts to current status or otherwise
111 resolve the breached covenant. The commission has jurisdiction to fully resolve the alleged
112 deficiency or breach.

113 (c) The commission may, upon application, waive its jurisdiction and allow a utility
114 operating in an adjoining state to provide service in West Virginia when:

115 (1) An area of West Virginia cannot be practicably and economically served by a utility
116 licensed to operate within the State of West Virginia;

117 (2) The area can be provided with utility service by a utility which operates in a state
118 adjoining West Virginia;

119 (3) The utility operating in the adjoining state is regulated by a regulatory agency or
120 commission of the adjoining state; and

121 (4) The number of customers to be served is not substantial. The rates the out-of-state
122 utility charges West Virginia customers shall be the same as the rate the utility may charge in the
123 adjoining jurisdiction. The commission, in the case of any such utility, may revoke its waiver of
124 jurisdiction for good cause.

125 (d) Any other provisions of this chapter to the contrary notwithstanding:

(1) An owner or operator of an electric generating facility located or to be located in this state that has been designated as an exempt wholesale generator under applicable federal law, or will be so designated prior to commercial operation of the facility, for which the facility the owner or operator holds a certificate of public convenience and necessity issued by the commission on or before July 1, 2003, is subject to §24-2-11c(e) through §24-2-11c(j) of this code as if the certificate of public convenience and necessity for the facility were a siting certificate issued under §24-2-11c of this code, and is not otherwise subject to the jurisdiction of the commission or to the provisions of this chapter with respect to the facility except for the making or constructing of a material modification thereof as provided in §24-2-1(d)(5) of this code.

(2) Any person, corporation, or other entity that intends to construct or construct and operate an electric generating facility to be located in this state that has been designated as an exempt wholesale generator under applicable federal law, or will be designated prior to commercial operation of the facility, for which facility the owner or operator does not hold a certificate of public convenience and necessity issued by the commission on or before July 1, 2003, shall, prior to commencement of construction of the facility, obtain a siting certificate from the commission pursuant to the provisions of §24-2-11c of this code in lieu of a certificate of public convenience and necessity pursuant to the provisions of §24-2-11 of this code. An owner or operator of an electric generating facility as is described in this subdivision for which a siting certificate has been issued by the commission is subject to §24-2-11c(e) through §24-2-11c(j) of this code and is not otherwise subject to the jurisdiction of the commission or to the provisions of this chapter with respect to the facility except for the making or constructing of a material modification thereof as provided in §24-2-1(d)(5) of this code.

(3) An owner or operator of an electric generating facility located in this state that had not been designated as an exempt wholesale generator under applicable federal law prior to commercial operation of the facility that generates electric energy solely for sale at retail outside this state or solely for sale at wholesale in accordance with any applicable federal law that

preempts state law or solely for both sales at retail and sales at wholesale and that had been constructed and had engaged in commercial operation on or before July 1, 2003, is not subject to the jurisdiction of the commission or to the provisions of this chapter with respect to the facility, regardless of whether the facility subsequent to its construction has been or will be designated as an exempt wholesale generator under applicable federal law: *Provided*, That the owner or operator is subject to §24-2-1(d)(5) of this code if a material modification of the facility is made or constructed.

(4) Any person, corporation, or other entity that intends to construct or construct and operate an electric generating facility to be located in this state that has not been or will not be designated as an exempt wholesale generator under applicable federal law prior to commercial operation of the facility that will generate electric energy solely for sale at retail outside this state or solely for sale at wholesale in accordance with any applicable federal law that preempts state law or solely for both sales at retail and sales at wholesale and that had not been constructed and had not been engaged in commercial operation on or before July 1, 2003, shall, prior to commencement of construction of the facility, obtain a siting certificate from the commission pursuant to the provisions of §24-2-11c of this code in lieu of a certificate of public convenience and necessity pursuant to the provisions of §24-2-11 of this code. An owner or operator of an electric generating facility as is described in this subdivision for which a siting certificate has been issued by the commission is subject to §24-2-11c(e) through §24-2-11c(j) of this code, and is not otherwise subject to the jurisdiction of the commission or to the provisions of this chapter with respect to the facility except for the making or constructing of a material modification thereof as provided in §24-2-1(d)(5) of this code.

(5) An owner or operator of an electric generating facility described in this subsection shall, before making or constructing a material modification of the facility that is not within the terms of any certificate of public convenience and necessity or siting certificate previously issued for the facility or an earlier material modification thereof, obtain a siting certificate for the modification from

the commission pursuant to the provisions of §24-2-11c of this code, in lieu of a certificate of public convenience and necessity for the modification pursuant to the provisions of §24-2-11 of this code and, except for the provisions of §24-2-11c of this code, is not otherwise subject to the jurisdiction of the commission or to the provisions of this chapter with respect to the modification.

(6) The commission shall consider an application for a certificate of public convenience and necessity filed pursuant to §24-2-11 of this code, to construct an electric generating facility described in this subsection or to make or construct a material modification of the electric generating facility as an application for a siting certificate pursuant to §24-2-11c of this code if the application for the certificate of public convenience and necessity was filed with the commission prior to July 1, 2003, and if the commission has not issued a final order as of that date.

(7) The limitations on the jurisdiction of the commission over, and on the applicability of the provisions of this chapter to, the owner or operator of an electric generating facility as imposed by and described in this subsection do not affect or limit the commission's jurisdiction over contracts or arrangements between the owner or operator of the facility and any affiliated public utility subject to the provisions of this chapter.

(e) The commission does not have jurisdiction of Internet protocol-enabled service or voice-over Internet protocol-enabled service. As used in this subsection:

(1) "Internet protocol-enabled service" means any service, capability, functionality, or application provided using Internet protocol, or any successor protocol, that enables an end user to send or receive a communication in Internet protocol format, or any successor format, regardless of whether the communication is voice, data, or video.

(2) "Voice-over Internet protocol service" means any service that:

(i) Enables real-time, two-way voice communications that originate or terminate from the user's location using Internet protocol or a successor protocol; and

(ii) Uses a broadband connection from the user's location.

(3) The term "voice-over Internet protocol service" includes any service that permits users

204 to receive calls that originate on the public-switched telephone network and to terminate calls on
205 the public-switched telephone network.

206 (f) Notwithstanding any other provisions of this article, the commission does not have
207 jurisdiction to review or approve any transaction involving a telephone company otherwise subject
208 to §24-2-12 and §24-2-12a of this code, if all entities involved in the transaction are under common
209 ownership.

210 (g) The Legislature finds that the rates, fees, charges, and ratemaking of municipal power
211 systems are most fairly and effectively regulated by the local governing body. Therefore,
212 notwithstanding any other provisions of this article, the commission does not have jurisdiction over
213 the setting or adjustment of rates, fees, and charges of municipal power systems. Further, the
214 jurisdiction of the Public Service Commission over municipal power systems is limited to that
215 granted specifically in this code.

NOTE: The purpose of this bill is to provide for the creation of the Public Electrical Savings Act.

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