

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4110

By Delegate Hansen

[Introduced January 14, 2026; referred to the
Committee on Energy and Public Works]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article, designated §24-2J-1, §24-2J-2, §24-2J-3, §24-2J-4, §24-2J-5, and §24-2J-6, relating to establishing the West Virginia Energy Efficiency Jobs Creation Act; creating short title; establishing findings and purpose; defining terms; requiring electric utilities to develop and implement energy efficiency programs; establishing duties of the Public Service Commission; establishing certain requirements that the commission is to impose on electric utilities; providing requirements of electric utilities; requiring the commission to make reports to the Legislature; providing a self-direct option for an energy efficiency plan for eligible primary or secondary electric customers; establishing eligibility requirements; establishing duties of the commission; establishing requirements for self-directed energy efficiency plans; requiring electric providers to provide an annual report to the commission that includes certain information on the implementation of self-directed energy optimization plans; and requiring the commission to order certain participating customers that fail to meet the minimum energy efficiency goals of the self-directed plan to repay to the provider certain charges the customer avoided.

Be it enacted by the Legislature of West Virginia:

ARTICLE	2J.	ENERGY	EFFICIENCY.
§24-2J-1.		Short	title.

This article shall be known as the "West Virginia Energy Efficiency Jobs Creation Act".

§24-2J-2.	Findings	and	purpose.
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The Legislature finds and declares that:

(1) Energy efficiency is among the least expensive ways to meet the electricity demands of the state;

(2) Jobs in energy efficiency have been among the fastest growing energy industry jobs in the United States in recent years;

(3) Expanded energy efficiency programs in West Virginia would provide electric rate

7 payers with the tools they need to help manage their energy costs in the face of increasing utility
8 rates; and

9 (4) To provide affordable, reliable, and clean energy for consumers of West Virginia, it is
10 the goal of the state to achieve gradual but significant energy efficiency, conservation, and
11 demand response targets.

§24-2J-3.**Definitions.**

1 As used in this article:

2 (1) "Demand response program" means a program established by an electric utility that
3 promotes changes in electricity usage by customers from their normal consumption patterns in
4 response to:

5 (A) Changes in the price of electricity over time; or

6 (B) Incentives designed to promote lower electricity use at times of high wholesale market
7 prices or when system reliability is jeopardized.

8 (2) "Commission" means the West Virginia Public Service Commission.

9 (3) "Electricity consumption" and "electricity consumed" mean the sum of retail electricity
10 sales to all customers and reported electricity losses within the electric distribution system.

11 (4) "Peak demand" means the highest level of electricity demand in the state measured in
12 megawatts during the period from January 1 to December 31 of a year on a weather-normalized
13 basis.

14 (5) "Plan" means an electricity savings and demand reduction plan and cost recovery
15 proposal.

§24-2J-4. Energy efficiency programs required.

1 (a) Beginning with the 2027 calendar year and each year thereafter, the commission shall
2 calculate for each electric utility:

3 (1) The electricity consumption for each year; and

4 (2) The peak demand for each year.

5 **(b) Subject to review and approval by the commission, each electric utility shall develop**
6 **and implement programs and services to encourage and promote energy efficiency improvements**
7 **and conservation of energy by consumers, commercial and industrial end users, and electric**
8 **utilities.**

9 **(c) The commission shall:**

10 **(1) Require each electric utility to establish programs or services that the commission finds**
11 **appropriate and cost-effective, using the total resource cost test, to encourage and promote**
12 **energy efficiency improvements and conservation of energy; and**

13 **(2) Adopt rate-making policies that provide cost recovery for all energy efficiency and**
14 **demand response programs approved by the commission under subsection (d) of this section.**
15 **Such policies shall include consideration of the impact of lost revenues to an electric utility**
16 **attributable to such programs, either through implementation of a lost revenue adjustment**
17 **mechanism or decoupling.**

18 **(d) By December 31, 2026, by rule or order, the commission shall:**

19 **(1) To the extent the commission determines that cost-effective energy efficiency and**
20 **conservation programs and services are available, for each affected class, require each electric**
21 **utility to:**

22 **(A) Provide cost-effective energy efficiency and conservation programs for its electricity**
23 **customers; and**

24 **(B) To achieve through such programs, at a minimum, verifiable electricity savings**
25 **equivalent to the following cumulative percentages of electricity consumed in the electric utility's**
26 **service territory during the year 2020:**

27 **(i) One-half percent of 2020 sales by the end of 2027;**

28 **(ii) One and one-quarter percent of 2020 sales by the end of 2028;**

29 **(iii) Two percent of 2020 sales by the end of 2029;**

30 **(iv) Three percent of 2020 sales by the end of 2030;**

31 (v) Four percent of 2020 sales by the end of 2031;

32 (vi) Five percent of 2020 sales by the end of 2032;

33 (vii) Six percent of 2020 electricity sales by the end of 2033;

34 (viii) Seven percent of 2020 electricity sales by the end of 2034;

35 (ix) Eight percent of 2020 electricity sales by the end of 2035; and

36 (x) Nine percent of 2020 electricity sales by the end of 2036;

37 (2) Require each electric utility to:

38 (A) Implement a cost-effective demand response program in the electric utility's service
39 territory; and

40 (B) Achieve, through demand response and energy efficiency programs, relative to the
41 peak demand of electricity consumed in the electric utility's service territory during the year 2020, a
42 targeted cumulative reduction of:

43 (i) One-half percent of 2020 peak demand by the end of 2027;

44 (ii) One and one-quarter percent of 2020 peak demand by the end of 2028;

45 (iii) Two percent of 2020 peak demand by the end of 2029;

46 (iv) Three percent of 2020 peak demand by the end of 2031;

47 (v) Four percent of 2020 peak demand by the end of 2031;

48 (vi) Five percent of 2020 peak demand by the end of 2032;

49 (vii) Six percent of 2020 peak demand by the end of 2033;

50 (viii) Seven percent of 2020 peak demand by the end of 2034;

51 (ix) Eight percent of 2020 peak demand by the end of 2035; and

52 (x) Nine percent of 2020 peak demand by the end of 2036.

53 (e)(1) By September 1, 2026, and every three years thereafter, an electric utility shall:

54 (A) Consult with the commission regarding the design and adequacy of its plan to achieve
55 the electricity savings and demand reduction targets specified in subsection (e) of this section; and

56 (B) Provide the commission with any additional information regarding the plan that the

57 commission requests.

58 (2) By September 1, 2026, and every three years thereafter, each electric utility shall
59 submit its plan to the commission that details the electric utility's proposals for achieving the
60 electricity savings and demand reduction targets specified in subsection (e) of this section for the
61 three subsequent calendar years.

62 (3) Each electric utility shall provide annual updates to the commission on plan
63 implementation and progress towards achieving the electricity savings and demand reduction
64 targets specified in subsection (e) of this section. As part of these updates, each utility shall follow
65 evaluation guidance provided by the commission under subsection (g) of this section.

66 (4) Each plan shall include:

67 (A) A description of the proposed energy efficiency and conservation programs and
68 services and the proposed demand response program, anticipated costs, projected electricity
69 savings and any other information requested by the commission; and

70 (B) Energy efficiency programs for residential, commercial, and industrial sectors, as
71 appropriate. At least 15 percent of such proposed costs of energy efficiency programs shall be
72 allocated to programs designed to benefit low-income, elderly, or disabled individuals or veterans.

73 (5) The commission shall review each electric utility's plan to determine if the plan is
74 adequate and cost-effective in achieving the electricity savings and demand reduction targets
75 specified in subsection (e) of this section.

76 (6) The commission may request additional information from an electric utility regarding its
77 plan.

78 (f) The commission shall monitor and analyze the impact of all programs and services
79 implemented by electric utilities under this section using the total resource cost test. If the
80 commission determines that the outcome of the programs or service may not be providing the best
81 possible results, the commission shall direct the electric utility to include in its annual update,
82 under subdivision (3), subsection (e) of this section, specific measures to address the findings.

§24-2J-5. Energy efficiency program reports.

1 (a) On or before January 1 of each year, the commission shall report to the Legislature on:

2 (1) The status of programs and services to encourage and promote energy efficiency
3 improvements and conservation of energy, including, to the extent possible, an evaluation of the
4 impact of programs and services on energy use, energy costs, and jobs in the state. In addition,
5 specific sections in the report shall discuss the energy efficiency programs and services directed
6 to low-income, elderly, or disabled individuals or veterans, businesses, and other particular
7 classes of ratepayers;

8 (2) A recommendation for the appropriate funding level to adequately fund these programs
9 and services; and

10 (3) The electricity consumption and the peak demand for the previous calendar year.

11 (b) By December 31, 2027, the commission shall, after providing opportunity for public
12 comment, report its findings to the Senate Committee on Finance, and the House of Delegates
13 Committee on Finance.

§24-2J-6. Self-direct option.

1 (a) An eligible primary or secondary electric customer may direct up to 80% of any energy
2 efficiency charge on electricity usage that the customer would otherwise incur, based on projected
3 energy usage for the duration of the customer's proposed self-directed plan, towards developing
4 and implementing a self-directed energy efficiency plan as provided in this section.

5 (b) Eligibility requirements for participation in the self-direct option under subsection (a) of
6 this section are as follows:

7 (1) The customer must have had an annual peak demand in the preceding year of at least
8 two megawatts at each site to be covered by the self-directed plan or 10 megawatts in the
9 aggregate at all sites to be covered by the plan; and

10 (2) The customer must comply with all provisions established by the commission under this
11 section, including subsections (c), (d), (e), (g), and (h) of this section.

(c) The commission shall by order establish the rates, terms, and conditions of service for customers related to this section.

(d) The commission shall by order do all of the following:

(1) Require a customer to develop and file with the provider and the commission a self-directed energy efficiency plan meeting the requirements in subsection (e) of this section and provide evidence each year that it has implemented the self-directed plan; and

(2) Take such additional actions as necessary to effectively implement the self-directed energy efficiency program option in a manner that provides verifiable energy efficiency savings.

(e) All of the following apply to a self-directed energy efficiency plan under subsection (a) of this section:

(1) The self-directed plan shall cover not less than one or more than three years;

(2) The self-directed plan shall provide for aggregate energy savings from new energy efficiency measures that for each year meet or exceed the energy efficiency performance standards in subdivision (1), subsection (e), section four of this article. The percentage savings shall be computed using the electricity purchases in 2020 for the site or sites covered by the self-directed plan;

(3) Under the self-directed plan, none of the following are included in the calculation of cumulative energy savings:

(A) Changes in electricity usage because of changes in business activity levels not attributable to energy efficiency measures; and

(B) Changes in electricity usage because of the installation, operation, or testing of pollution control equipment; and

(4) The self-directed plan shall describe how the customer intends to achieve the energy savings specified in the self-directed plan.

(f) Verified energy savings from energy efficiency measures implemented under a self-directed plan may be attributed to the relevant provider's energy efficiency programs for the

purposes of determining annual cumulative savings achieved by the provider under subdivision (1), subsection (e), section four of this article.

(g) Once a customer begins to implement a self-directed plan at a site covered by the self-directed plan, that site qualifies for the up to 80% self-direct option described in subsection (a) of this section and is not eligible to participate in the relevant electric provider's energy efficiency programs.

(h) A customer implementing a self-directed energy optimization plan under this section shall submit to the customer's electric provider every year a brief report documenting the energy efficiency measures taken under the self-directed plan during that period and the corresponding energy savings that will result. The report shall provide sufficient information for the provider and the commission to monitor progress toward the goals in the self-directed plan and to develop reliable estimates of the energy savings that are being achieved from self-directed plans. A customer shall promptly notify the provider in its annual report if the customer fails to achieve cumulative energy savings as set forth in its self-directed plan. If a customer submitting a report or notice under this subsection wishes to amend its self-directed plan, the customer shall submit with the report or notice an amended self-directed plan. A report under this subsection shall be accompanied by an affidavit from a knowledgeable official of the customer that the information in the report is true and correct to the best of the official's knowledge and belief. If the customer has retained an independent energy efficiency service company, the requirements of this subsection shall be met by the energy efficiency service company.

(i) An electric provider shall provide an annual report to the commission that identifies customers implementing self-directed energy optimization plans and summarizes the results achieved for each of those customers under these self-directed plans. The annual report shall also describe the steps taken by the electric provider to independently verify the reported energy efficiency measures and the estimated savings. The commission may request additional information from the electric provider. If the commission has sufficient reason to believe the

information is inaccurate or incomplete, it may request additional information from the customer to ensure the accuracy of the report.

(j) If the commission determines that the minimum energy efficiency goals under subdivision (2), subsection (e) of this section have not been achieved at the sites covered by a self-directed plan, in aggregate, the customer will no longer be allowed to participate in the self-direct option and must begin paying the full normal energy efficiency charge. In addition, the commission shall order the customer or customers collectively to pay to the provider, for exclusive use in funding energy efficiency programs, an amount calculated as follows:

(1) Determine the proportion of the shortfall in achieving the minimum energy optimization goals under subdivision (2), subsection (e) of this section; then

(2) Multiply the figure under subdivision (1) of this subsection by the energy efficiency charges which the customer or customers collectively avoided under subsection (a) of this section; then

(3) Multiply the product under subdivision (2) of this subsection by a number not less than one nor greater than two, as determined by the commission based on the reasons for failure to meet the minimum energy efficiency goals.

NOTE: The purpose of this bill is to provide the Public Service Commission the authority to require electric utilities to develop and implement plans for the efficient use, conservation and reduction of electricity usage. The bill sets forth goals to achieve electricity savings. The bill also requires electric utilities to submit plans for reaching those goals. The bill also provides for a self-direct option for large electricity customers.

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