

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

ENGROSSED

Committee Substitute

for

House Bill 4971

By Delegates G. Howell, Eldridge, Flanigan, Clay,
Statler, Willis, Heckert, Green, Fehrenbacher, Amos,
and Parsons

[Originating in the Committee on Energy and Public
Works; reported on February 19, 2026]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
2 designated §24-2-1s, relating to high voltage transmission lines; requiring that certain
3 reports pertaining to the proximity of certain electric substations to business ready sites, as
4 certified by the Secretary of Commerce, be included in certain applications for certificates
5 of public convenience and necessity for certain high voltage transmission lines; providing
6 for site preparation work for these approved substations to be performed upon Public
7 Service Commission approval; and defining parameters for rate recovery.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.

**§24-2-1s. High voltage transmission lines and required evaluation of substations near
approved business ready sites.**

1 (a) Legislative findings. – The Legislature finds that modern high voltage electric
2 transmission infrastructure is essential to our state’s electric reliability, grid resilience, and
3 economic development and the availability of sites suitable for electric substations located near
4 business ready sites is critical to attracting manufacturing, data centers, advanced materials
5 facilities, and other large electric load users that create high paying jobs and expand our tax base.
6 It is the intent of the Legislature that new high voltage transmission lines provide direct and
7 measurable economic development benefits to the communities through which they pass.

8 (b) Applicability. – This section applies to any electric transmission line proposed for
9 construction within the State of West Virginia that:

- 10 (1) Has a designed operating voltage of 400 kilovolts or greater; and which
11 (2) Requires approval by the Public Service Commission of West Virginia prior to
12 construction.

13 (c) Substation location report. – An electric utility applying for a certificate of public
14 convenience and necessity for any electric transmission line meeting the criteria set forth in §24-2-
15 1s(b) of this Code that passes within five miles of business ready sites as certified by the Secretary

16 of Commerce under the provisions of §24-2-1n of this Code, shall include in its application a report
17 regarding the location of potential substations along the electric transmission project which could
18 aid the development of such business ready site or sites. The report shall include the following:

19 (1) A map or plat showing in detail the most practicable and proximate location of these
20 potential substations along an electric transmission line that meets the criteria set forth in §24-2-
21 1s(b) of this Code: *Provided*, That a substation located within a 40-miles segment of an electric
22 transmission line to another proposed or existing substation within the borders of the State of West
23 Virginia is not practicable, regardless of the number of business ready sites certified by the
24 Secretary of Commerce under the provisions of §24-2-1n of this Code which are located within
25 that 40-mile segment;

26 (2) A description in detail of the electric utility's proposed site preparation work for such
27 proposed substations;

28 (3) The projected net cost, on an annual basis, site preparation work for such proposed
29 substations;

30 (4) The projected net cost, on an annual basis, of the replacement, construction, or
31 improvements of such proposed substations;

32 (5) The projected debt for such proposed substation funding and the projected capital
33 structure for such proposed substation funding;

34 (6) A proposed full and timely cost recovery mechanism consistent with this section; and

35 (7) Other information the applicant considers relevant, or the Public Service Commission
36 requires.

37 (d) The Public Service Commission shall evaluate the information set forth in §24-2-1s(c)
38 of this Code and may approve proposed site preparation work for proposed substations on
39 business ready sites certified by the Secretary of Commerce under the provisions of §24-2-1n of
40 this Code which are reasonably expected to produce the greatest positive economic impact to the
41 State of West Virginia. In making this determination, the commission may consider factors

42 including projected job creation, capital investment, tax base expansion, and alignment with state
43 and regional economic development plans.

44 (e) Upon Public Service Commission approval, utilities will be authorized to perform such
45 approved site preparation work for these approved substations and to recover related incremental
46 costs, net of contributions to recovery of return, operation and maintenance, depreciation, and tax
47 expenses directly attributable to such work, if any, as provided in the following:

48 (1) An allowance for return shall be calculated by applying a rate of return to the average
49 planned net incremental increase to rate base attributable to costs relating to such site preparation
50 work for the coming year, considering the amount and timing of costs relating to such site
51 preparation work plus any costs relating to site preparation work in previous years. The rate of
52 return shall be determined by utilizing the rate of return on equity authorized by the Public Service
53 Commission in the public utility's most recent rate case proceeding or in the case of a settled rate
54 case, a rate of return on equity as determined by the commission, and the projected cost of the
55 public utility's debt during the period of such site preparation work to determine the weighted cost
56 of capital based upon the public utility's capital structure;

57 (2) Income taxes applicable to the return allowed on the costs relating to such site
58 preparation work shall be calculated at the statutory tax rate for inclusion in rates;

59 (3) Incremental operation and maintenance, depreciation, and property tax expenses
60 directly attributable to the preliminary analysis and site preparation for substations proposed under
61 this section shall be estimated for the upcoming year;

62 (4) Following Public Service Commission approval of such site preparation work, a public
63 utility shall place into effect rates that include an increment that recovers the allowance for return,
64 related income taxes at the statutory rate, operation and maintenance, depreciation, and property
65 tax expenses associated with such site preparation work for the upcoming year. In each year
66 subsequent to the order approving such site preparation work and the incremental cost recovery
67 increment, the public utility shall file a petition with the Public Service Commission setting forth a

68 new proposed incremental cost recovery increment based on investments to be made in the
69 subsequent year, plus any under-recovery or minus any over-recovery of actual incremental costs
70 attributable to the proposed substation preliminary analysis and site preparation investments, for
71 the preceding year;

72 (5) All cost recovery resulting from work performed under this subsection shall not be
73 borne by any West Virginia residential ratepayer.

74 (f) The public utility may make any accounting accruals necessary to establish a regulatory
75 asset or liability through which actual incremental costs incurred and costs recovered through the
76 rate mechanism are tracked.

77 (g) Utilities may defer incremental operation and maintenance expenditures attributable to
78 regulatory and compliance-related requirements introduced after the public utility's last rate case
79 proceeding and not included in the public utility's current rates. In a future rate case, the Public
80 Service Commission may allow recovery of the deferred costs amortized over a reasonable period
81 of time to be determined by the commission provided the commission finds that the costs were
82 reasonable and prudently incurred and were not reflected in rates in prior rate cases.

83 (h) Required commission findings. – In any order approving a transmission line subject to
84 this section, the Public Service Commission shall make explicit findings on the record addressing:

85 (1) The proximity of the proposed route to business ready sites as certified by the
86 Secretary of Commerce under the provisions of §24-2-1n of this Code;

87 (2) Whether reasonable alternative routes exist that would place the line within five miles of
88 a business ready site as certified by the Secretary of Commerce under the provisions of §24-2-1n
89 of this Code;

90 (3) Whether the proposed route has the purpose or effect of avoiding the requirements of
91 this section; and

92 (4) Whether the conditions of this section have been satisfied.

93 (i) *Rulemaking authority.* – The Public Service Commission may promulgate rules
94 necessary to implement and administer this section.