

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5492

By Delegates G. Howell, Masters, Heckert, G. Ward,
Stephens, Linville, Fehrenbacher, Street, Phillips,
Parsons, and Hanshaw (Mr. Speaker)

[Introduced February 13, 2026; referred to the
Committee on Energy and Public Works then
Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
 2 designated §5B-2-22, relating to advance purchase agreements for electric substation
 3 transformers by the Department of Economic Development to accelerate economic
 4 development projects for projects that the that are subject to regulation by the Public
 5 Service Commission; listing specifications for eligible transformers; listing requirements for
 6 ordering, payment and maintenance; granting rulemaking authority to the Department of
 7 Economic Development; addressing debt forgiveness and economic relief; delineating the
 8 recovery processes for state funds; and clarifying that the Public Service Commission
 9 does not have approval power for these purchases.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. DEPARTMENT OF ECONOMIC DEVELOPMENT.

§5B-2-22. Advance purchase agreements for electric substation transformers serving economic development projects.

1 (a) Legislative Findings: -- The Legislature finds that the timely availability of electric
 2 substation transformers is a critical factor in attracting and supporting large scale industrial,
 3 commercial, and advanced technology development within the State of West Virginia. The
 4 Legislature further finds that nationwide shortages and extended manufacturing lead times for
 5 high voltage power transformers materially delay economic development projects and limit the
 6 ability of the state to compete for new investment. It is the intent of the Legislature to authorize the
 7 strategic advance purchase of standardized, reusable substation transformers through regulated
 8 electric utilities in order to shorten project timelines while preserving utility ownership and
 9 regulatory oversight.

10 (b) Authority: -- The West Virginia Department of Commerce, Division of Economic
 11 Development, is authorized to enter into advance purchase agreements with regulated electric
 12 utilities operating within the State of West Virginia for the advance ordering and reservation of
 13 electric substation transformers intended to serve qualifying economic development projects.

14 (c) Eligible utilities: -- Advance purchase agreements may be entered into only with electric
15 utilities that:

16 (1) Are subject to regulation by the Public Service Commission of West Virginia; and

17 (2) Own or operate electric transmission or subtransmission facilities within the state.

18 (d) Eligible transformer specifications.

19 (1) Only standardized substation transformers meeting the following criteria are eligible for
20 advance purchase under this section:

21 (A) Rated capacity: not less than 150 MVA and not more than 200 MVA;

22 (B) High side voltage: 138 kilovolts, 230 kilovolts, or 345 kilovolts;

23 (C) Low side voltage: 34.5 kilovolts or 13.8 kilovolts;

24 (D) Design: transformers of standardized construction capable of parallel operation,
25 redundancy, and phased expansion at electric substations;

26 (E) Purpose: transformers intended for stepping down voltage at substations serving
27 industrial parks or other large electric load users.

28 (2) Transformers designed for direct connection to transmission lines operating at or above
29 400 kilovolts are eligible under this section.

30 (e) Advance ordering and payment.

31 (1) Pursuant to an advance purchase agreement authorized by this section:

32 (A) The State of West Virginia may pay the ordering cost and required down payment
33 necessary to secure a manufacturing slot for an eligible transformer;

34 (B) The transformer shall be ordered by and owned by the regulated utility;

35 (C) The state shall retain contractual authority to direct the assignment of the transformer
36 to a qualifying economic development project within the state.

37 (f) Unassigned transformers at time of delivery.

38 (1) If an eligible transformer ordered under this section is not pledged to a specific
39 qualifying project at the time delivery is scheduled to occur:

- 40 (A) The state may fund the remaining unpaid balance of the transformer purchase price;
- 41 (B) The transformer shall be retained by the utility as part of its system inventory;
- 42 (C) The transformer shall remain available for assignment to a future qualifying economic
- 43 development project or to meet utility system needs.
- 44 (g) Recovery of state funds: -- Amounts paid by the state under this section may be
- 45 recovered through one or more of the following methods, as determined by the Division of
- 46 Economic Development:
- 47 (1) Repayment by the regulated utility when the transformer is placed into service;
- 48 (2) Reimbursement or repayment as part of a negotiated economic development
- 49 agreement with a project sponsor;
- 50 (3) Recovery through utility rates as approved by the Public Service Commission, to the
- 51 extent permitted by law;
- 52 (4) Other lawful recovery mechanisms authorized by the Division.
- 53 (h) Debt forgiveness for economic benefit.
- 54 (1) The Division of Economic Development may forgive all or a portion of amounts paid
- 55 under this section if the transformer is used to serve a project that provides substantial
- 56 economic benefit to the state.
- 57 (2) In determining whether to forgive such amounts, the Division may consider:
- 58 (A) Number of jobs created;
- 59 (B) Average wages;
- 60 (C) Capital investment;
- 61 (D) Long term state and local tax revenue;
- 62 (E) Strategic importance of the project to statewide economic development objectives.
- 63 (i) Rulemaking. -- The Department of Commerce, Division of Economic Development, in
- 64 consultation with the Public Service Commission, may promulgate legislative rules to implement
- 65 this section, including rules governing:

- 66 (1) Qualification of projects;
67 (2) Standard terms for advance purchase agreements;
68 (3) Accounting and audit requirements;
69 (4) Criteria for repayment or forgiveness;
70 (5) Coordination with regulated utilities.
71 (j) Construction: -- Nothing in this section shall be construed to require approval by the
72 Public Service Commission of any specific transformer placement, cost recovery method, or
73 substation construction, nor to limit the commission's existing regulatory authority.

NOTE: The purpose of this bill is to establish guidelines for advance purchase agreements for electric substation transformers to accelerate economic development projects.

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