

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4894

**FISCAL
NOTE**

By Delegates Dillon, Bridges, Coop-Gonzalez,

Holstein, Ridenour

[Introduced January 28, 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 article,
2 designated §24-2J-1, §24-2J-2, §24-2J-3, §24-2J-4, §24-2J-5, §24-2J-6, §24-2J-7, §24-
3 2J-8, §24-2J-9, §24-2J-10, §24-2J-11, and §24-2J-12, relating to utilities; providing a short
4 title; providing legislative findings and declarations; providing definitions; creating a
5 moratorium on rate increase; establishing phases and standards to restore utility
6 affordability and reliability to state residents.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 2J. WEST VIRGINIA UTILITY AFFORDABILITY AND ECONOMIC
COMPETITIVENESS ACT.**

§24-2J-1. Short title.

1 This article shall be known and cited as the "West Virginia Utility Affordability and
2 Economic Competitiveness Act".

§24-2J-2. Legislative findings and declarations.

1 The Legislature finds and declares that:

2 (1) West Virginia households and businesses bear among the highest total utility costs in
3 the United States when electricity and water rates, riders, surcharges, and mandatory fees are
4 considered collectively;

5 (2) Excessive utility costs impose a regressive burden on families and materially reduce
6 disposable income;

7 (3) High utility costs undermine the competitiveness of the State for business investment,
8 workforce attraction, and population retention;

9 (4) Utility costs create an economy-wide drag that compounds poverty and suppresses
10 long-term economic growth;

11 (5) Existing regulatory frameworks have insufficiently prioritized affordability,
12 competitiveness, and full system-wide cost impacts;

(6) The State has a compelling interest in restoring utility affordability as a matter of economic policy, fiscal responsibility, and household financial security; and

(7) Utility affordability and reliability are foundational to economic development and shall be treated as core functions of state government.

§24-2J-3. Definitions.

For purposes of this article and all proceedings conducted pursuant to this article, the following terms have the meanings ascribed to them unless the context clearly indicates otherwise:

"Affordable" or "Affordability" means:

(A) The lowest cost method of providing electricity is used, factoring in the true and total cost of each generation source including, but not limited to, potential foreign and domestic supply chain disruptions, environmental degradation, environmental remediation, and excluding any direct or indirect payment by any level of government for the past five years; and

(B) The degree to which utility service costs, when measured on a true, total and comprehensive basis, minimize the financial burden on residential, commercial, and industrial customers, including consideration of:

(i) All rates, riders, surcharges, and mandatory fees;

(ii) Impacts on household disposable income;

(iii) Cost competitiveness relative to surrounding and peer states; and

(iv) Long-term cost stability.

Affordability shall be evaluated on a system-wide basis and not solely by reference to individual projects or short-term rate impacts.

"Clean" or "Green" means any energy generated by utilizing those energy sources listed in 42 U.S.C. 15852(b) or, in the case of hydrocarbons, when combusted for the purpose of electricity generation meet the National Ambient Air Quality Standards set by the United States Environmental Protection Agency under the authority of the Clean Air Act and includes energy

22 generated by coal or natural gas.

23 "Comprehensive cost of electricity" means the all-in cost per kilowatt-hour paid by
24 ratepayers, including but not limited to:

25 (A) Base rates;

26 (B) Fuel adjustment charges;

27 (C) Riders and surcharges;

28 (D) Transmission and distribution charges;

29 (E) Capacity, reliability, and ancillary service charges; and

30 (F) Any other mandatory utility-related fees.

31 "Reliability" means a source of electricity that is not subject to intermittent availability or
32 routine expected daily weather and has a performance standard of 70 percent or greater and only
33 falls below that level during routine maintenance or repairs, excluding natural gas turbine peaker
34 plants.

35 "Foreign adversary nation" means any country that is designated by the federal
36 government of the United States as a foreign adversary or country of concern, including any
37 country that:

38 (A) Is designated as a foreign adversary under 15 C.F.R. § 7.4, or any successor
39 regulation;

40 (B) Is designated as a state sponsor of terrorism by the United States Department of State;

41 (C) Is subject to comprehensive United States sanctions administered by the Office of
42 Foreign Assets Control;

43 (D) Includes any entity that is owned by, controlled by, or subject to the jurisdiction or
44 direction of a foreign adversary nation, including state-owned enterprises, instrumentalities, or
45 companies operating pursuant to compulsory national laws; or

46 (E) Is otherwise determined by the Governor, in consultation with the Attorney General, to
47 pose a national security, economic security, or supply-chain risk to the United States.

"Total system cost" means the aggregate cost to the utility system and ratepayers over the useful life of utility resources or policies, including, but not limited to:

(A) Capital costs;

(B) Operating and maintenance costs;

(C) Fuel costs;

(D) Transmission and distribution expansion;

(E) Capacity and reserve requirements;

(F) Backup generation and intermittency mitigation;

(G) Grid resilience and reliability impacts; and

(H) Decommissioning or replacement costs;

(I) Potential supply chain disruptions;

(J) Environmental degradation and subsequent remediation; or

(K) Excluding any payment made by federal, state, or local government over the preceding five years for the construction or operation of any energy generation facility.

No evaluation of cost-effectiveness shall rely solely on project-level without consideration of total system cost.

"Competitive benchmarking" means the evaluation of utility costs, performance, and planning decisions by comparison with contiguous surrounding states, peer states, and available regional market alternatives.

"Electric utility" has the same meaning as provided in §24-2-1 of this code.

"Water utility" has the same meaning as provided in §24-2-1 of this code.

"Commission" or "Public Service Commission" means the Public Service Commission of West Virginia.

§24-2J-4. Statement of policy and statewide goals.

It is the policy of the State of West Virginia to ensure that utility services are affordable, reliable, and economically competitive while maintaining system integrity and energy security.

3 (1) Electricity affordability goals. – By January 1, 2030, the comprehensive cost of
4 electricity in this state shall be lower than the comprehensive cost in all contiguous surrounding
5 states and positioned to maintain such a level that preserves regional cost leadership for not less
6 than 10 years thereafter.

7 (2) Water utility affordability goals. – By January 1, 2030, average residential water utility
8 costs shall fall below the 75th percentile nationally, adjusted for inflation and median household
9 income.

10 (3) Aggregate utility burden. – Combined household utility expenditures for electricity and
11 water shall decline by not less than 25 percent in inflation-adjusted dollars by January 1, 2030.

§24-2J-5. Temporary moratorium on utility rate increases.

1 A three-year moratorium is imposed on increases in base rates, riders, surcharges, or
2 other charges for electric and water utilities, subject only to legislative approval for the duration of
3 the moratorium upon a clear and convincing showing of necessity to address reliability threats,
4 federal mandates, or catastrophic infrastructure failure.

§24-2J-6. Whole-of-government coordination.

1 The Department of Commerce shall serve as the coordinating authority for statewide utility
2 affordability and competitiveness efforts and may require inter-agency data sharing, cost
3 analyses, and recommendations for regulatory or statutory reform.

§24-2J-7. Utility affordability as a budgetary priority.

1 Utility affordability and competitiveness are declared core budgetary priorities of the State
2 and shall be considered in agency expenditures, discretionary spending, and economic
3 development incentives.

§24-2J-8. Phase I – needs assessment.

1 Within 12 months of the effective date of this article, the Department of Commerce shall
2 submit a comprehensive utility cost and competitiveness assessment to the Legislature.

§24-2J-9. Phase II – statutory and regulatory reform.

1 The Legislature and executive agencies shall enact statutory, regulatory, and
2 administrative reforms necessary to achieve the goals of this article.

§24-2J-10. Phase III – implementation and oversight.

1 Agencies and utilities shall implement approved reforms and submit annual progress
2 reports to the appropriate legislative committees.

§24-2J-11. Energy affordability, reliability, security and supply-chain standards.

1 (a) The Commission shall implement standards to prioritize affordable, reliable, and clean
2 energy by:

3 (1) Requiring energy in West Virginia is affordable as defined in this section;

4 (2) Requiring energy in West Virginia is reliable as defined in this section;

5 (3) Requiring energy in West Virginia is clean as defined in this section;

6 (4) Ensuring electric utilities prioritize fuel sources primarily produced within West Virginia,
7 except for generation technologies; and

8 (5) Prohibiting the use of critical materials, as defined by federal statute under the Energy
9 Act of 2020, that are sourced, processed, manufactured by, or subject to the jurisdiction of a
10 foreign adversary nation or that are prohibited under 19 U.S.C. § 1307.

11 (b) Any utility seeking cost recovery bears the burden of demonstrating compliance with
12 this section.

§24-2J-12. Construction and severability.

1 This article shall be liberally construed to effectuate its purposes. If any provision is held
2 invalid, the remainder shall remain in effect.

NOTE: The purpose of this bill is to restore utility affordability and reliability.

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