

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend and reenact § 2.2-2101 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 23 of Title 56 a section numbered 56-596.7, relating to Distributed Energy Resources Task Force established; reports.

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-2101 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 23 of Title 56 a section numbered 56-596.7 as follows:

§ 2.2-2101. Prohibition against service by legislators on boards, commissions, and councils within the executive branch; exceptions.

Members of the General Assembly shall be ineligible to serve on boards, commissions, and councils within the executive branch of state government who are responsible for administering programs established by the General Assembly. Such prohibition shall not extend to boards, commissions, and councils engaged solely in policy studies or commemorative activities. If any law directs the appointment of any member of the General Assembly to a board, commission, or council in the executive branch of state government that is responsible for administering programs established by the General Assembly, such portion of such law shall be void, and the Governor shall appoint another person from the Commonwealth at large to fill such a position.

The provisions of this section shall not apply to members of the Board for Branch Pilots, who shall be appointed as provided for in § 54.1-901; to members of the Board of Trustees of the Southwest Virginia Higher Education Center, who shall be appointed as provided for in § 23.1-3126; to members of the Board of Trustees of the Southern Virginia Higher Education Center, who shall be appointed as provided for in § 23.1-3121; to members of the Board of Directors of the New College Institute, who shall be appointed as provided for in § 23.1-3112; to members of the Advisory Board on Teacher Education and Licensure, who shall be appointed as provided for in § 22.1-305.2; to members of the Virginia Interagency Coordinating Council, who shall be appointed as provided for in § 2.2-5204; to members of the Board of Veterans Services, who shall be appointed as provided for in § 2.2-2452; to members appointed to the

Board of Trustees of the Roanoke Higher Education Authority pursuant to § 23.1-3117; to members of the Board of Trustees of the Online Virginia Network Authority, who shall be appointed as provided in § 23.1-3136; to members of the Virginia Geographic Information Network Advisory Board, who shall be appointed as provided for in § 2.2-2423; to members of the Information Technology Advisory Council, who shall be appointed as provided for in § 2.2-2699.5; to members of the Board of Visitors of the Virginia School for the Deaf and the Blind, who shall be appointed as provided for in § 22.1-346.2; to members of the Virginia Addiction Recovery Council, who shall be appointed as provided for in § 2.2-2696; to members of the Criminal Justice Services Board, who shall be appointed as provided in § 9.1-108; to members of the State Executive Council for Children's Services, who shall be appointed as provided in § 2.2-2648; to members of the Virginia Board of Workforce Development, who shall be appointed as provided for in § 2.2-2471; to members of the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Board, who shall be appointed as provided for in § 51.1-1201; to members of the Secure and Resilient Commonwealth Panel, who shall be appointed as provided for in § 2.2-222.3; to members of the Forensic Science Board, who shall be appointed as provided for in § 9.1-1109; to members of the Southwest Virginia Cultural Heritage Foundation, who shall be appointed as provided in § 2.2-2735; to members of the Virginia Growth and Opportunity Board, who shall be appointed as provided in § 2.2-2485; to members of the Henrietta Lacks Commission, who shall be appointed as provided in § 2.2-2538; ~~or~~ to members of the Commission to Study Slavery and Subsequent De Jure and De Facto Racial and Economic Discrimination Against African Americans, who shall be appointed as provided in § 2.2-2552; or to members of the Distributed Energy Resources Task Force, who shall be appointed as provided in §56-596.7.

§ 56-596.7. Establishment of Distributed Energy Resources Task Force.

A. As used in this section:

"Data center" means the same as such term is defined in subdivision A 43 of § 58.1-3506.

"Distributed energy resource" means a resource of up to five megawatts that is located on the customer's premises or is interconnected with the distribution system and produces or stores electricity or modifies the timing or amount of a customer's electricity consumption.

53 "FERC" means the Federal Energy Regulatory Commission.

54 "Task Force" means the Distributed Energy Resources Task Force as established by this section.

55 B. The Distributed Energy Resources Task Force is hereby created by joint resolution of
56 the House and Senate as an advisory commission

57 within the executive branch. The purpose of the Task Force is to develop a comprehensive strategy to
58 guide advance the Commonwealth's transition toward integrated distributed energy resource markets, energy
59 affordability, and to support
60 the Commonwealth's compliance with FERC Order No. 2222.

61 C. The Task Force shall consist of the following members: (i) the Lieutenant Governor, who shall
62 serve as Chair; (ii) one member of the House of Delegates appointed by the Speaker of the House of
63 Delegates; (iii) one member of the Senate appointed by the Senate Committee on Rules; (iv) the Secretary
64 of Commerce and Trade, or his designee; (v) the Secretary of Natural and Historic Resources, or his
65 designee; (vi) the Chair and the executive director of the Commission on Electric Utility Regulation; (vii)
66 a representative of the State Corporation Commission; (viii) the Directors of the Department of Energy and
67 the Department

68 of Environmental Quality, or their designee; and (ix) a representative of the Division of Consumer Counsel
69 within the Office of the Attorney General. The Governor shall appoint the following additional members:
70 (a) representatives of distributed energy resource customers, including nonprofits, developers,
71 municipalities, universities, schools, hospitals, and commercial entities; (b) nongovernmental
72 organizations representing small energy consumers including the Virginia Solar United Neighbors and
73 the Virginia Distributed Solar Alliance; (c) representatives of local governments; (d)

74 representatives of high-demand energy customers, including data centers and the Virginia Manufacturers
75 Association; and (e) representatives of investor-owned electric utilities, electric cooperatives, and
76 municipal utilities. The total number of Task Force members shall be between 25 and 35, and
77 appointments shall be made in a manner that ensures balanced representation. The executive branch or the
78 Lieutenant Governor's Office may

79 provide staff to coordinate the work of the Task Force, manage stakeholder engagement, oversee
80 deliverables, and ensure actionable outcomes as needed under the direction of the Chair. Full meetings of
81 the Task Force shall be open to the public, and published agendas and draft recommendations shall be
82 made available for public comment.

D. In conducting its work, the Task Force shall:

1. Review existing state laws, regulations, and practices that impact behind-the-meter and front-of-the-meter distributed energy resource deployment, aggregation, and market access in the Commonwealth and best practices and lessons from other states;

2. Invite and welcome national experts and those with experience in other states, when possible, to educate the Task Force and help evaluate market differences, challenges, and opportunities in the Commonwealth;

3. Recommend to the State Corporation Commission strategies to modernize and streamline interconnection

standards and timelines for distributed energy resources in compliance with Institute of Electrical and Electronics Engineers Standard 1547-2018 and Underwriters Laboratories Standard 1741;

4. Recommend to the State Corporation Commission specific regulatory, tariff, and coordination actions to

harmonize the Commonwealth's interconnection and retail frameworks with the plan developed by PJM Interconnection, LLC, for compliance with FERC Order No. 2222. Such recommendations shall support State Corporation Commission action on or before February 1, 2027;

5. Explore options for high-demand energy customers to purchase commitments of solar renewable energy certificates from distributed energy resources;

6. Review recently enacted legislation affecting distributed generation and identify areas for potential future improvements;

7. Recommend policies to advance or help implement solar and storage microgrids, community resiliency hubs, and virtual power plants;

8. Convene stakeholders and may conduct a participative planning process to build consensus and support for policy change, including distributed energy resource developers, academics, nongovernmental

organizations, agency representatives, elected officials, commercial and industrial scale energy customers, utilities, regulators, community representatives and other representatives deemed necessary by the Chair;

9. Coordinate with other relevant commissions or work groups related to distributed energy resources, including the stakeholder process established pursuant to Chapters 709 and 712 of the 2025

Acts of Assembly; and

10. Support the Virginia Energy Plan developed pursuant to § 45.2-1710 and advise relevant government officials and agencies during its development.

E. The Task Force shall complete its meetings by June 20, 2027, and shall submit:

1. A draft summary of the participative planning process described in subdivision D 8, if the Task Force conducts such process, on or before September 1, 2026;

2. An interim report by October 1, 2026;

3. A final report of its findings and recommendations by November 1, 2026, that includes any legislative and regulatory recommendations developed, a recommendation of whether to establish a permanent distributed energy resource council, and an implementation roadmap for distributed energy resource aggregation under FERC Order No. 2222 to take effect on or before February 1, 2027; and

4. A deployment report by June 30, 2027, summarizing policies implemented and actions taken by the State Corporation Commission, utilities, and other stakeholders to increase market access to distributed energy resources in compliance with FERC Order No. 2222.

The Task Force shall submit all reports to the Governor, the State Corporation Commission, PJM Interconnection, LLC, the Commission on Electric Utility Regulation-~~FERC~~, and the Chairs of the Senate Committee on Commerce and Labor and the House Committee on Labor and Commerce. Upon submission of the Task Force's final report, the Governor may, by executive action or by recommending legislation to the General Assembly, establish a permanent Distributed Energy Resource Advisory Council to sustain

market-driven growth, strengthen resilience, ensure energy affordability, and maintain the Commonwealth's competitiveness in the clean energy economy.

2. That the provisions of this act shall expire on July 1, 2027.

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