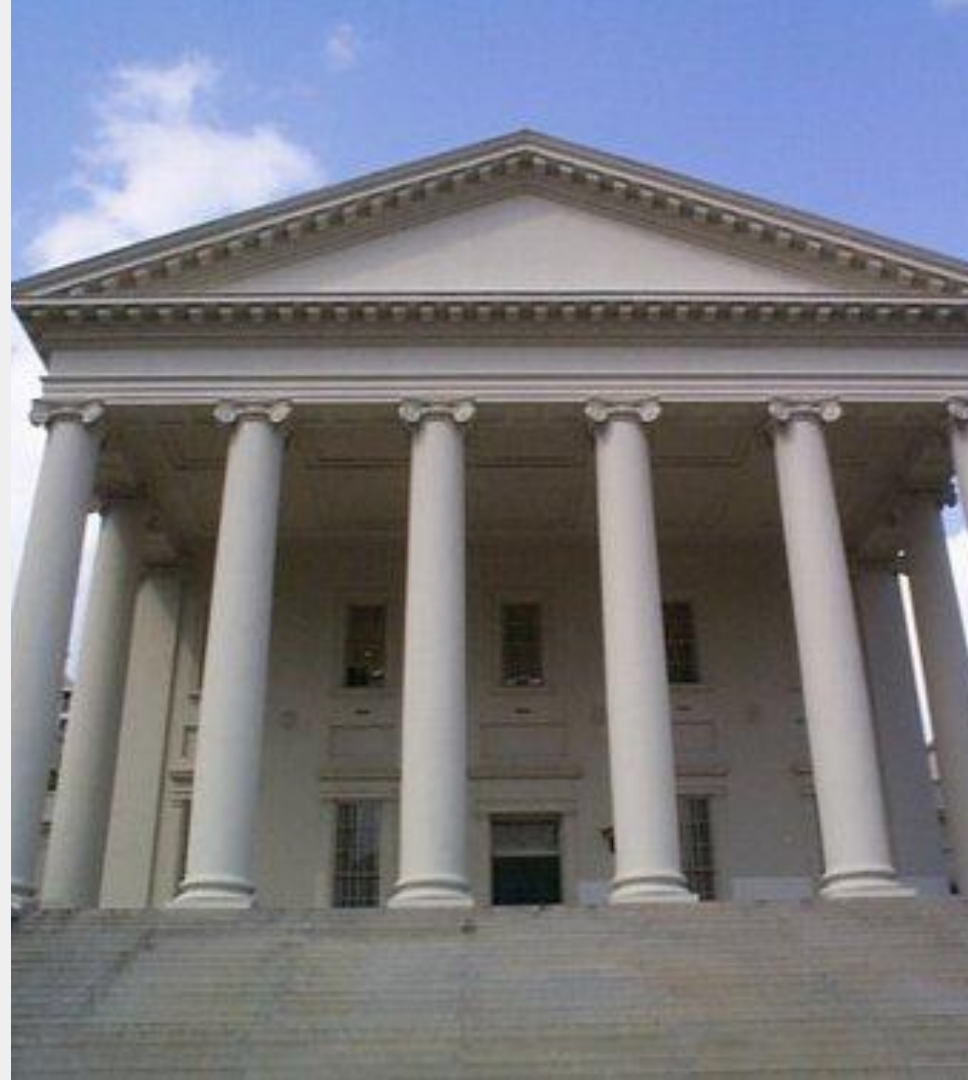


Virginia Energy Efficiency Council:
Spring Forum

Virginia General Assembly: 2026

Legislative Update for the Virginia
General Assembly 2026 Regular
Session



Energy Efficiency & Weatherization Task Force

Legislation: HB3 / SB5



The Mandate

Established a comprehensive Task Force led by DHCD, emphasizing a state-led, coordinated approach to maximize weatherization and efficiency program impact.



The Goal (By 2034)

Ensure all eligible Commonwealth households receive whole-home energy efficiency retrofits, prioritizing equitable energy access.

Next Steps: Task Force Report Due



September 30, 2027

Stakeholders are strongly encouraged to participate in DHCD-led initiatives to shape the final blueprint.

Reducing Heating-Related Costs (HB2)



Deadline: Utilities Implementation

December 31, 2031

Phase I and Phase II utilities must implement prescriptive efficiency measures for at least **30%** of identified qualifying households.

Household Participation Criteria (Must meet all three):



1. Fuel Reliance

Currently relies on on-site stored fuel (e.g., oil, propane) for heating, cooking, or water heating.



2. Inefficiency

Has appliances with efficiency ratings **below 83%**.



3. Building Health

Eligible for or has already received "building envelope" upgrades through state or federal programs.

Reducing Heating-Related Costs (HB2)

The bill moves away from generic tips toward high-impact physical upgrades:

Electrification

Replacing on-site fuel equipment with high-efficiency electric alternatives.

Integration

Combining these upgrades with insulation and air-sealing.

Health Focus

Reducing onsite air pollution and improving indoor air quality.

Cost Reduction

Utilities must consult with DOE and DHCD to use federal/state funds.

Incentives

SCC may provide performance-based incentives and early action credits.

Reporting

Annual reports begin January 1, 2028, tracking savings and grid costs.

Income-Qualified Solar/Storage Pilot & PAYS (HB 1062)



Petitions & Technical Conferences

December 2026 – May 2027

SCC to convene technical conference by Nov 2026. PAYS petitions due by May 2027.



Solar & Storage Pilots

Restructures utility engagement for low-income, elderly, and disabled residents. Mandates annual budgets incremental to existing funds.



"Pay As You Save" (PAYS)

Eliminates upfront costs through debt-free energy upgrades. Evaluates feasibility by Nov 2026. Aims to reduce energy burden on Virginia's most economically at-risk populations.

Long-term impact: Integration of distributed energy resources into the state grid. Pilots set to sunset in 2034.

SCC Workgroup: Performance-Based Regulation (HB 903/SB 251)



Timeline & Reporting

Report Due: July 1, 2027

Technical conference and public comment are encouraged to ensure a robust and fair PBR structure.



Utility & Policy Impact

Shifts financial drivers from maximizing sales to achieving policy goals. The next 18 months are critical for shaping regulatory dockets at the SCC.



Stakeholder Engagement

Advocates serve a critical oversight function by submitting reform ideas and specific evaluation options to the SCC study process.

Mandate: Design an effective Performance-Based Regulation (PBR) framework to shift utility incentives toward energy savings.

Appliance Energy Efficiency Standards Backstop (HB672/SB256)



Implementation Reporting Deadline

By December 1, 2026

Virginia Energy (VE) is required to report on the potential costs of implementing these standards if triggered.



Safety Net: Regulatory Trigger Mechanism

Protects Virginia consumers by adopting federal standards as state law if federal minimum efficiency or water conservation standards are eliminated.

This critical measure guards against federal rollbacks that could lead to energy leakage and higher costs for Virginians.

VPPs and Demand-Side Resources



What is a Virtual Power Plant (VPP)?

A network of decentralized, grid-integrated power sources (like solar panels, batteries, and smart thermostats) that can be collectively managed to provide power back to the grid during peak demand.



APCo VPP (HB1467)

Required to submit a 150 MW pilot VPP proposal to the SCC by **July 1, 2027**. Utilizes distributed resources to alleviate grid strain.



Co-op VPPs (HB562/SB487)

Authorized cooperatives to establish voluntary VPP programs, integrating flexible, aggregated resources into the grid.



Dominion Energy VPP

Implementing large-scale demand-side programs through smart thermostat and battery integration to enhance grid reliability.

These initiatives move Virginia toward a modernized, distributed grid capable of managing peak demand efficiently.