**Please provide your name and organization.**

* Name: Brett Vassey
* Organization: Virginia Manufacturers Association

**Worksheet Instructions**

This worksheet contains a table that will allow you to share your views on how specific PBR mechanisms (or alternative regulatory tools) could help Virginia make progress towards the regulatory outcomes and performance areas listed in [HJ 30/SJ 47](https://url.us.m.mimecastprotect.com/s/Gzr2Cv2vvyfQZYKiQfncQghby?domain=legacylis.virginia.gov). In the first column, select a PBR mechanism that you think could be beneficial for Virginia. Follow the instructions in the top row of the table to make your PBR mechanism, regulatory outcome, and performance area selections. Then provide your responses to the open-ended follow-up questions. This document contains three copies of the table—you can elect to complete tables for up to three mechanisms.

This assessment serves as a template for you to provide your final written comments for the Department’s stakeholder engagement process. Participants are invited to expand on their responses in these tables in accompanying comments, but are asked to include PBR assessments in the format provided here to support a common approach and review of relevant information.  **Please limit responses in the table(s) to 200 words per question and share up to 3 tables per organization.** If you wish to provide additional supporting detail, please do so in accompanying comments. This assessment is due to the Department on April 11, 2025.

**Table 1**

|  |
| --- |
| ***PBR Mechanism/Alternative Regulatory Tool Selection*** |
| Select **one** PBR mechanism or alternative regulatory tool | Which regulatory objective(s) would this PBR mechanism most help Virginia achieve? **Select UP TO two (2) as the primary objectives to achieve.** | What performance area(s) could this PBR mechanism help improve or advance? **Select UP TO three performance areas that you think could or should be improved by implementing this mechanism.** |
| [ ]  Reporting Metrics[ ]  Scorecards[ ]  Performance-Incentive Mechanisms[ ]  Decoupling electricity sales from utility revenues[ ]  Multiyear Rate Plans[ ]  Fuel cost-sharing mechanisms[ ]  Best practices for all-source competitive procurement[ ]  Strategies to equalize financial incentives to deploy capital expenditures and operating expenses[x]  Other (please describe:  Comparative CompetitiveRetail Costs) | [x]  Tracking and achieving improved performance in affordability, reliability, customer service, and resiliency[ ]  Enhancing cost-containment incentives[ ]  Streamlining planning and resource procurement to secure competitive prices for energy infrastructure[ ]  Harmonizing financial incentives created through regulation with the Commonwealth's energy policy goals[x]  Eliminating disincentives for utilities to deploy third-party and customer-owned generation, energy efficiency savings, and peak-load reduction[ ]  Making progress toward the Commonwealth's decarbonization goals | [x]  reliability and resiliency[x]  affordability for customers[ ]  emergency response and safety[ ]  cost-efficient utility investments and operations[ ]  customer service[ ]  savings maximization from energy efficiency and exceedance of statutorily required savings levels[ ]  peak-demand reductions[ ]  DER integration, including the quality and timeliness of interconnection of customer- & third-party-owned resources[ ]  environmental justice and equity[ ]  beneficial electrification (transportation, buildings, other)[ ]  maximization of available federal funding[ ]  decarbonization of the Commonwealth's electricity sector[ ]  cyber and physical security of the grid[x]  annual and monthly generation and resource needs in addition to hourly generation and resource needs on the 10 hottest and coldest days of the year[ ]  Other (please describe:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) |

|  |
| --- |
| ***Features and Design Considerations for this PBR or alternative regulation tool***  |
| ***Question 1:*** *Why would the PBR mechanism you selected help Virginia make progress towards meeting the regulatory objectives and performance areas that you selected above?* |
| *Costs and benefits are essentially impossible to ascertain from the current electric utility regulatory system.*  |
| ***Question 2:*** *What component(s) of the utility’s* ***costs or revenue requirements*** *would this PBR mechanism/alternative regulatory tool would apply to? (e.g., distribution system capital expense, transmission, power supply, fuel costs, ROE, etc.).**For example, a fuel cost-sharing mechanism would impact a utility’s* ***fuel costs (operating expense)****. Rather than the fuel costs being entirely passed through to customers, the utility would have opportunity to retain a share of fuel cost savings as* ***earnings.*** |
| *[please type your answer here]* |
| ***Question 3:*** *What limitations or challenges of Virginia’s* ***current ratemaking construct*** *would this PBR mechanism/alternative regulatory tool seek to change? Where possible, identify specific ratemaking structures and their limitations.* |
| *The General Assembly has and will regularly reduce or change the SCC’s authority to protect consumers and producers. As a result, it nearly impossible to have a consistent and stable regulatory environment where costs and benefits are deliberately assessed.* |
| ***Question 4:*** *For this PBR mechanism/alternative regulatory tool, what* ***key design features/attributes*** *do you suggest for inclusion? (e.g., if you selected multi-year rate plans as your PBR mechanism, what is your suggested number of years between rate cases and what other design features should be considered?)* |
| *Evaluation of energy intensive industries and the ratemaking systems that serve them in California and the European Union.* |
| ***Question 5:*** *What* ***potential interactions*** *with other mechanisms need to be considered?** *4a) Existing regulatory/ratemaking structures*
* *4b) Potential new regulatory/ratemaking structures (e.g., other PBR mechanisms or alternative regulatory tools under consideration)*
 |
| 4a) *[please type your answer here]* |
| 4b) *[please type your answer here]* |
| ***Question 6:*** *What* ***data, metrics, or other information requirements*** *are necessary for this PBR mechanism/alternative regulatory tool to be deployed successfully?* |
| *The Commission must develop a single publicly available dashboard that provides clarity on the current and future (5+ year horizon) retail costs of electricity by customer class. Currently, there is no public transparency about present and future prices of electricity.* |
| ***Question 7:*** *What* ***challenges or unintended consequences*** *could this PBR mechanism/alternative regulatory tool create, which might require additional attention and/or monitoring?* |
| *[please type your answer here]* |
| ***Question 8:*** *Are there any other issues or points related to this PBR mechanism/alternative regulatory tool that you feel require attention?* |
| *[please type your answer here]* |