

# PERFORMANCE BASED REGULATION (PBR)

## STAKEHOLDER WORKGROUP MEETING #5

### VIRGINIA DEPARTMENT OF ENERGY

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**March 10<sup>th</sup>, 2025**





# STAKEHOLDER GROUP

- Appalachian Power
- Appalachian Voices
- Chesapeake Climate Action Network
- Clean Virginia
- Climate Action Alliance of the Valley
- Commission on Electric Utility Regulation
- Current Energy Group
- Data Center Coalition
- Department of Energy
- Department of Environmental Quality
- Dominion Energy
- Great Plains Institute
- Office of Attorney General
- Old Dominion Committee for fair Utility Rates
- Natural Resources Defense Council (NRDC)
- New Virginia Majority
- NRG Energy
- Pacific Economics Group Research LLC
- Pacific Northwest National Laboratory
- Plan RVA
- Regulatory Assistance Project (RAP)
- Rocky Mountain Institute (RMI)
- Secure Solar Futures
- Sierra Club Virginia Chapter
- Solar United Neighbors
- Southern Environmental Law Center VA
- The Nature Conservancy
- The Virginia Grassroots Coalition
- Virginia Association of Counties
- Virginia Energy Consumer Alliance
- Virginia Energy Purchasing Governmental Association
- Virginia Committee for Fair Utility Rates
- Virginia League of Conservation Voters
- Virginia Manufacturers Association
- Virginia Municipal League
- Virginia Organizing
- Virginia Poverty Law Center





# AGENDA

## Meeting #4

- Welcome
- Review goal setting for the PBR process in the Commonwealth
- PBR Mechanisms - Regulatory Assistance Project (RAP)
- Application of Gas Decoupling - State Corporation Commission (SCC)
- Regulatory Assessment Exercise
- Next Steps and Closing

# GOAL SETTING FOR THE STAKEHOLDER GROUP

## Review

- Understand the current framework and identify the specific problems that could be addressed with alternative tools.
- Balanced consideration of the benefits and drawbacks of alternative tools over the long-term.
- Prioritize areas for recommendation or consideration to the SCC.





# PBR MECHANISMS

## Regulatory Assistance Project (RAP)



# PBR MECHANISMS

- Reporting metrics
- Scorecards
- Performance-incentive mechanisms
- Decoupling electricity sales from utility revenues
- Multiyear rate plans
- Earnings-sharing mechanisms
- Fuel cost-sharing mechanisms
- Best practices for all-source competitive procurement
- Strategies to equalize financial incentives to deploy capital expenditures and operating expenses
- Other





# PBR MECHANISMS

## Discussion Questions

- Do you understand how this may be applied in Virginia?
- Based on your current understanding of ratemaking in Virginia, which of these mechanisms do you think could be most effective to achieve the Commonwealth's objectives?
- Based on your current understanding of ratemaking in Virginia, which of these mechanisms do you think would be least effective?
- Which PBR mechanism do you want to learn about the most?



# PBR MECHANISMS POLLS





# APPLICATION OF GAS DECOUPLING

**State Corporation Commission (SCC)**



# APPLICATION OF GAS DECOUPLING

## Discussion Questions

- What features of the gas decoupling experience are positive? What could be improved?
- How Does it inform our options for electricity?





# REGULATORY ASSESSMENT TEMPLATE

**Questions on the template**



# NEXT STEPS





# NEXT STEPS

## Timeline :

- Fill in the template and send by 19th March.
- Send Interest to present proposals on their suggested PBR schemes to the group today.
- Ongoing open public comment period open until the final comments on the draft report are due.



# NEXT STEPS

## Future Meetings :

- Stakeholder Group Meeting #6 is scheduled for 28th March from 1 pm – 4 pm
- Stakeholder Group Meeting #7 is scheduled for 10th April from 1 pm – 4 pm
- Stakeholder Group Meeting #8 is scheduled for 22nd April from 1 pm – 4 pm

