

Virginia Regulatory Assessment Template

Instructions:

- Select one (1) “performance area” or outcome from the following set to evaluate how existing regulatory mechanisms in Virginia support (incentivize) the achievement of that outcome or disincentivize the achievement of the outcome. Consider this question for each regulatory mechanism identified in the template, and for the overall performance of Virginia’s utility regulatory structure to support (or hinder) that outcome (performance area).
- Each stakeholder should complete worksheets for **at least two performance areas** of their choosing. Additional (more than two) performance areas can be evaluated in additional worksheets, at your discretion.

Reference Key: Performance Areas from *House Joint Resolution No. 30 / Senate Joint Resolution No. 47*

Reliability and resiliency	Affordability for customers
Emergency response and safety	Cost-efficient utility investments and operations
Peak demand reductions	Maximization of available federal funding
Cyber and physical security of the grid	Savings maximization from energy efficiency and exceedance of statutorily required savings levels
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	DER integration and speed of interconnection
Customer service	Beneficial electrification
Environmental justice and equity	Electricity decarbonization

Regulatory Assessment

Regulatory Assessment				
Outcome	What regulatory outcome or performance area does this assessment consider?	Customer Service		
Do the existing regulatory mechanisms and programs sufficiently support the outcome?				
Key				
+	Yes	The mechanism or program incent s achievement of this outcome.		
0	No Impact	The mechanism or program does not seem to impact the achievement of this outcome.		
-	No	The mechanism or program disincentivizes the achievement of this outcome.		
Existing Regulatory Mechanisms and Programs	Description	Mechanism or Program's Effect on Outcome		Issues for Attention
		Score (+/0/-)	Discussion	

Rate Reviews (typically biennial)	Forward-looking	-		
	Backward-looking (w/ earnings adjustments)			
ROE Determinations		-		
Rate Adjustment Clauses (i.e., trackers)	RACs overall (general assessment of the use of RACs)			
	Fuel Cost Recovery	-		
	Purchased power	-		
	Demand response program costs	-		
	RPS compliance costs	-		
	Broadband capacity extension	-		
	Low-income programs (lost revenue recovery)	-		
	Capital projects (e.g., combined cycle gas projects, offshore wind, solar, distribution system undergrounding, distribution grid transformation, nuclear life extension, etc.)	-		
Other trackers (user choice to select additional trackers used in Virginia rate making for attention)		-		
Transmission cost recovery (FERC formula rates)	Transmission costs as allocated in FERC formula rates, recovered from customers via trackers (RACs) and/or base rates	-		
Performance adjustments and measurement	ROE adjustment mechanisms	-		
	Energy efficiency savings target (ROE adder applied to DSN operating expenses)	-		
	Performance mechanisms (e.g., metrics, scorecards, PIMS), including Case No. PUR-2023-00210	-		

	(Separate SCC PBR Case)			
Other ratemaking and regulatory features	IRPs	-		
	Certificates of Public Need and Necessity (CPCN)	-		
	Rate design (including universal service fee)	-		
	Pilot programs	-		

Overall Assessment

Overall, does the existing regulatory framework support achievement of the identified outcome?		Discussion
+ (YES) incents achievement		
0 (NO IMPACT)		
- (NO) disincentivizes achievement	-	The current regulatory structure does not adequately address an assessment of whether or not the utility service providers provide a level of customer service that meets the needs of their residential service customers. The language is vague and relies solely on the input of the utility provider to determine the definition of “customer service,” the adequacy of the customer service the utility provides and the quality of that customer service. The “metrics” the utility uses is less about what their customers need or want, and more about how many customers have called and requests were fulfilled. No external audit of even this information is provided. Additional comment attached.