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Senate Rejects House-Passed Proposal Allowing Ratepayer Funding of Gas Oil and Propane Conversions

The path to subsidized electrification of home comfort systems went off the rails in the Virginia Senate this afternoon. Last year, the General Assembly passed the Clean Economy Act which established a time frame to end the production of electricity from fossil fuels by 2030. Included as a part of that act was a section allowing the electric utilities to impose a surcharge on base rates that would then be redistributed to low income consumers. The rationale was that the state subsidies for lower income consumers were necessary so that those individuals could afford the far more expensive state mandated renewable generation including solar and wind.

The stated purpose of House bill 2330 by Delegate Kay Kory of Fairfax was to provide a legal framework to establish the subsidy program. However, in the deep recesses of the bill was the following provision: "Electrification means converting building systems that use coal, gas or oil or propane to high efficiency equipment powered by electricity supplied by an electric utility." Simply put, this provision would have allowed the state to mandate electric conversions of your customers- making Virginia the only state to pass such a provision. Since discovering this language we have worked diligently with our colleagues in the natural gas industry (first time for everything) to eliminate this language. Today the Senate unanimously adopted the amendment we supported to delete the conversion language.

The real reason why this effort has been successful to date is because of the many members who were willing to contact legislators with the simple message – ratepayer subsidization to convert my customers to heat pumps is not fair. As the result of your efforts, we have made great process in a short time.

Final action on the bill will take place next week and we will keep you informed of how that plays out.