Delegate Ware has introduced HB 352, which directs the State Corporation Commission (SCC) to approve utility energy efficiency programs if the net benefits of an efficiency program exceed the net costs as determined by three of the four following benefit-cost tests: Total Resource Cost (TRC), Ratepayer Impact Measure (RIM), Utility Cost Test (UTC), Participant Cost test (PCT).

When assessing cost-effectiveness of utility-sponsored efficiency programs, regulators should thoroughly analyze the implications of energy efficiency on rates by analyzing the following three factors: rate impacts, bill impacts, and participation impacts.

In Virginia, the SCC relies predominantly on the RIM test to approve utility-sponsored efficiency programs, which does not assess all three of these important factors and is a hard test for efficiency programs to pass.

By placing a higher value on other important measures to determine the cost-effectiveness of a utility program, the SCC will be able to approve more utility-sponsored efficiency programs.