(HB2537)

GOVERNOR'S VETO

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto House Bill 2537, which would increase the energy storage targets for which Appalachian Power and Dominion Energy are required to petition the State Corporation Commission (SCC).

The Virginia Clean Economy Act (VCEA) is failing Virginians. Adding in requirements for the petitioning of additional storage technologies will not change the fact that the law is misguided and does not work. Long-duration energy storage is an expensive technology and if utilities believed it to be the best technology to meet demand, they would be actively seeking permission to build them.

We must be vigilant to limit cost increases to Virginia's residents. Dominion Energy's recently filed biennial rate and fuel case is requesting a monthly increase to residential customers' bills of nearly $20 starting in January 2026. On top of this, in their latest RPS filing, Dominion Energy disclosed that they expect to bill customers $5.5 billion for costs associated with renewable energy credits (REC) purchases for RPS compliance costs over the next ten years. By 2035, it is expected that costs associated with REC purchases for RPS compliance will cost the average residential Dominion Energy customer an extra $5 per month or at least $60 per year. These costs for REC purchases are above and beyond the cost to reliably serve customers electricity load and will result in consumers paying more for their electricity.

Accordingly, I veto this bill.