

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
in the City of Charleston on the 23rd day of May 2025.

GENERAL ORDER NO. 183.15

In the matter of House Bill 2014 Integrated Resource Plan and
related requirements applicable to electric utilities operating in
West Virginia.

COMMISSION ORDER

The Commission requires electric utilities to make future integrated resource plan (IRP) filings by October 1, 2025 in compliance with (i) newly enacted W.Va. Code §24-2-19(e), (ii) Commission expectations for future IRP filing content as discussed herein, and (iii) requirements previously established by specific or General Orders.

BACKGROUND

On April 12, 2025, the West Virginia Legislature passed House Bill 2014 (HB 2014) enacting the Power Generation and Consumption Act of 2025 which created the Certified Microgrid Program and required certain actions by electric utilities and the Public Service Commission. The Governor signed HB 2014 into law on April 30, 2025. The legislation takes effect July 11, 2025.

DISCUSSION

HB 2014, among other things, amended and reenacted W.Va. Code §24-2-19, which was first enacted in the 2014 Regular Session of the West Virginia Legislature. As enacted in 2014, the statute required the Commission to issue an order directing each electric utility to develop and file an IRP no later than January 1, 2016, or on the date that a then-existing Commission-approved supply side and demand side resource plan expired. Subsection (b)(2) of the statute requires electric utilities to update their IRPs every five years.

Following the 2014 enactment of W.Va. Code §24-2-19, the Commission issued General Order No. 184.35 on March 19, 2015, and required all electric utilities to file an IRP on or before January 1, 2016.¹ That Order established guidelines for an IRP:

¹ The Commission found that no electric utility had an existing IRP in West Virginia and, therefore, the January 1, 2016 deadline applied to all electric utilities in the state.

1. Summary. The IRP shall include a narrative summary detailing the underlying assumptions reflected in the plan. To better follow the utility's planning process, the narrative shall (i) include a description of the utility's rationale for the selection of any particular supply-side or demand-side resource to fulfill its forecasted need, and the utility's evaluation of alternatives considered for each resource option it has chosen, and (ii) describe the internal planning processes of the utility and how the IRP considers or incorporates PJM planning and implementation requirements and how it will satisfy PJM capacity obligations.
2. Forecast. The IRP shall include a three-year historical record and a minimum ten-year forecast of the utility's native load peak demand and energy requirements, and other system capacity or firm energy obligations, if applicable. In addition, there should be a minimum ten-year forecast of the supply-side and demand-side resources expected to satisfy those loads. Peak demand should be presented based on peak demand during the PJM peak demand period and peak demand for the utility if that occurs at a different time.
3. Supply-side and demand-side resource options that were considered by the utility. Option analyses. The IRP shall include descriptions, analyses and discussions of supply-side and demand-side resource options that were considered by the utility.

Monongahela Power Company and The Potomac Edison Company (Mon Power/PE) filed an IRP on December 30, 2015² and again on December 30, 2020.³ Appalachian Power Company (APCo) filed an IRP on December 30, 2015⁴ and again on December 23, 2020.⁵ Wheeling Power Company (WPCo) filed an IRP on December 30, 2015⁶ and again on December 23, 2020.⁷

The City of New Martinsville and Harrison Rural Electrification Association, Inc., each filed an IRP on December 31, 2015,⁸ but did not file an IRP in 2020. Similarly, the City of Philippi and Craig Botetourt Electric Cooperative each filed an IRP on January 29, 2016,⁹ but did not file an IRP in 2020.

² Case No. 15-2002-E-IRP

³ Case No. 20-1050-E-IRP

⁴ Case No. 15-2003-E-IRP

⁵ Case No. 20-1039-E-IRP

⁶ Case No. 15-2004-E-IRP

⁷ Case No. 20-1039-E-IRP

⁸ Case Nos. 15-2009-E-IRP and 15-2010-E-IRP

⁹ Case Nos. 16-0067-E-IRP and 16-0066-E-IRP

As amended and reenacted as part of HB 2014 from the 2025 Regular Session of the Legislature, W. Va. Code §24-2-19 will have a new subsection (e) addressing IRPs, which shall read in part,

The commission shall by order, entered no later than July 1, 2025, require all electric utilities operating in the state to supplement their existing integrated resource plans to include a detailed plant upgrade and maintenance plan, improvement compliance schedule, and cost estimate for ensuring the operation of each generating unit through their planned retirement date. The supplemental integrated resource plan shall also include an analysis of the action necessary to extend the life of each generating unit beyond their planned retirement date.

As noted above, APCo, WPCo, and Mon Power/PE each filed their most recent IRP in December of 2020, and the law requires them to file an updated plan by the end of December 2025. Although the City of New Martinsville, Harrison Rural Electrification Association, Inc., the City of Philippi, and Craig Botetourt Electric Cooperative did not file IRPs in 2020, HB 2014 does not exempt those utilities from IRP requirements. Accordingly, in anticipation of the July 11, 2025 effective date of the new legislation, it is appropriate to order each electric utility to file, on or before October 1, 2025, an updated IRP that complies with W.Va. Code §24-2-19(e). The updated IRPs must include the information provided in previous plans and information now required pursuant to W.Va. Code §24-2-19(e).

In addition to the specific IRP changes in W.Va. Code §24-2-19(e), HB 2014 added language in other sections of Chapter 24 that relate to current and continuing operations of power plants. The essence of the new Chapter 24 changes relate to maximizing the output of the existing coal fired plants. To that end, amended W.Va. Code §24-2-19(e) will provide that utilities “shall maintain their thermal baseload generating units in a manner to allow them to be able to self-generate and achieve at least a 69 percent capacity factor.” Thus, each utility that owns generating plant(s) should determine and file with the Commission in its next IRP, the changes, processes, and upgrades that must be implemented to allow a plant to be able to achieve that target and to extend the life of a plant beyond 2040. The statutory changes include but are not limited to the provisions of W.Va. Code §§24-2-1d and 24-2-1q which address:

- i. current capacity factors (representing hour by hour loading of generating plants);
- ii. management of fuel supplies and contracts;
- iii. overall plant operation and maintenance;
- iv. placement of bids in the PJM day-ahead and real-time energy markets;

- v. utilization of the PJM Reliability Pricing Model (RPM) or Fixed Resource Requirement (FRR);
- vi. the utilization of automatic adjustment clauses, price indexes, or fuel adjustment clauses by the utilities; and
- vii. minimum average annual coal inventory levels.

Some of the new language relates to current operations and costs which the Commission will consider in separate proceedings or within recurring proceedings such as the Expanded Net Energy Cost cases. The requirements added to W.Va. Code §§24-2-1d, 24-2-1q, and 24-2-15 may, however, relate to planning for future resource requirements and affect integrated resource planning. Therefore, the utilities that own generating plant(s) should include data and discussion of options and costs in their future IRPs of the W.Va. Code §§24-2-1d, 24-2-1q, and 24-2-15 requirements as they relate to or affect integrated resource planning. At a minimum, the utilities should provide specific plans and costs to make the plants more reliable, and more efficient both with regard to an improved gross and net heat rate and lower operating costs, other than fuel, per unit of gross and net output; thus, allowing the plants to be able to reach the 69 percent target. The plans should also discuss possible increases in heat rates if new equipment that increases intra-plant parasitic load is required to extend the useful lives of the plants. Furthermore, the utilities should include detailed proposals for management of fuel supplies and contracts so as to economically dispatch their units.

In Orders¹⁰ accepting the initial IRPs of APCo, WPCO, and Mon Power/PE, the Commission concluded:

IRP filings are informational in nature and the Commission is not empowered to approve or disapprove IRPs. Acceptance of the IRP therefore does not constitute, and should not be viewed or interpreted as, approval of any future projects or other filings that otherwise require Commission approval, including without limitation cost recovery. W.Va. Code §24-2-19(c).

The cited statute, W.Va. Code §24-2-19(c), states, in part:

Nothing in this section affects the obligations of utilities to obtain otherwise applicable commission approvals:

That statutory language has not changed and remains in effect. However, in HB 2014 the Legislature added Commission authority to approve or require changes

¹⁰ Monongahela Power Co. and The Potomac Edison Co., Case No. 15-2002-E-IRP, Comm'n Order June 3, 2016; Appalachian Power Co., Case No. 15-2003-E-IRP, Comm'n Order June 6, 2016; Wheeling Power Co., Case No. 15-2004-E-IRP, Comm'n Order June 6, 2016.

in IRPs in new subsection (e). In addition, subsection (e) requires that the Commission promulgate rules.

Subject to notice and comment from interested parties, the commission may approve the supplemental [IRP] without modification or require modification of the supplemental plan before it is approved. The commission shall promulgate rules requiring the supplementation of [IRPs] as required by this provision. The rules shall also provide a procedure for utilities to submit an independent evaluation of any modification required by the commission hereunder or to challenge such modification.

W.Va. Code §24-2-19(e), effective July 11, 2025.

The Commission will consider the updated IRPs filed this year and determine whether the plans should be approved without modifications, or the extent to which modifications should be made in the plans.

Notwithstanding the directives as discussed in this Order regarding our expectations for information to be included in future IRPs, the Commission will soon initiate proceedings to comply with the rulemaking requirements of the new legislation in which we will further address the requirements placed on the electric utilities and the Commission by HB 2014.

FINDINGS OF FACT

1. HB 2014 created the Certified Microgrid Program and required certain actions by electric utilities and the Public Service Commission.
2. Under current law electric utilities were to file initial IRPs in 2015, and updated IRPs every five years thereafter.
3. General Order No. 184.35 established the initial guidelines for an IRP.
4. APCo, WPCo, and Mon Power/PE filed their most recent IRP in December of 2020, and are required by law to file an updated IRP this year.
5. The City of New Martinsville, Harrison Rural Electrification Association, Inc., the City of Philippi, and Craig Botetourt Electric Cooperative filed IRPs in 2015, but did not file IRPs in 2020.

CONCLUSIONS OF LAW

1. As enacted in 2014, W.Va. Code §24-2-19 required that electric utilities in the state file an IRP in 2015 and an updated IRP every five years.

2. In HB 2014, the West Virginia Legislature amended and reenacted W.Va. Code §24-2-19 by adding subsection (e) which will require electric utility IRPs to include a detailed plant upgrade and maintenance plan, an improvement compliance schedule, a cost estimate for ensuring the operation of each generating unit through the planned retirement date, and an analysis of the action necessary to extend the life of each generating unit beyond the planned retirement date.

3. HB 2014 did not modify W.Va. Code §24-2-19(c).

4. HB 2014 added requirements in W.Va. Code §§24-2-1d, 24-2-1q, and 24-2-15 that may relate to planning for future resource requirements and affect integrated resource planning.

5. The Commission should order each utility to file an updated IRP in compliance with (i) W.Va. Code §24-2-19(e), (ii) new obligations placed on electric utilities and the Commission by HB 2014 in W.Va. Code §§24-2-1d, 24-2-1q, and 24-2-15 as they relate to integrated resource planning, and (iii) requirements previously established by specific or General Orders on or before October 1, 2025.

6. The Commission may approve an IRP without modification or require modification of the supplemental plan before it is approved. W.Va. Code §24-2-19(e).

ORDER

IT IS THEREFORE ORDERED that each electric utility in West Virginia shall, on or before October 1, 2025, file an IRP in compliance with (i) W.Va. Code §24-2-19(e), (ii) new obligations placed on electric utilities and the Commission by HB 2014 in W.Va. Code §§24-2-1d, 24-2-1q, and 24-2-15 as they relate to integrated resource planning, and (iii) requirements previously established by specific or General Orders.

IT IS FURTHER ORDERED that each electric utility that owns generating plant(s) shall include in its 2025 IRP specific plans and costs to make the plants more reliable and more efficient with regard to an improved gross and net heat rate and lower operating costs other than fuel per unit of gross and net output; thus, allowing the plants to be able to reach the 69 percent target.

IT IS FURTHER ORDERED that the 2025 IRP of each electric utility that owns generating plant(s) shall discuss possible increases in heat rates if new equipment that increases intra-plant parasitic load is required to extend the useful lives of the plants.

IT IS FURTHER ORDERED that each electric utility that owns generating plant(s) shall include detailed proposals for management of fuel supplies and contracts so as to economically dispatch its plant(s).

IT IS FURTHER ORDERED that the Executive Secretary electronically serve a copy of this Order on all electric utilities operating in the state and the Consumer Advocate Division, and serve this Order on Commission Staff by hand-delivery.

A True Copy, Teste,

A handwritten signature in cursive script that reads "Karen Buckley".

Karen Buckley, Executive Secretary

JML/rm
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