



General Assembly Actions Related to Utility Undergrounding

Board Transportation Committee
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Background

- During the General Assembly session, various pieces of legislation that address undergrounding of utilities were considered:
 - SB 622 (Surovell) – Transportation Funding for Undergrounding in Mass Transit Corridors
 - HB 1258 (Kilgore) / SB 405 (McDougle) – Wireless Telecommunications Infrastructure
 - SB 966 (Wagner) - Grid Transformation and Security Act

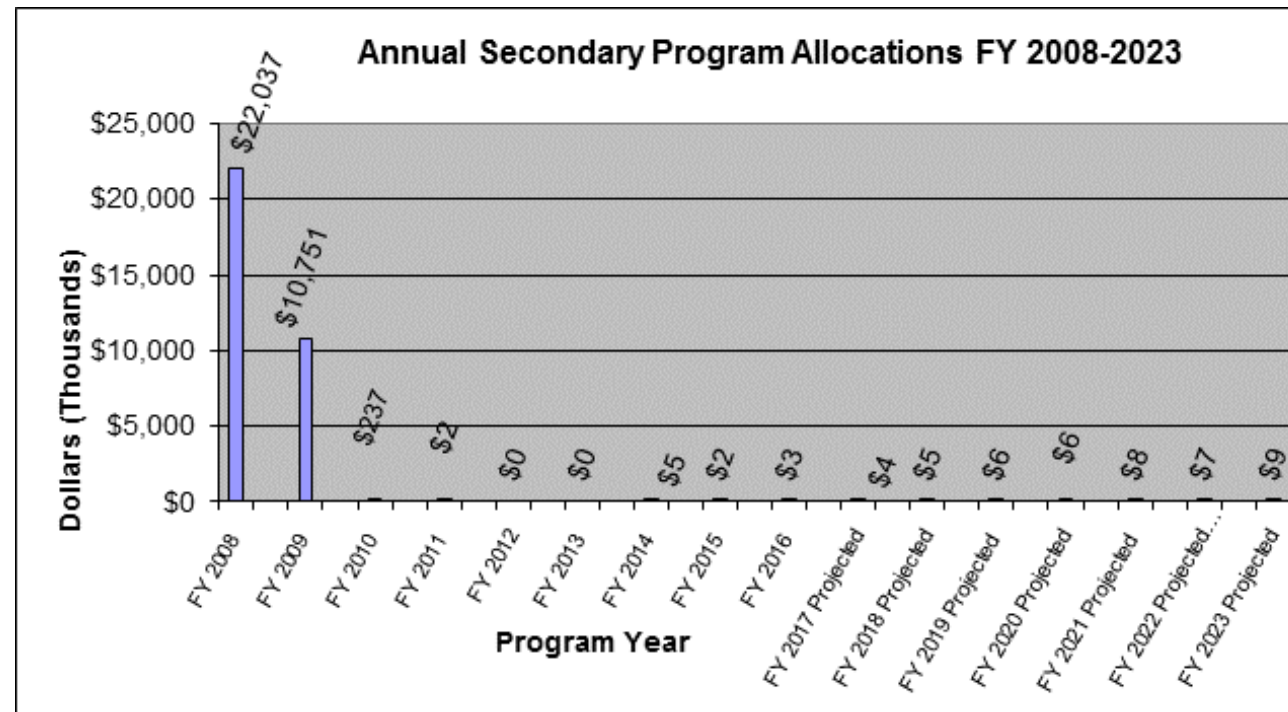


SB 622 (Surovell) - Transportation Funding for Undergrounding in Mass Transit Corridors

- Provides that if a locality's adopted transportation plan designates corridors to be served by mass transit, the locality can use three different funding sources for undergrounding, if the locality matches 100 percent of the state allocations. These sources are:
 - Funds from the secondary road construction program.
 - NVTAs 30% funds, imposed through HB 2313 (2013).
 - Commercial and industrial real property (C&I) tax revenue.

SB 622 - Continued

- Secondary Road Funds: Due to declining state transportation revenues and changes in funding formulas implemented over the past several years, no significant secondary road funds are expected in the future.



SB 622 - Continued

- NVRTA 30% funds are provided to the County. The Board already decides how these funds are allocated, as long as they are utilized for:
 - Additional urban or secondary highway construction;
 - Capital improvements that reduce congestion;
 - Transportation capital improvements included in NVRTA's most recently adopted long-range transportation plan (TransAction); or
 - Public transportation purposes
- WMATA Funding bill (HB 1539 – Hugo/SB 856 – Saslaw) requires member localities to annually provide \$27.12 million for WMATA capital needs, from 30% funds or other sources.
 - Fairfax County's share is approximately \$14 million annually.

SB 622 - Continued

- Commercial and industrial (C&I) property tax revenue can be imposed by No. Va. localities. The Board imposed the C&I tax and already decides how these funds are allocated, as long as they are utilized for:
 - New road or public transit construction (additions, expansions, or extensions of existing roads or projects that add new capacity, service, or access)
 - Capital costs, and directly related operating costs, for new transportation projects that add new capacity, service, or access; or
 - Costs associated with bonds issued to support the permitted capital costs



SB 622 - Continued

- Conclusion: SB 622 does not provide any significant new state transportation dollars or authority to support utility undergrounding.

HB 1258 (Kilgore)/SB 405 (McDougle) - Wireless Telecommunications Infrastructure

- Focused on the siting of wireless telecommunications infrastructure.
- Includes provisions related to undergrounding of utilities
 - Allows localities to disapprove an application for a new wireless facility structure to locate a new structure, or to co-locate a wireless facility, in an area where all cable and public utility facilities are required to be placed underground by a date certain or encouraged to be undergrounded as part of a transportation improvement project or rezoning proceeding as set forth in objectives contained in a comprehensive plan, if they meet specific requirements.



HB 1258 (Kilgore)/SB 405 (McDougle) - Continued

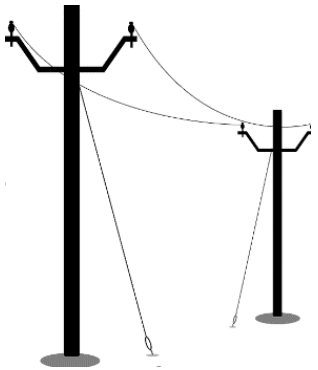
- The requirements include:
 - Undergrounding requirement or comprehensive plan objective existed at least three months prior to the submission of the application;
 - Locality allows the co-location of wireless facilities on existing utility poles, government-owned structures, existing wireless support structures, or a building within that area;
 - Locality allows the replacement of existing utility poles and wireless support structures with poles or support structures of the same size or smaller within that area; and
 - Disapproval of the application does not unreasonably discriminate between the applicant and other wireless services providers, wireless infrastructure providers, providers of telecommunications services, and other providers of functionally equivalent services.

HB 1258 (Kilgore)/SB 405 (McDougle) - Continued

- Conclusion: HB1258/SB 405 affects the siting on new wireless facilities, but does not address undergrounding of existing facilities.

SB 966 (Wagner) - Grid Transformation and Security Act

- Makes numerous changes to energy policy and regulations
- Includes provisions related to undergrounding of facilities:
 - Establishes a pilot program consisting of the approval of the underground construction of two electrical transmission lines:
 - Directs the State Corporation Commission to approve as one of the qualifying projects, which appears to be the Haymarket transmission line project in Prince William County.
 - Sets out selection criteria for the second qualifying project. It is unclear if the second pilot has been selected.
 - Permits an approval of a rate adjustment clause to allow the utility to recover the costs of each project from the utility's Virginia customers.



SB 966 (Wagner) - Grid Transformation and Security Act

- Conclusion: SB 966 allows for a utility to pay for undergrounding of two new transmission lines in the Commonwealth. It does not appear that either of these facilities are in Fairfax County nor that the new authority would be applicable to the existing facilities on the Richmond Highway corridor.

Commonwealth Transportation Board (CTB) Work Group

- CTB requested VDOT staff review and provide information on policies pertaining to cost of undergrounding utilities.
- CTB received a presentation on history of undergrounding costs on April 17, 2018
- Presentation noted that VDOT is establishing a work group to study utility undergrounding issues and policies, such as;
 - Impacts on the transportation system
 - Impacts on schedule
 - Impacts on costs
- Work group will include: utility companies; electric coop; NVRTA, Virginia Association of Counties (VACO); the Virginia Municipal League (VML); Virginia Transportation Construction Alliance (VTCA), and a CTB Member.

Questions?