

Department of Planning and Budget
2007 Fiscal Impact Statement

1. Bill Number SB1306

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Newman

3. Committee House: pending committee assignment

4. Title Purchase of electric power and energy.

5. Summary/Purpose: The bill provides that Virginia Tech and any municipal corporation that owned and operated an electric utility system on January 1, 2006, may contract with any other party to buy power and energy required for its present or future requirements, including the capacity and output of one or more specified projects located in the continental United States of America.

6. Fiscal Impact: Indeterminate. See #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The state fiscal impact is indeterminate. Virginia Tech is currently going through negotiations for a new wholesale electricity contract, and the university is anticipating an increase in the cost of electricity come July 1, 2007. This legislation could help create options and capacity which would increase the supply and hopefully decrease prices in the long run. However, it is difficult to quantify any impact. The bill could also have an impact on localities; however, such impact would be better addressed by the Commission on Local Governments.

9. Specific agency or political subdivisions affected: Virginia Tech, municipal corporations

10. Technical amendment necessary: No.

11. Other comments: Same as HB2799H1.

Date: 02/10/07 / acd

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cc: Secretary of Education