

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB718

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Puller

3. Committee: Passed Both Houses

4. Title: **Renewable energy and energy conservation.**

5. Summary: This bill requires investor-owned electric utilities to report annually on their efforts to conserve energy. The measure also requires the Virginia Energy Plan to be updated by July 1, 2010, and every four years thereafter. Currently, the Energy Plan is required to be updated in July 2012 and every five years thereafter. The measure also requires utilities to report annually on their efforts to meet the renewable portfolio standard goals, renewable generation overall, and relevant advances in renewable energy generation technology.

6. Fiscal Impact Estimates: Final.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$0	0.00	n/a
2009	\$100,000	0.00	NGF/GF
2010	\$0	0.00	n/a
2011	\$0	0.00	n/a
2012	\$0	0.00	n/a
2013	\$100,000	0.00	NGF/GF
2014	\$0	0.00	n/a

7. Budget Amendment Necessary: Yes, Item 121. The Department of Mines, Minerals and Energy (DMME) anticipates that the estimated cost of this bill for FY 2009 may be absorbed by the agency through procurement of additional federal grants or other nongeneral fund dollars. As such, a budget amendment to increase the agency's nongeneral fund appropriation is needed, but may be made administratively. Should the agency be unable to acquire nongeneral fund sources of funding to support the costs associated with this bill, they anticipate returning to the General Assembly during the 2009 Session to request a general fund appropriation if it is still needed.

8. Fiscal Implications: This bill requires investor-owned electric utilities to report annually to the State Corporation Commission (SCC) on their efforts to achieve energy efficiencies. The SCC does not anticipate that this bill will have a significant fiscal impact on their agency and any impact can be absorbed within existing resources.

The enactment clause of this bill requires that the Department of Mines, Minerals and Energy (DMME) receive annual reports from investor-owned public utilities disclosing their efforts to conserve energy. DMME does not anticipate that this additional responsibility will have a significant fiscal impact, and that any additional workload resulting from accepting annual energy reports from public utilities can be absorbed by existing personnel.

The bill also requires that DMME update the Virginia Energy Plan (the Plan) by July 1, 2010, and continue to produce updates to the Plan every four years thereafter. DMME estimates that each major update of the Plan will require the hiring of an outside consultant. In the original development of the Plan, approximately \$100,000 was spent on such consultation. As such, DMME estimates that this one-time cost will be required every four years, starting in FY 2009. DMME currently has one dedicated full-time staff member responsible for the updating and maintenance of the Plan. This FTE is split-funded with dollars from federal sources and from the state general fund. As this bill creates a shorter timeframe for updates to the Plan that increases the workload for DMME, and as federal funds currently used to support this FTE are being reduced, additional general fund dollars may be needed in the future to support this full-time position.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/28/2008 dpbaek

Document: G:\FIS\2008 Fiscal Impact Statements\DMME\SB718ER.Doc aek

cc: Secretary of Commerce and Trade
Secretary of Finance