

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB1994

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

2. Patron: Bulova

3. Committee: Passed Both Houses

4. Title: **Renewable portfolio standard program; establish goal for investor-owned incumbent electric utility.**

5. Summary: Renewable portfolio standard program. Establishes a goal for investor-owned incumbent electric utilities to have 15 percent of their total electric energy sales in the base year be from renewable energy sources in calendar year 2025. Currently, such a utility may participate in the voluntary renewable energy portfolio standard program if it demonstrates that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from certain renewable energy sources during calendar year 2022. A participating utility that meets the specified percentage goals is eligible for performance incentives that increase the fair combined rate of return on common equity and provide an enhanced rate of return on costs associated with the construction of renewable energy generation facilities.

6. Fiscal Impact Estimates: Not available, see Item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The bill provides for an additional amount of generation deriving from renewable energy sources. The increased level plus the incentive to increase an electric utility's rate of return on investment in these facilities would increase electric utility rates if the utility met the goals established in the act.

The fiscal impact on the State Corporation Commission should be insignificant.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission; possibly the Department of Mines, Minerals and Energy

10. Technical Amendment Necessary: No.

11. Other Comments: No.

Date: 3/10/09 T. Faherty
cc: Secretary of Commerce and Trade