

## State Corporation Commission 2009 Fiscal Impact Statement

**1. Bill Number:** HB2371

House of Origin	<u>  X  </u>	Introduced	<u>      </u>	Substitute	<u>      </u>	Engrossed
Second House	<u>      </u>	In Committee	<u>      </u>	Substitute	<u>      </u>	Enrolled

**2. Patron:** Nutter

**3. Committee:** Commerce and Labor

**4. Title:** Electric utilities; real-time rates.

**5. Summary:** Electric utilities; real-time rates. Directs the State Corporation Commission to promulgate regulations requiring electric utilities to offer electric service to non-residential customers under a tariff that utilizes rates that vary in real time in accordance with hourly changes in the utility's costs of providing electricity. To be eligible to receive service under the tariff, the customer shall operate a distributed generation facility that produces electricity from renewable power. The regulations shall also include provisions that require the utility to purchase from such a customer electricity generated at is distributed generation facility at a price that reflects the utility's avoided costs as they vary hourly. To be eligible for this part of the tariff, the facility's capacity shall not exceed 200 megawatts. Up to 50 percent of the amount of electricity for which the eligible customer is entitled to receive payment under such tariff may be in the form of reduced consumption through on-site efficiency measures. A utility is not required to offer service under the tariff after July 1, 2012, though customers receiving service under the tariff may continue to do so. No more than one percent of the utility's aggregate average monthly consumption is eligible to take service under the tariff. The Commission is required to report annually on the status of the measure and the effectiveness of the tariff.

**6. Fiscal Impact Estimates:** Not available; see Item 8.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** The variable rates regarding distributed generators could allow for double-payment, potentially increasing electric utility rates. The bill requires the State Corporation Commission to adopt regulations and submit an annual report. No additional SCC staff will be required.

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission

**10. Technical Amendment Necessary:**

**11. Other Comments:** This bill is in the Energy subcommittee.