

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: SB1339

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

2. Patron: Herring

3. Committee: Commerce and Labor

4. Title: Electric utility regulation.

5. Summary: Electric utility regulation. Establishes a fourth voluntary renewable portfolio standard goal of 15 percent by 2025. The measure also (i) allows utilities to recover costs of designing and operating demand management, conservation, energy efficiency, and load management programs, including an enhanced rate of return on capital invested in energy efficiency, including advanced metering infrastructure, of 200 basis points for between three and 10 years for investments in energy efficiency programs; (ii) requires utilities to develop tariffs offering dynamic rates that vary in accordance with the utility's costs of providing electricity seasonally, daily, and throughout each day; and (iii) requires that rates for utility payments to eligible customer-generators under a net energy metering program be based on the utility's avoided generation costs and the average market value of the renewable attributes for the customer-generator's facility.

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

7. Budget Amendment Necessary: None

8. Fiscal Implications: The bill provides incentives and automatic cost recovery for certain programs. The incentive and automatic cost recovery of program costs could potentially increase electric utility rates depending on the cost benefit tests used in the determination of whether such programs are in the public interest.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/13/09 C. Walker
cc: Secretary of Commerce and Trade