

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: SB344

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: Hanger

3. Committee: Commerce and Labor

4. Title: **Installation of voltage regulation technologies; recovery of costs.**

5. Summary: Installation of voltage regulation technologies; recovery of costs. Allows electric utilities to recover the costs and to earn a 15 percent rate of return on investments in certain voltage regulation technologies. To qualify for this treatment, a voltage regulation device shall reduce energy consumption, improve grid efficiency, raise or lower voltage dynamically and be 99 percent or more efficient across at least 90 percent of the load curve.

6. Fiscal Impact Estimates: Not available. See Item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The proposed rate of return in this bill would likely raise electricity rates above the current levels permitted in Chapter 824 of the 2009 Acts of Assembly (House Bill 2506 of the 2009 Session). However, a successful voltage reduction program as envisioned in this legislation could reduce energy use and offset some of the expected increased costs.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to Senate Bill 565. A similar proposal (to that described in this bill) is currently pending before the State Corporation Commission.

Date: 1/21/2010 DRE