

## State Corporation Commission 2017 Fiscal Impact Statement

**1. Bill Number:** HB2291

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Kilgore

**3. Committee:** Commerce and Labor

**4. Title:** Electric utilities; costs of modifications to nuclear generation facilities.

**5. Summary:** Electric utilities; costs of modifications to nuclear generation facilities. Authorizes an investor-owned electric utility to petition the State Corporation Commission for approval of a rate adjustment clause for recovery of the costs of a system or equipment upgrade, system or equipment replacement, or other cost reasonably appropriate to extend the combined operating license for, or the operating life of, nuclear generation facilities. The measure also (i) limits the scope of the requirement that a utility demonstrate that it has considered and weighed alternative options, including third-party market alternatives, in its selection process to certain new generation facilities; (ii) provides that a utility that makes modifications to certain generation facilities has the right to recover costs and an enhanced rate of return on common equity to the same extent currently provided for the construction of new generation facilities; (iii) limits the provision that sets the enhanced rate of return at 100 basis points above the utility's general rate of return to the construction of certain new generation facilities; and (iv) provides that a utility's costs of incurred in extending the combined operating license for, or the operating life of, a nuclear generation facility, which costs are prudently incurred prior to the Commission's entry of a final order on the petition, shall be deferred on the books and records of the utility until the later of the entry of a final order in the proceeding or until the implementation of any applicable approved rate adjustment clauses.

**6. Budget Amendment Necessary:** None

**7. Fiscal Impact Estimates:** No fiscal impact on the State Corporation Commission

**8. Fiscal Implications:** None on the State Corporation Commission

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

**10. Technical Amendment Necessary:** None

**11. Other Comments:** None