

State Corporation Commission 2019 Fiscal Impact Statement

1. Bill Number: HB2547

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

2. Patron: Hugo

3. Committee: Passed Senate

4. Title: Electric utilities; net energy metering.

5. Summary: Establishes requirements for net energy metering by electric cooperatives effective upon the earlier of July 1, 2019, or the effective date of implementing regulations by the State Corporation Commission. Instances where the new net energy metering program's requirements differ from those of the existing program include (i) the cap on the capacity of generating facilities, which will initially be two percent of system peak for residential customers, two percent of system peak for not-for-profit and nonjurisdictional customers, and one percent of system peak for other nonresidential customers; (ii) authorizing an electric cooperative to raise these caps up to a cumulative total of seven percent of its system peak; (iii) legalizing third-party partial requirements power purchase agreements for those retail customers and nonjurisdictional customers of an electric cooperative that are exempt from federal income taxation; and (iv) establishing registration requirements for third-party partial requirements power purchase agreements, including a self-certification system under which a provider is required to affirm certain information to Commission staff, under penalty of revocation of its registration. The measure authorizes the board of directors of an electric cooperative to adjust its rates, terms, conditions, and rate schedules governing net energy metering and prohibits a cooperative after the date of such an adjustment from collecting stand-by charges. The measure authorizes an electric cooperative to adopt a new rate schedule or rider containing demand charges based upon a net energy metering customer's noncoincident peak demand and provides for alternative caps on its net energy metering program. The measure authorizes a cooperative's fixed monthly charge covering the fixed costs of owning and operating its electric distribution system as an alternative to volumetric charges associated with demand and to and to rebalance among any of the fixed monthly charge, distribution demand, and distribution energy charges. The measure authorizes an investor-owned utility participating in the pilot program for community solar development to move the Commission to make its pilot program permanent. The measure also requires Dominion Power to (a) convene a stakeholder process, using an independent facilitator, to make recommendations to the utility concerning issues related to the implementation of advanced metering technology and related investments in customer information systems; (b) submit to the Commission for approval retail rate schedules designed to offer time-varying pricing; and (c) submit to the Commission for approval an incentive program for the installation of solar equipment for customers served under time-varying retail rate schedules that have advanced-metering technology equipment.

6. Budget Amendment Necessary: None at this time.

7. Fiscal Impact Estimates: May result in additional costs. The exact levels and cost estimates are not known at this time.

8. Fiscal Implications: May result in additional costs. The exact levels and cost estimates are not known at this time.

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

10. Technical Amendment Necessary: No.

11. Other Comments: The House Substitute was amended by the Senate.