

## State Corporation Commission 2019 Fiscal Impact Statement

**1. Bill Number:** HB2691

<b>House of Origin</b>	<input 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 checked="" type="checkbox"/> Enrolled

**2. Patron:** O'Quinn

**3. Committee:** Passed Both Houses

**4. Title:** Electric utilities; provision of broadband services.

**5. Summary:** The IEU may lease broadband capacity to nongovernmental Internet service providers ("ISPs"). The nongovernmental ISP shall be identified in each petition brought to the Commission. The Commission shall provide notice and an opportunity for hearing and review each petition. In its review and its determination of an area being unserved by broadband, the Commission shall consider the impact of any grants or loans made for the area covered by said petition. An Order shall be entered within six months of the date of filing. Approval shall be conditioned on construction commencing within three years of approval of the petition. Broadband will initially mean speeds of 10 MBps download and 1 MBps upload, with "unserved" meaning an area in which less than 10% of customers are capable of receiving broadband service. The Department of Housing and Community Development for its Virginia Telecommunications Initiative may modify speeds or percentages. No IEU or affiliate may offer broadband or ISP service to end-users in Virginia; an IEU or affiliate may provide transport of or capacity for broadband or Internet service as a wholesaler or intermediate provided that an unaffiliated nongovernmental third party is the provider of the broadband or Internet services to end-users. This pilot program shall continue for three years; ending three years following the date of the first approved petition by the Commission, unless extended or made permanent by the Commission.

The incremental costs of providing broadband capacity, net of revenue, shall be eligible for recovery from customers as an electric grid transformation project pursuant to § 56-585.1 A 6. Annual costs for Dominion and Appalachian Power Company shall not exceed \$60 million. The pilot programs shall be exempt from any existing or future Commission rules governing functional separation.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** This bill could require the procurement of an external consultant by the State Corporation Commission. However, the scope and costs of the work cannot be determined at this time.

**8. Fiscal Implications:** This bill could require the procurement of an external consultant by the State Corporation Commission. However, the scope and costs of the work cannot be determined at this time.

**House Bill 2691**

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**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission;  
Department of Housing and Community Development

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

February 27, 2019 SCA