

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: HB1451

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

2. Patron: Sullivan

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Electric utilities; mandatory renewable energy portfolio standard.

5. Summary: Replaces the existing voluntary renewable energy portfolio standard (RPS) program with a mandatory renewable energy portfolio standard program that requires each electric utility to generate or purchase increasing percentages of electric power that is generated from renewable energy sources. The required percentages start at 14 percent of the total electric energy sold in 2021 for a Phase II utility. Thereafter the required percentages increase in steps until 2045 and thereafter, in which years 100 percent of the total electric energy sold is required to be renewable energy. The required percentages start at 6 percent of the total electric energy sold in 2021 for a Phase I utility. Thereafter the required percentages increase in steps until 2050 and thereafter, in which years 100 percent of the total electric energy sold is required to be renewable energy. The measure also requires that the sources of renewable energy credits, beginning with the 2025 compliance year and thereafter, for a Phase II utility come from sources located in Virginia. A utility that fails to comply with an RPS standard established for a year is required to pay a deficiency payment of \$45 for each mega-watt hour shortfall. The moneys paid as deficiency payments will be distributed by the Department of Mines, Minerals and Energy to programs for low-income, disability, veteran, and age-qualifying energy efficiency programs and renewable energy programs, energy efficiency measures for public facilities, and administrative costs. The measure also requires the State Corporation Commission to implement an energy storage deployment target of 2,700 megawatts by 2035.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: None on the State Corporation Commission

8. Fiscal Implications: There are no fiscal implications on the State Corporation Commission. The Department of Taxation reports the legislation would have no direct general fund revenue impact related to taxation and does not expect administrative costs as a result of House Bill 1451. Finally, the Department of Mines, Minerals and Energy reports it expects to absorb any fiscal impact with existing resources.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission, the Department of Mines, Minerals and Energy, and the Department of Taxation.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

GA 2/17/2020