

## State Corporation Commission 2020 Fiscal Impact Statement

**1. Bill Number:** SB632

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

**2. Patron:** Surovell

**3. Committee:** Passed Senate

**4. Title:** Public utilities; energy storage capacity in the Commonwealth.

**5. Summary:**

Provides that it is the objective of the General Assembly that 2,700 megawatts of aggregate energy storage capacity be placed into service on or before July 1, 2030. The bill provides that energy storage facilities with an aggregate capacity of 2,700 megawatts are in the public interest and that prior to January 1, 2030, (i) the construction by a public utility of one or more energy storage facilities located in the Commonwealth, having in the aggregate a rated capacity that does not exceed 2,700 megawatts, or (ii) the purchase by a public utility of energy storage facilities described in clause (i) owned by persons other than a public utility or the capacity from such facilities is in the public interest. The bill requires that at least 65 percent of the energy storage capacity placed in service on or after July 1, 2020, located in the Commonwealth and found to be in the public interest is from the purchase by a public utility of energy storage facilities owned by persons other than a public utility or the capacity from such facilities. The bill provides that such purchases shall be subject to competitive procurement, provided that a public utility may select energy storage facilities without regard to whether such selection satisfies price criteria if the selection of the energy storage facilities materially advances non-price criteria, including favoring geographic distribution of generating facilities, areas of higher employment, or regional economic development, if such facilities do not exceed 25 percent of the utility's energy storage capacity. The bill provides that an integrated resource plan (IRP) should include recommended plans for utilizing energy storage facilities to meet forecasted demand and assure adequate and sufficient reliability of service and requires that in preparing an IRP, each electric utility shall systematically evaluate and may propose developing a long-term plan to integrate new energy storage facilities into existing generation and distribution assets to assist with grid transformation. Finally, the bill requires the State Corporation Commission, in the annual report required by legislation enacted in the 2018 Session, to assess the aggregate annual new construction and purchase of energy storage facilities.

**6. Budget Amendment Necessary:** No

**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:** No

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

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