State Corporation Commission
2020 Fiscal Impact Statement

1. **Bill Number:** SB851

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

2. **Patron:** McClellan

3. **Committee:** **March 5th Floor Substitute**

4. **Title:** Electric utility regulation; environmental goals.

5. **Summary:** The summary for the substitute bill is not yet available. (See Item 8 regarding impact on the State Corporation Commission.)

6. **Budget Amendment Necessary**: See Items 7 and 8.

7. **Fiscal Impact Estimates:** Fiscal impact estimates for the substitute bill are final except for estimates for handling additional customer inquiries.

   7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2020			
2021	$76,000	1	NGF (Fund 02080)
2022	$152,000	2	NGF (Fund 02080)
2023	$156,500	2	NGF (Fund 02080)
2024	$161,200	2	NGF (Fund 02080)
2025	$166,000	2	NGF (Fund 02080)
2026	$171,000	2	NGF (Fund 02080)

   7b. Revenue Impact: No Additional Revenue will be collected.

8. **Fiscal Implications:** The substitute bill creates an exemption for PIPP eligible customers from paying for off-shore wind facilities. Neither the utilities nor the SCC have a list of the customers who qualify for this exemption. Assuming that 15% of Dominion's residential customers may qualify, approximately 342,000 customers potentially are eligible for this exemption. The SCC is directed to promulgate rules, regulations, or other directives to administer the eligibility for this exemption.

   Given the $7.8 billion cost estimate for off-shore wind and the substantial bill impacts that will follow, it is anticipated that the SCC's customer call volume will increase substantially. Further, the cost shifting that is created by exempting a substantial subclass of customers will add another level of complexity to future utility rate cases.

It is estimated that this will require the addition of two utility analysts, one added beginning in FY2021 and a second one added beginning in FY2022. Salary and benefit increases of 3% per year have been applied to Fiscal Years 2023 through 2026.
Further, a call center through a third-party vendor may be required or additional full-time personnel may need to be hired, depending on the actual call volume that materializes. No estimates have been prepared to handle the anticipated additional customer call volume since the amount of the increase is currently unknown.

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission; DEQ; Department of Mines, Minerals and Energy; State Air Pollution Control Board; VA Resources Authority; Council of Environmental Justice; Dept. of Conservation and Recreation; Department of Taxation; Dept. of Housing and Community Development; Clean Energy Advisory Board; other entities and localities

10. **Technical Amendment Necessary:** No

11. **Other Comments:** The fiscal impacts are for the SCC only.

GA 3/6/2020