

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB2799

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

**2. Patron** Marshall, D.W.

**3. Committee** Counties, Cities, and Towns

**4. Title** Purchase of electric power and energy.

**5. Summary/Purpose:** The bill provides that Virginia Tech and any municipal corporation that owned and operated an electric utility system on January 1, 2006, may contract with any other party to buy power and energy required for its present or future requirements, including the capacity and output of one or more specified projects located in the continental United States of America.

**6. Fiscal Impact:** Indeterminate. See #8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The state fiscal impact is indeterminate. Virginia Tech is currently going through negotiations for a new wholesale electricity contract, and the university is anticipating an increase in the cost of electricity come July 1, 2007. This legislation could help create options and capacity which would increase the supply and hopefully decrease prices in the long run. However, it is difficult to quantify any impact. The bill could also have an impact on localities; however, such impact would be better addressed by the Commission on Local Governments.

**9. Specific agency or political subdivisions affected:** Virginia Tech, municipal corporations

**10. Technical amendment necessary:** No.

**11. Other comments:** Same as SB1306.

**Date:** 01/24/07 / acd

**Document:** H:\BOS-RO\Legislation\2007 Session\FIS-ACD\HB2799

cc: Secretary of Education