

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB2105

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: McClellan

3. Committee: Commerce and Labor

4. Title: Electric utility regulation.

5. Summary: Electric utility regulation. Directs the State Corporation Commission to take into account, when considering requests for a certificate, permit, or approval for a generation facility, whether the facility is consistent with the utility's integrated resource plan. The measure also (i) establishes a fourth voluntary renewable portfolio standard goal of 15 percent by 2025; (ii) allows utilities to recover costs of designing and operating demand management, conservation, energy efficiency, and load management programs, including an enhanced rate of return on capital invested in energy efficiency, including advanced metering infrastructure, of 200 basis points for between three and seven years; (iii) requires utilities to develop tariffs offering real-time variable rates; and (iv) requires that rates for utility payments to eligible customer-generators under a net energy metering program be not less than the rate the utility charges its customers for electricity provided 100 percent from renewable energy.

6. Fiscal Impact Estimates: Not available, see Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The bill provides incentives and automatic cost recovery for DSM programs. The incentive and automatic cost recovery of program costs could potentially increase electric utility rates. While unquantifiable, such impacts could be substantial.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None

Date: 1/16/2009 T. Faherty
cc: Secretary of Commerce and Trade