

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: SB1452

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: Petersen

3. Committee: Commerce and Labor

4. Title: Energy efficiency programs.

5. Summary: Energy efficiency programs. Imposes a \$1 per month surcharge on rates for retail customers of investor-owned electric utilities and distribution electric cooperatives. The moneys generated from the charge will be deposited in the Energy Efficiency Fund, which shall be administered by a program administrator selected by the State Corporation Commission (SCC) subject to the approval of the Governor. The program administrator is charged with developing energy efficiency plans and, if approved by the SCC, implementing such plans. The SCC shall approve a proposed energy efficiency plan if it is consistent with energy objectives of the Virginia Energy Plan.

6. Fiscal Impact Estimates: Not available; see Item #8.

7. Budget Amendment Necessary: No

8. Fiscal Implications: This legislation adds a surcharge to every electricity customer in the Commonwealth in the amount of \$1/month to be collected by each electricity utility or distribution cooperative and remitted to the proposed to-be-established Energy Efficiency Fund, administered by a program administrator to implement an energy efficiency plan. Such a program administrator will also incur costs to operate which could further increase costs and/or electricity rates to consumers.

The Department of Mines, Minerals and Energy has stated that if it were selected as the program administrator, it would need an additional staff person and increase in budget of \$144,441. If such program administrator were a non-state agency, it is unclear how much such services would cost and how it might be funded. Additionally, the SCC could potentially have to increase staff, particularly in combination with passage of other pending legislation.

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

10. Technical Amendment Necessary: See Item #11.

11. Other Comments: It is unclear how the operating costs of the proposed program administrator would be funded.

Date: 1/30/2009 David Eichenlaub
cc: Secretary of Commerce and Trade