

State Corporation Commission 2010 Fiscal Impact Statement

1. **Bill Number:** HB327

House of Origin Introduced ___ Substitute ___ Engrossed
Second House ___ In Committee ___ Substitute ___ Enrolled

2. **Patron:** Plum

3. **Committee:** Commerce and Labor

4. **Title:** **Electric energy efficiency standard.**

5. **Summary:** Electric energy efficiency standard. Establishes an energy efficiency standard under which investor-owned electric utilities are required to reduce the consumption by their retail customers in the Commonwealth, through implementation of energy efficiency and conservation programs, by 2026 by 19 percent less than the consumption level currently projected for such year. Between 2011 and 2026, utilities are required to meet interim benchmarks established by the State Corporation Commission. The measure authorizes investor-owned electric utilities to earn the same enhanced rate of return on costs of energy efficiency programs that is currently provided for renewable powered generation facilities to recover the costs of designing and operating energy efficiency programs. A utility's energy efficiency programs shall be reported in its integrated resource plans.

6. **Fiscal Impact Estimates:** Estimates are not available; see Item 8.

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** There may be a need to hire additional staff (see Item 10). In addition, House Bill 327 would likely increase costs to all consumers because the legislation bases the amount of energy reduction targets on biennial benchmark estimates using a projected annual growth rate rather than upon historical consumption as currently required. Costs to state facilities would increase to implement energy efficiency measures required by the legislation.

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission and the Department of Mines, Minerals and Energy. In addition, large industrial customers will be impacted by the legislation.

10. **Technical Amendment Necessary:** There may be a need to clarify the extent the State Corporation Commission is required to establish the benchmark targets and verify actual energy reductions.

11. **Other Comments:** Affected parties must measure, verify and report information to the State Corporation Commission which may not be currently under the purview of the Commission.

Date: 1/19/2010 DRE