

## State Corporation Commission 2012 Fiscal Impact Statement

**1. Bill Number:** HB657

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

**2. Patron:** Rust

**3. Committee:** Commerce and Labor

**4. Title:** Electric utilities; renewable energy portfolio standard program.

**5. Summary:** Electric utilities; renewable energy portfolio standard program. Adjusts the mix of energy sources that qualify as satisfying the requirements of the renewable energy portfolio standard program. The measure limits the amount of renewable energy generated outside Virginia or its coastal waters that can qualify for the program. Wind or solar power generated outside Virginia in the interconnection region of the regional transmission entity of which the participating utility is a member will not be eligible if it is purchased through a power purchase agreement entered into after July 1, 2012. The measure allows renewable energy certificates issued by an affiliate of the regional transmission entity to be used to meet the RPS Goals if the energy is from sources with an in-service date of or after July 1, 2007. Nuclear energy is ineligible for credit in meeting certain RPS Goals. The measure requires utilities to permanently retire one renewable energy certificate for each megawatt hour or renewable energy certificate claimed for compliance with RPS Goals. The measure requires that after 2017 at least 20 percent of the energy or certificates in a utility's compliance demonstration be attributable to a combination of energy derived from sunlight, onshore wind, or offshore wind; the minimum percentage increases in 2023 to 40 percent. Finally, the measure removes a provision that allowed a utility to apply excess renewable energy sales in any period to the requirements for any future RPS Goal.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** No fiscal impact on the State Corporation Commission. See Item 8.

**8. Fiscal Implications:** This bill would likely increase the cost to the utility of meeting the RPS portfolio goals and as a result could create upward pressure for electric utility rates.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/17/12 CW