

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB413

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|------------------------|---------------------------------------|-------------------------------------|--|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

2. Patron: Norment

3. Committee: Passed Both Houses

4. Title: Renewable energy portfolio standard program; credits for investments.

5. Summary: Renewable energy portfolio standard program; credits for investments. Allows any investor-owned electric utility that participates in the renewable energy portfolio standard program to meet up to 20 percent of an RPS Goal through certificates evidencing the utility's expenses in conducting research and development activities related to renewable or alternative energy sources. To qualify, such expenses shall either (i) be designed to enhance the participating utility's understanding of emerging energy technologies and their potential impact on and value to the utility's system and customers within the Commonwealth; (ii) promote economic development within the Commonwealth; (iii) supplement customer-driven alternative energy or energy efficiency initiatives; (iv) supplement alternative energy and energy efficiency initiatives at state or local governmental facilities in the Commonwealth; or (v) be designed to mitigate the environmental impacts of renewable energy projects. The State Corporation Commission shall issue certificates to utilities making qualified investments based on the prices for renewable energy certificates in the interconnection region of the regional transmission entity of which the utility is a member. Qualified investments are stated to be reasonable and prudent operating expenses of a participating utility. A participating utility is not authorized to recover the costs associated with qualified investments through rate adjustment clauses and is not authorized to earn a return on its qualified investments.

6. Budget Amendment Necessary: No

7. No fiscal impact on the State Corporation Commission. Final.

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: Also see House Bill 1102.

Date: 3/14/12 CW