

## State Corporation Commission 2013 Fiscal Impact Statement

**1. Bill Number:** HB1695

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

**2. Patron:** Minchew

**3. Committee:** Commerce and Labor

**4. Title:** Renewable energy; community and agricultural net metering; renewable energy certificates.

**5. Summary:** Renewable energy; community and agricultural net metering; renewable energy certificates. Requires the State Corporation Commission to establish net energy metering programs for eligible agricultural customers and eligible community customers. Agricultural net metering will allow a customer that operates a renewable energy generating facility of up to one megawatt as part of an agricultural business to be served by multiple meters that are located at separate but contiguous sites, provided the generating facility is located on land owned or controlled by the agricultural business and is used to provide energy to metered accounts of the agricultural business. Community net metering will allow a group of residential, commercial, industrial, and other customers to establish an "eligible community customer" to act collectively to generate renewable energy for their own use. Members of an eligible community customer may develop a net metered system that provides that excess generation by some members of the group will be used to offset consumption by other members within the group. The generating capacity of an eligible community customer's facility shall not exceed one megawatt at a single site. If electricity generated by the generation facility or facilities of the eligible community or agricultural customers in a year exceeds the net electricity consumption by members of the group, the utility shall reduce the eligible community or agricultural customer's bill for the next monthly billing period by the amount of the excess. An eligible community or agricultural customer will be exempt from the requirement that he install two-way metering equipment if the electrical generating system from which the eligible community or agricultural customer obtains electricity is not physically attached to or an integral part of the building or structure where he consumes electricity, provided metering equipment measures the excess electricity from the generation facility. Eligible community and agricultural customers may be required to pay the supplier their pro rata share of certain capital or operational costs and may be subject to a monthly standby charge. The measure also requires the Commission to establish a process for issuing or recognizing renewable energy certificates. The process will provide for the issuance, monitoring, transferring, and use of renewable energy certificates.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Fiscal impact estimates are not available. See Item 8.

**8. Fiscal Implications:** The Virginia State Corporation Commission would be required to establish regulations implementing these new requirements. Additionally, the Commission would be required to establish a process to issue, monitor, transfer and retire RECs associated with renewable generation used for net metering. This legislation will raise numerous complex and on-going implementation issues. These issues coupled with the establishment of a REC program could eventually require additional staffing levels.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/11/13 TF