

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB582

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

2. Patron: Edwards

3. Committee: Commerce and Labor

4. Title: Net energy metering; stand-by charges.

5. Summary: Net energy metering; stand-by charges. Requires the State Corporation Commission, when determining whether to approve a utility's proposed standby charge methodology, to find that (i) the methodology utilized by the supplier is generally accepted in the industry for making such determinations, (ii) the methodology proposed by the supplier calculates costs based upon sample statistics derived solely from the class of residential eligible customer-generators, and (iii) the quantity of the class of residential eligible customer-generators represents a sufficient base to form reasonable statistical conclusions. These criteria are in addition to the existing requirement that the standby charges collected from eligible customer-generators allow the supplier to recover only the portion of the supplier's infrastructure costs that are properly associated with serving eligible customer-generators. The measure also provides that the supplier's infrastructure costs include, in addition to the direct costs associated with the supplier's infrastructure, an offset for any benefits derived from any net energy metering provided by eligible customer-generators to the supplier. Finally, the measure requires the Commission to deny a utility's application for standby charges if its methodology fails to consider all four of the criteria.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Fiscal impact estimate is not available but is expected to be insignificant. See Item 8.

8. Fiscal Implications: To the extent Senate Bill 582 would result in less utility electricity sales to eligible customer-generators as a result of increased net metering generation, state and local electricity consumption tax revenue would decrease.

9. Specific Agency or Political Subdivisions Affected: Commonwealth of Virginia; State Corporation Commission; Local Governments

10. Technical Amendment Necessary: No

11. Other Comments:

Date: 1/23/12 TEL