

State Corporation Commission 2017 Fiscal Impact Statement

1. Bill Number: SB1394

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

2. Patron: Wagner

3. Committee: Commerce and Labor

4. Title: Small agricultural generators.

5. Summary: Small agricultural generators. Establishes the parameters of a program under which small agricultural generators may sell the electricity generated from a small agricultural generating facility to its utility. The program will end enrollment by eligible agricultural customer-generators in the existing net energy metering program effective July 1, 2018, while allowing eligible agricultural customer-generators to remain in the net metering program for not more than 20 years. A small agricultural generator is defined in this measure as a customer who operates an electrical generating facility as part of an agricultural business, which generating facility, among other conditions, has a capacity of not more than 1.5 megawatts, uses renewable energy as its total source of fuel, has a capacity that does not exceed 150 percent of the customer's expected annual energy consumption based on the previous 12 months of billing history, and is a qualifying small power production facility. The program for small agricultural generators requires the generator to enter into a power purchase agreement with its supplier to sell all of the electricity generated at a rate not less than the supplier's State Corporation Commission-approved avoided cost tariff for energy and capacity. The program also provides for utilities to recover distribution service costs and costs incurred to purchase electricity, capacity, and renewable energy certificates from the small agricultural generator through its Renewable Energy Portfolio Standard (RPS) rate adjustment clause if the utility has a Commission-approved RPS plan and rate adjustment clause or, if the utility does not have a Commission-approved RPS rate adjustment clause, then the costs shall be recoverable through the suppliers fuel adjustment clause or through the utility's cost of purchased power. Finally, the measure directs the Commission to conduct a single docketed proceeding to implement the provisions of this measure.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: The Fiscal Impact Estimate for the State Corporation Commission is preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	0	0	
2018	Less than \$25,000	0	02080 (Cardinal)
2019	0	0	

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- 8. Fiscal Implications:** The expense amount noted above includes the cost of notice to the public in statewide newspapers.
- 9. Specific Agency or Political Subdivisions Affected:** Virginia State Corporation Commission
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** None

LTO 1/19/17