

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: SB842

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: Petersen

3. Committee: Commerce and Labor

4. Title: Electric energy; customer choice.

5. Summary: Provides that all retail customers of electric energy within the Commonwealth will be permitted to purchase electricity from any supplier licensed to sell retail electric energy within the Commonwealth by January 1, 2023. The bill requires, by January 1, 2022, the State Corporation Commission to promulgate all regulations it deems necessary to ensure the orderly transition to a competitive market for electric energy in the Commonwealth.

The bill provides that such regulations (i) provide for the customer choice for electricity for all customer classes, thereby deregulating the retail sale and pricing of the generation component of electricity service; (ii) require the divestiture of generation assets or the functional separation of the generation and transmission and distribution businesses of each incumbent electric utility operating in the Commonwealth; (iii) provide all retail customers with guaranteed access to fairly priced electric generation service from a provider of last resort; (iv) provide benefits to all rate classes; (v) include adequate consumer protections, marketing standards, and complaint procedures; and (vi) ensure reliability and compliance with federal and state environmental laws and regulations.

The bill provides that incumbent electric utilities will continue to provide distribution services within their exclusive service territories and the Commission will continue to regulate the distribution of retail electric energy to retail customers and, to the extent permitted under federal law, the transmission of electric energy. Additionally, the bill requires that the Commission promulgate regulations requiring all suppliers of electric energy, including providers of last resort, to obtain at least 25 percent of their retail energy sales in the Commonwealth from renewable energy by January 1, 2025; 50 percent of their retail energy sales in the Commonwealth from renewable energy by January 1, 2030; and 100 percent of their retail energy sales in the Commonwealth from renewable energy by January 1, 2050.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal Implications: No fiscal impact on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: None

KBP 1/13/20