

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: HB 1777

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: O'Quinn

3. Committee: Commerce and Energy

4. Title: Phase I Utilities; annual rate true-up reviews.

5. Summary: Limits the amounts that are recoverable by a Phase I Utility pursuant to a rate adjustment clause approved by the State Corporation Commission as part of a utility's triennial review proceeding based on existing provisions of the Code. The bill establishes annual rate true-up (ART) reviews beginning no later than March 31, 2025, and annually thereafter, for rates, terms, and conditions for the provision of generation and distribution services by a Phase I Utility that has participated in triennial review proceedings in 2020 and 2023. The bill outlines requirements for the Commission in conducting ART reviews and states which costs are to be considered reasonable and prudent to be recoverable by the utility. The Commission is required to enter a final order following an ART review proceeding that determines the utility's costs and revenues and the revenue requirement for the utility to implement during the subsequent calendar year. The bill removes the requirement for a Phase I Utility to file an integrated resource plan with the Commission.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None 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