

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB2275-S1

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Kilgore

3. **Committee:** Finance and Appropriations

4. **Title:** Energy planning and electric utility oversight.

5. **Summary:** Requires the Commission on Electric Utility Regulation (the Commission) to establish the Commonwealth Energy Research Consortium (the Consortium), consisting of public institutions of higher education in the Commonwealth, to conduct energy research and policy analysis for the Commonwealth. The bill requires the Commission to distribute funds from the Commonwealth Energy Research Fund, created by the bill, to the Consortium to (i) conduct energy and environmental research that furthers the Commonwealth Clean Energy Policy; (ii) provide objective analysis and planning to guide decisions in the public and private sectors, including analysis of potential legislation; (iii) identify programs that would reduce energy costs to consumers; and (iv) create a statewide energy efficiency strategy.

The bill increases from 10 to 13 the membership of the Commission by adding three nonlegislative citizen members; requires the Commission to meet twice annually and to receive an annual report from the State Corporation Commission by November 1 regarding the implementation of the Virginia Electric Utility Regulation Act; requires newly appointed members of the Commission to receive an orientation on electric utility regulation from the State Corporation Commission; and extends the expiration of the Commission from July 1, 2024, to July 1, 2029.

The bill requires the Commission to consider legislation referred to it during any session of the General Assembly or other requests by members of the General Assembly;

The bill requires the Division of Renewable Energy and Energy Efficiency of the Department of Energy to present a draft of the Virginia Energy Plan or any updates to the Plan to the Virginia Coal and Energy Commission and the Commission on Electric Utility Regulation at a public meeting and to present the final Plan to the Commission on Electric Utility Regulation at a public meeting.

The bill requires investor-owned electric utilities, as part of preparing any integrated resource plan, to make a draft of their updated integrated resource plan available to the public and to conduct outreach to engage the public and provide opportunities for the public to contribute information and ideas or make inquiries regarding the integrated resource plan. Additionally,

the bill requires such electric utilities to conduct an ongoing stakeholder review process for the purpose of considering, and inviting stakeholder input and review on, changes to the utility's integrated resource plan development methodology and modeling inputs and assumptions.

6. Budget Amendment Necessary: Yes, See Item 8.

7. Fiscal Impact Estimates: Indeterminate

Agency 171: Item 490

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$80,000	0	Nongeneral
2025	\$0	0	N/A
2026	\$0	0	N/A
2027	\$0	0	N/A
2028	\$0	0	N/A
2029	\$0	0	N/A
2030	\$0	0	N/A

Item 1

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$800	0	General
2025	\$800	0	General
2026	\$800	0	General
2027	\$800	0	General
2028	\$800	0	General
2029	\$800	0	General
2030	\$800	0	General

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. In Chapter 2, 2022 Acts of Assembly, Special Session I commissions that did not have staff were moved from Item 6 to Item 1. This bill grants the Commission the authority to employ an executive director and other necessary staff. It is unknown how many staff the Commission may hire and the anticipated salaries. If the Commission hires staff and no appropriation is provided for the Commission, the Commission may be funded from the operating budgets of the Clerk of the Senate and the Clerk of the House of Delegates upon the approval of the Joint Rules Committee.

This bill adds three nonlegislative members. The travel expenses for the nonlegislative member appointed by the Senate Committee on Rules are estimated to be \$400. The travel expenses for the nonlegislative member appointed by the Speaker of the House of Delegates are also estimated to be \$400. These calculations assume four meetings per year, which is the average for a commission of this nature. There also may be costs associated with the nonlegislative member appointed by the Governor, but it is unknown at this time what those costs will be.

The State Corporation Commission expect a fiscal impact of \$80,000 in nongeneral fund apporopriation for FY2024. This bill directs the Commission to convene a stakeholder work group to evaluate the requirements for integrated resource plans set forth in § 56-599 of the Code. This will require the services of an external facilitator to lead the work group, which is estimated to be \$80,000.

There Department of Energy does not expect a fiscal impact from this legislation.

9. Specific Agency or Political Subdivisions Affected: The House of Delegates, the Senate of Virginia, the Department of Energy, the State Corporation Commission

10. Technical Amendment Necessary: No

11. Other Comments: Similar to SB1166