

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: SB1477

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Lewis

3. Committee: Commerce and Labor

4. Title: Electric utility; offshore wind affiliate.

5. Summary: Authorizes Dominion Energy Virginia, in connection with certain offshore wind projects, to establish an offshore wind affiliate, defined in the bill, for the purpose of securing a noncontrolling equity financing partner for the project. Under the bill, such offshore wind affiliate is authorized to operate as a public utility in association with the utility.

The bill requires the State Corporation Commission, in acting upon any request for associated cost recovery, to utilize the capital structure and cost of capital of the utility and to disregard the capital structure and cost of capital of any noncontrolling entity's interest in the offshore wind affiliate. The bill requires that if any ownership interest in the offshore wind affiliate is transferred to such a noncontrolling entity, the Commission to ensure, in granting any approval for the transfer or for cost recovery, that any gain on the utility's basis is credited to the utility's customers through a rate adjustment clause credit mechanism. The bill provides that such an affiliate is considered an electric supplier for the purposes of tax provisions requiring certain electric suppliers to pay a minimum tax rather than the corporate income tax for any year their minimum tax liability is greater than their corporate income tax liability.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: None