

## State Corporation Commission 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB746

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Webert

**3. Committee:** Labor and Commerce

**4. Title:** Energy efficiency programs; incremental annual savings.

**5. Summary:** Provides that it is in the public interest to deploy demand-side management programs and energy efficiency measures throughout the Commonwealth to achieve the greatest possible reductions in energy consumption. The bill permits the State Corporation Commission (Commission) to increase or decrease an investor-owned electric utility's combined rate of return based on the utility's success in complying with energy efficiency program targets in existing law.

Additionally, the bill states that "in the public interest" for the purpose of assessing energy efficiency programs means that the Commission determines that the program is cost-effective.

The bill amends 56-596 to require the Commission to hire a third-party evaluator to conduct a demand-side management potential study in order to set the 2029 goals, and every three years after.

The bill directs the Commission to promulgate regulations no later than September 30, 2025, establishing a single, consistent cost-effectiveness test for use in evaluating proposed energy efficiency programs.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Fiscal Impact Estimate is Preliminary. See Item 8.

**8. Fiscal Implications:** The Substitute for HB 746 directs the State Corporation Commission to retain a consultant to perform a demand-side management potential study. The estimated cost for the consultant is \$100,000 in FY 2027 which is anticipated to be absorbed within the Commission's appropriation.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None.