

## State Corporation Commission 2024 Session Fiscal Impact Statement

**1. Bill Number:** SB565

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

**2. Patron:** Deeds

**3. Committee:** Commerce and Labor

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

**5. Summary:** Provides that it is in the public interest and the policy of the Commonwealth 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 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 directs the Commission to promulgate regulations no later than December 31, 2024, establishing a single, consistent cost-effectiveness test for use in evaluating proposed energy efficiency programs. Finally, the bill requires the Commission to consider, as a factor in establishing performance-based adjustments to the combined rate of return for an electric utility, the utility's compliance with energy efficiency standards and to update ongoing proceedings to consider this factor no later than December 31, 2024.

The provisions of the bill apply to any Commission proceeding that commenced on or after January 1, 2024.

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

**7. Fiscal Impact Estimates:** None on the State Corporation Commission.

**8. Fiscal Implications:** None.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** No,

AB 1/12/2024