State Corporation Commission 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB2087 Patron: Shin

Bill Title: Electric utilities; electric vehicle charging stations; transportation electrification.

Bill Summary: Permits Dominion Energy and Appalachian Power Company to develop, own, maintain, and operate public-facing fast-charging stations, as defined in the bill, at or beyond a radial distance from privately owned fast-charging stations, which radial distance shall be determined by the Commission in a rulemaking proceeding initiated by June 1, 2027, with a final order entered no later than December 1, 2027. The bill repeals current law related to the recovery of costs associated with investment in transportation electrification on December 1, 2027, to coincide with such final order.

Under the bill, a Phase I or Phase II Utility may file a proposed tariff or rule with the Commission to provide utility-owned and utility-operated electrical distribution infrastructure between the main overhead or underground lines and the customer electrical revenue meter available to customers installing separately metered infrastructure to support electric vehicle charging stations, other than those in single-family residences. The Commission shall approve and authorize or modify and approve such tariff or rule within six months after filing. The bill requires that by November 15, 2025, and every two years thereafter, each Phase I and Phase II Utility shall file applications to accelerate widespread transportation electrification across the Commonwealth in a manner designed to maximize ratepayer benefits. The bill requires that by May 15, 2026, each Phase I and Phase II Utility shall submit to the Commission estimates and plans to serve load capacity needs to support transportation electrification and to comply with applicable air quality standards and regulations, and a proposal for a specific rate or set of rates for electricity and vehicles using charging infrastructure.

Budget Amendment Necessary: Yes. Items Impacted: 476 (Fund 02080)

Explanation: Preliminary

Fiscal Summary: As introduced, the State Corporation Commission anticipates that this bill will necessitate two additional full-time staff positions, and one consultant. The State Corporation Commission estimates that the two positions, combined, will cost approximately \$200,000 annually and the consultant will cost approximately \$50,000.

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
SCC (1 7100)		\$267,000	\$200,000	\$200,000	\$200,000	\$200,000
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TOTAL		\$267,000	\$200,000	\$200,000	\$200,000	\$200,000

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Position Impact:

<u>Agency</u>	FY2025	<u>FY2026</u>	FY2027	FY2028	<u>FY2029</u>	FY2030
SCC	0	2				
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TOTAL	0	2				

Fiscal Analysis:

This bill requires a rulemaking proceeding that will involve expert technical analysis and may also involve a workgroup to gather and evaluate comments from case participants. The State Corporation Commission anticipates that these tasks will likely require the use of an external consultant and /or facilitator. The State Corporation Commission estimates that the cost of this consultant and/or facilitator will be approximately \$50,000, based on a review of previous contracts for comparable proceedings.

The bill will result in several new Commission proceedings, some of which will be recurring in nature, which will involve the review of electrical system planning and rate considerations. The State Corporation Commission anticipates that two additional full-time positions would be required to assist with these tasks. Specifically, the staff members in these positions would be responsible for reviewing petitions received and developing analysis and/or reports to support the State Corporation Commission's ability to make determinations as it relates to these considerations. The State Corporation Commission estimates that these two positions, combined, will cost approximately \$200,000 annually.

The SCC costs to implement the requirements in this bill will impact its Public Utility Fund (02080). The current rate cap authorization (58.1-2900) as approved by the General Assembly (GA) is not sufficient to generate the revenue needed for the Fund to cover the costs of this bill's requirements. However, bills HB2663 and SB1336 have been introduced in the 2025 GA session to adjust electric consumption rate caps to fund SCC existing expenses and potential new expenses from electric utility SCC oversight legislation passed during the 2025 GA Session. The costs associated with HB2087 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None