

**State Corporation Commission
2025 General Assembly Session
State Fiscal Impact Statement**

PUBLISHED: 1/22/2025 6:09 PM

ORIGINAL

Bill Number: HB2266 **Patron:** Tran
Bill Title: State Corporation Commission; distribution cost sharing program; distribution system upgrades.

Bill Summary: Directs the State Corporation Commission by July 1, 2026, to establish by regulation a distribution cost sharing program for certain generating facility projects seeking to interconnect to the electric distribution system.

Budget Amendment Necessary: Yes **Items Impacted:** 476 (NGF 02080)
Explanation: Fiscal Impact Estimate is Preliminary.

Fiscal Summary: This bill would require the use an outside consultant to facilitate and compile the data and create the report as this work cannot be absorbed with existing Staff in the Public Utility Regulation Division.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
SCC		\$65,000				
TOTAL		\$65,000				

Position Impact: None

Fiscal Analysis: This bill will result in a proceeding to establish a distribution cost sharing program. At this time, the State Corporation Commission anticipates needing the services of a consultant to facilitate the creation of this program. Additionally, the use of a full-time employee in lieu of a consultant may be evaluated if the cumulative workload of this and other related bills were to pass.

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 HB2266 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None