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ORIGINAL

Bill Number:HB2528Patron:LopezBill Title:Electric utilities; customer energy choice; customer return to service; subscription cap and queue.

Bill Summary: Removes certain restrictions on the ability of individual retail customers of electric energy within the Commonwealth, regardless of customer class, to purchase electric energy matched 100 percent by renewable energy certificates from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth. The bill requires a licensed supplier to match a percentage of each retail electric customer's annual load with renewable energy certificates from within the PJM transmission region. The bill decreases from five years to six months the required written notice period for certain electric energy customers to return to service by an incumbent electric utility after purchasing electric energy from other suppliers.

The bill also directs the Commission, by October 1, 2026, to establish a subscription cap allowance for certain utility customers seeking to participate in purchasing electric energy from a licensed supplier. The Commission is required to review the subscription cap allowance every two years starting on January 1, 2028, and electric utilities are required to file their subscription queues with the Commission by January 15, 2027, and annually thereafter. The bill contains an exception to the subscription cap allowance for customers seeking to expand usage at an existing or new facility. The bill has a delayed effective date of July 1, 2026, unless the rules and regulations of the Commission promulgated pursuant to the bill specify a commencement date.

Budget Amendment Necessary:NoExplanation:Not Applicable

Items Impacted: None

Fiscal Summary: This bill involves the State Corporation Commission; however, no budget amendment is needed. Please see Fiscal Analysis section, below.

General Fund Expenditure Impact: None Nongeneral Fund Expenditure Impact: None

Position Impact: None

Fiscal Analysis: This bill will result in additional work for the Commission, including new recurring proceedings, the establishment of new regulations, and ongoing administrative tasks related to tracking and reporting. Implementation of the bill may require the use of an outside consultant, or hourly employee, to conduct analysis and assist with tracking information as this work cannot be absorbed by existing resources.

The estimated cost of this consultant work is \$15,000 annually which can be accommodated in the existing appropriation for the Commission.

There are several legislative proposals advancing in the 2025 Regular Session that involve a proceeding, new regulations, or direct the Commission to lead a work group or author a report. The cumulative effect of enactment of these types of proposals will exceed the capacity of Commission Staff responsible for public utility regulation and may result in the need for additional appropriations, positions, or both.

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 HB2528 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None