

State Corporation Commission
2025 General Assembly Session
State Fiscal Impact Statement

Fiscal Analysis: A proceeding will be needed to establish a formula for geothermal Renewable Energy Certificates (RECs) which will result in additional workload for the State Corporation Commission. The requirement for the Commission to identify an appropriate formula for RECS from geothermal heating and cooling systems is to be supported by a geothermal industry trade organization. This requirement could necessitate the retaining of an expert in the geothermal trade organization industry to ensure compliance with this new language. Experts have previously cost approximately \$50,000.

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 SB893 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

The bill directs the Commission on Electric Utility Regulation (CEUR) to prepare and deliver a report evaluating the procurement and retirement of renewable energy certificates from geothermal heating and cooling systems in the Commonwealth on or before November 1, 2027. The CEUR anticipates being able to absorb the evaluation report into the normal operating activities of the Commission, either through internal staff or through contract agreement(s) funded by the CEUR's budget.

The bill also directs the Real Estate Appraiser Board to evaluate the development of a continuing education curriculum for licensees that includes how to calculate the value of energy efficiency equipment for the purposes of real estate appraisal. Any fiscal impact on the Department of Professional and Occupational Regulation is not yet available.

Other: None