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

PUBLISHED: 1/23/2025 8:40 PM ORIGINAL

**Bill Number:** SB1403 **Patron:** Surovell

**Bill Title:** Electric utilities; request for proposals required for certain facilities.

**Bill Summary:** Requires an electric utility seeking approval to construct or purchase a generating facility that emits carbon dioxide to demonstrate that it has conducted a request for proposals designed to fairly evaluate all available supply-side and demand-side options prior to seeking approval for such generating facility. The bill requires the State Corporation Commission to review the request for proposals before the utility's issuance to ensure all available resources will be fairly evaluated.

**Budget Amendment Necessary:** Yes **Items Impacted:** 476 (NGF 02080)

**Explanation:** 

**Fiscal Summary:** There will be a fiscal impact to hire a consultant and potential new FTEs with increased

workload.

**General Fund Expenditure Impact: None** 

**Nongeneral Fund Expenditure Impact:** 

| <u>Agency</u> | FY2025 | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    |
|---------------|--------|-----------|-----------|-----------|-----------|-----------|
| SCC           |        | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
|               |        |           |           |           |           | _         |
| TOTAL         |        | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |

Position Impact: None

**Fiscal Analysis:** Every Request for Approval (RFP) issued by Dominion Energy and Appalachian Power will have to be considered and approved by the Commission and likely require the hiring of a consultant for RFP expertise. RFPs for wind and solar are required annually for Renewal Portfolio Standards (RPS) purposes, and it is likely Staff would need to evaluate multiple RFPs a year for both utilities. The overall increase in workload is likely to lead to the need for additional full-time employees. An expert in this area could cost \$50,000-\$100,000.

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

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

Session. The costs associated with SB1403 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

**Other:** The House companion to this bill is HB2604.