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ORIGINAL

Bill Number:SB960Patron:PerryBill Title:Electric utilities; data center cost allocation.Perry

Bill Summary: Directs the State Corporation Commission to initiate proceedings to determine if the current allocation of costs among different customer classifications of electric utilities requires customers that are not data centers to unreasonably subsidize the costs of customers that are data centers. If the Commission determines that the current allocation of costs requires customers that are not data centers to unreasonably subsidize the data centers, the bill directs the Commission to promulgate such rules as necessary to eliminate or minimize such unreasonable subsidies to the maximum possible extent. The bill directs the Commission to complete such proceedings prior to January 1, 2026.

Budget Amendment Necessary:No.Items Impacted:NoneExplanation:Not Applicable

Fiscal Summary: The State Corporation Commission anticipates that this bill will result in additional work, which may include the use of consultants. The fiscal impact to the State Corporation Commission is indeterminate.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact: Indeterminate

Position Impact: None

Fiscal Analysis: The State Corporation Commission anticipates that this bill will result in additional proceedings that will involve the use of consultants. As introduced, the fiscal impact to the State Corporation Commission is indeterminate at this time but may potentially be significant. The precise fiscal impact to the State Corporation Commission may depend upon factors such as the number of proceedings initiated and the specific facts and circumstances that arise during each proceeding.

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 SB960 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None