

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

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Engrossed

Bill Number: SB1021 **Patron:** Surovell
Bill Title: Electric utilities; integrated resource plans.

Bill Summary: Makes various changes related to the content and process for an integrated resource plan (IRP) developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations. The bill (i) extends the planning timeframe from 15 to 20 years; (ii) requires Appalachian Power to file an IRP by removing an exception from the definition of "electric utility"; (iii) changes the frequency a utility is required to file an IRP from biennially to triennially; and (iv) requires utilities to consider the use of grid-enhancing technologies as alternatives to new transmission infrastructure, and when new transmission lines are envisioned, to provide the reasons grid-enhancing technologies are not sufficient to defer or eliminate the need for new transmission infrastructure.

The bill requires that the current stakeholder review process for integrated resource plans be facilitated by a third-party facilitator selected by the State Corporation Commission and compensated by the utility. The bill requires, as part of the stakeholder review process, the utility to provide stakeholders with reasonable access to the same modeling software, modeling assumptions, modeling inputs, and data used by the utility to evaluate supply and demand resources in its integrated resource plan to enable stakeholders to create modeling scenarios for the utility's consideration during the development of its integrated resource plan.

The bill requires the Commission to (a) establish guidelines that ensure that utilities develop comprehensive integrated resource plans and provide meaningful public engagement and maximum transparency during the planning process; (b) conduct a proceeding by July 1, 2026, and at least once every five years thereafter, to identify and review each of its existing orders relevant to integrated resource plans to determine if such orders remain necessary and effective and are not overly burdensome; and (c) to convene a work group, in coordination with the Commission on Electric Utility Regulation, to make recommendations on the required guidelines. The Commission shall establish by regulation integrated resource plan guidelines no later than 180 days after the work group issues its final report.

Finally, the bill requires that any petition to permit the construction and operation of electrical generating facilities filed by an electric utility that is required to file an integrated resource plan to (1) incorporate the intent to construct and operate such generating facilities or (2) if the utility's intent to construct and operate such generating facilities was not identified in the utility's most recently approved integrated resource plan, provide a detailed explanation of why the utility did not anticipate the need for such generating facilities.

As introduced, this bill was a recommendation of the Commission on Electric Utility Regulation.

Budget Amendment Necessary: Yes **Items Impacted:** 476 (NGF 02080)
Explanation: A budget amendment is necessary for the increased responsibilities on the State Corporation Commission.

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Fiscal Summary: There will be a fiscal impact on the State Corporation Commission (SCC) for the increased workload for proceedings, regulations, and hiring a facilitator for the stakeholder work group.

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		\$190,000		\$50,000		
TOTAL		\$190,000		\$50,000		

Position Impact: None

Fiscal Analysis: The State Corporation Commission (SCC) will have additional workload for: processing guidelines, selecting and managing a third-party facilitator for the annual utility stakeholder process, the additional IRP case (filed by Appalachian Power) which will require the hiring of a consultant triennially (approximately \$50,000), a new proceeding every five years for reviewing IRP requirements, and will require additional Staff time to ensure the utilities are properly providing modeling software/managing annual stakeholder workgroup. The combination of this increased workload would likely lead to the need for an additional FTE. Additionally, a facilitator will be required for the stakeholder work group to establish guidelines; a recent comparable process cost approximately \$140,000.

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 SB1021 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None