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SUBSTITUTE (H1)

Bill Number:HB2087Patron:ShinBill Title:Electric utilities; electric vehicle charging stations; transportation electrification.

Bill Summary: Each Phase I Utility shall file by May 15, 2026, and every three years thereafter, and each Phase II Utility shall file in each integrated resource plan filing, transportation electrification plans to accelerate widespread transportation electrification across the Commonwealth in a manner designed to achieve the most reasonable and prudent utility investments in transportation electrification throughout the utility's service territory, which shall include rural communities and historically economically disadvantaged areas.

In any biennial rate case following the submission of any transportation electrification plan, a Phase I or II Utility shall, pursuant to the utility's rates for generation and distribution services, seek recovery of necessary and appropriate expenditures, distribution grid capacity upgrades, and rate designs to serve aggregate transportation electrification needs as identified in the transportation electrification plan.

Permits Dominion Energy and Appalachian Power Company to develop, own, maintain, and operate publicfacing fast-charging stations, as defined in the bill, at or beyond a radial distance from privately owned fastcharging stations, which radial distance shall be determined by the Commission in a rulemaking proceeding initiated by June 1, 2027, with a final order entered no later than December 1, 2027. The bill repeals current law related to the recovery of costs associated with investment in transportation electrification on December 1, 2027, to coincide with such final order.

Under the bill, a Phase I or Phase II Utility may file a proposed tariff or rule with the Commission to provide utility-owned and utility-operated electrical distribution infrastructure between the main overhead or underground lines and the customer electrical revenue meter available to customers installing separately metered infrastructure to support electric vehicle charging stations, other than those in single-family residences. The Commission shall approve and authorize or modify and approve such tariff or rule within six months after filing.

Budget Amendment Necessary:NoItems Impacted:NoneExplanation:No Budget Amendment needed for the 2024-26 Biennium.

Fiscal Summary: The State Corporation Commission anticipates that this bill will result in additional work, which will likely require the use of a consultant, which is estimated to cost approximately \$50,000 in FY27.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	<u>FY2030</u>
SCC (1 7100)			\$50,000			
TOTAL			\$50,000			

Position Impact: None

Fiscal Analysis:

This bill requires a rulemaking proceeding that will involve expert technical analysis and may also involve a workgroup to gather and evaluate comments from case participants. The State Corporation Commission anticipates that these tasks will likely require the use of an external consultant and/or facilitator. The State Corporation Commission estimates that the cost of this consultant and/or facilitator will be approximately \$50,000, based on a review of previous contracts for comparable proceedings.

This bill will also result in other new proceedings, or additional work to be performed in existing recurring proceedings. 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 HB2087 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None