

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

The proposed rate cap adjustments will impact primarily commercial and industrial electricity consumers and does not change the rate cap that generally impacts households. The household rate cap, tier one, in the Code is currently higher than the commercial and industrial rate caps and this bill will increase the commercial and industrial rate caps to align with the same rate cap currently in place for households.

The SCC anticipates its workload to increase as a result of development projects by high consumers of electricity (commercial/industrial consumers). As a result, increased expenditures are expected to properly resource the SCC to ensure it is responsive and can efficiently carry out its Code mandated regulatory requirements and keep pace with development project timelines.

The SCC is forecasting to adjust the current rates charged to consumers beginning January 1, 2026. It is expected that the forecasted rates will be less than the proposed rate caps in the bill. The SCC is seeking rate caps that will result in an annual revenue increase of \$3.5M - \$4M beginning FY27, with half that amount collected in FY26. This funding is necessary to maintain the current SCC electric utility regulatory workload.

Any additional work that comes out of the 2025 GA session in the electric utility regulatory space will require additional revenue support. The rate cap proposed in this bill should provide sufficient room to fund that additional work.

The SCC is required to manage this fund pursuant §58.1-2902.

Lastly, the use of electricity by municipalities or use by divisions or agencies of federal, state, and local governments are not subject to the rates (§58.1-2900 B.)

Nongeneral Fund Revenue Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
SCC – 171		\$1.75M - \$2M	\$3.5M-\$4M	\$3.5M-\$4M	\$3.5M-\$4M	\$3.5M-\$4M
TOTAL						

Other: The State Corporation Commission asked the patron to introduce the bill.