State Corporation Commission 2025 General Assembly Session State Fiscal Impact Statement

PUBLISHED: 3/20/2025 12:12 PM ENROLLED

Bill Number: SB1058 Patron: Ebbin

Bill Title: State Corporation Commission; distribution cost sharing program; distribution system

upgrades.

Bill Summary: Directs the State Corporation Commission by July 1, 2026, to establish by regulation a distribution cost sharing program for Dominion Energy Virginia and Appalachian Power to construct distribution system upgrades required to interconnect participating projects, as defined in the bill. The bill directs the Commission to require each such utility to file any tariffs, agreements, or forms necessary for the implementation of the program by December 1, 2026, and to submit a report on the implementation of the program by November 1, 2028. This bill is identical to HB2266.

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

Explanation: Fiscal Impact Estimate is Final.

Fiscal Summary: This bill will result in a proceeding to establish a distribution cost sharing program. A consultant is needed to facilitate the creation of the program as this work cannot be absorbed with existing Staff in the Public Utility Regulation Division.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	FY2027	<u>FY2028</u>	FY2029	FY2030
SCC		\$65,000				
TOTAL		\$65,000				

Position Impact: None

Fiscal Analysis: This bill will result in a proceeding to establish a distribution cost sharing program. The program shall require Dominion and Appalachian Power to spread the costs of all qualifying upgrades among all participating projects based on the AC nameplate capacity rating of each participating project. The program shall also require that the costs attributed to jurisdictional participating projects are recovered from jurisdictional customers and costs attributed to nonjurisdictional participating projects are recovered from nonjurisdictional customers.

At this time, the State Corporation Commission anticipates needing the services of a consultant to facilitate the creation of this program. Additionally, the use of a full-time employee in lieu of a consultant may be evaluated if the cumulative workload of this and other related bills were to pass.

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The costs to the SCC 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, enrolled bills, HB2663 and SB1336, adjust the 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 SB1058 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None