State Corporation Commission 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB2346 Patron: Hernandez

Bill Title: Electric utilities; virtual power plant pilot program.

Bill Summary: Requires Dominion Energy Virginia to petition the State Corporation Commission for approval to conduct a pilot program to evaluate methods to optimize demand through various technology applications, including the establishment of virtual power plants, by December 1, 2025. The bill requires the pilot program to evaluate electric grid capacity needs and the ability of such virtual power plants to provide grid services, including peak-shaving, during times of peak electric demand. This bill is identical to SB 1100.

Budget Amendment Necessary: No Items Impacted: 476 (NGF 02080)

Explanation: The fiscal impact of HB2346 would occur in FY2028. A budget amendment is not needed for

the current budget bill.

Fiscal Summary: Fiscal impact estimate is final.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	<u>FY2030</u>
SCC				\$75,000		_
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TOTAL				\$75,000		

Position Impact: None

Fiscal Analysis: The State Corporation Commission would require the use a consultant to assist with the final review of the data and results, lessons learned in relation to implementation of Federal Energy Regulatory Commission Order 2222 by PJM Interconnection, and the proceeding to establish a permanent program for Dominion. 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 become law.

The costs to the State Corporation Commission (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 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 HB2346 can be absorbed from the revenue that would result from the passage of HB2663/SB1336.

Other: None