Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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Bill Number: HB1031 **Patron:** Wilt
Bill Title: Electric utilities; RPS requirements; Air Pollution Control Board; regulations.

Bill Summary: Delays for 20 years the timeline by which Appalachian Power and Dominion Energy Virginia are required to produce 100 percent of their electric energy from 100 percent renewable resources. Under the bill, the annual percentage requirements are paused after the 2023 compliance year and do not resume until 2044. The bill provides that Appalachian Power and Dominion Energy Virginia are required to meet the 100 percent requirement by 2070 and 2065, respectively. Additionally, the bill provides that the Air Pollution Control Board is required to adopt regulations for the period of 2051 to 2070 to reduce carbon emissions from electric power generating facilities. Under current law, the Board is required to adopt regulations to reduce emissions for the period of 2031 through 2050.

Budget Amendment Necessary: **No.** **Items Impacted:** **N/A**

Explanation: This bill involves the departments of Environmental Quality (DEQ) and Energy (Energy); as well as the State Corporation Commission (SCC). No budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that any costs DEQ or the SCC may incur can be absorbed within existing resources. Energy anticipates an indeterminate, long-term revenue impact as a result of this bill.

Fiscal Analysis: This impact statement is preliminary. It is anticipated that DEQ and the SCC can absorb any costs associated with the implementation of this bill.

Energy anticipates an indeterminate revenue impact as a result of this bill. Current code requires electric utilities to meet targets by generating a certain percentage of electricity from renewable sources each year and to pay a penalty of $45 per megawatt-hour for noncompliance, increasing by one percent per year after 2021. This proposal would keep 2023 targets in place through 2044, rather than increasing each year. Penalty fees would be deposited into an account administered by Energy and disbursed as follows: (i) 50 percent for job training programs in historically economically disadvantaged communities; (ii) 16 percent for energy efficiency measures for public facilities; (iii) 30 percent for renewable energy programs located in historically economically disadvantaged communities; and (iv) 4 percent for administrative costs. This bill could result in a loss of future revenue if a utility significantly underperforms on generation targets. However, to date, $0 in fees have been paid since the Virginia Clean Economy Act came into effect in 2021. Therefore, no existing programs rely on these fees as a funding source, and no appropriation has been provided either legislatively or administratively.

Other: HB1031 and SB562 are companions.