



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: February 3, 2026

Senate Bill 371

Version: Introduced

Patron: McPike

Title: Electric utilities; high energy demand customers; State Corporation Commission to establish electric demand flexibility programs.

Summary: Directs the State Corporation Commission (the Commission) to establish by regulation demand flexibility programs for Dominion Energy and Appalachian Power Company by January 1, 2028, and for certain electric cooperatives by January 1, 2029, and to reassess such programs every three years thereafter. The bill defines "demand flexibility" as measures designed to lower total electric grid system load requirements from time periods of peak system demand to time periods of lower system demand by requiring or incentivizing retail electric service customers to temporarily reduce or interrupt their electricity usage or by permitting certain retail electric service customers to secure electric load reductions from other retail electric service customers during time periods of peak system demand or other events that cause strain on the electric grid in the Commonwealth. In establishing such programs, the Commission is directed to determine appropriate demand flexibility standards for each applicable utility and avoid shifting or imposing any costs of program participation or administration onto other retail electric service customers. The bill directs the Commission to initiate proceedings by September 30, 2026, for Dominion Energy and Appalachian Power Company, and by September 30, 2027, for cooperatives.

Effective Date(s): July 1, 2026

Amendment Necessary: ☒ Budget, Item 475
☐ Technical, see *Technical Note* below
☐ None

Fiscal Summary

TYPE OF IMPACT	FY2027	FY2028	FY2029	FY2030	FY2031
REVENUE					
<i>General (XXXX)</i>					
<i>Nongeneral (XXXX)</i>					
EXPENDITURES					
<i>General (XXXX)</i>					
<i>Nongeneral (0208)</i>	\$309,000	\$309,000	\$189,000	\$189,000	\$189,000
CHANGE IN FTE					
<i>General (XXXX)</i>					
<i>Nongeneral (0208)</i>	2	0	0	0	0

Fiscal Analysis

Revenue

When considered individually, the SCC can meet this bill's requirements with the adjustments identified in the fiscal impact summary table and within its existing funding authority. If enacted, the SCC will review operational and fiscal impacts of this legislation along with other enacted 2026 electric utility bills to determine implementation.

Expenditures

To ensure timely compliance with the initial deadlines in the bill, the State Corporation Commission will need to engage external consultants to supplement its capacity. The ongoing responsibilities required in the bill will necessitate the addition of two permanent full-time staff to manage the continuing workload effectively.

Change in FTE

This bill will require the addition of two permanent full-time staff.

Other Comments

None.

Technical Note

None.