



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: February 4, 2026

House Bill 1275

Version: Introduced

Patron: Phillips

Title: Electric utilities; recovery of certain project development costs.

Summary: Permits an investor-owned electric utility to petition the State Corporation Commission at any time for the approval of a rate adjustment clause for the recovery of project development costs for up to five electric generation facilities, regardless of fuel source. The bill also exempts such facilities from requirements in existing law to retire or decommission such facilities. The provisions of the bill have a contingent expiration date of one year after the effective date of any regulations promulgated by the State Air Pollution Control Board to establish carbon dioxide emissions allowances pursuant to current law.

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>	\$243,000	\$243,000	\$243,000	\$243,000	\$243,000
CHANGE IN FTE					
<i>General (XXXX)</i>					
<i>Nongeneral (0208)</i>	3				

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

This bill will result in increased workload for the SCC. To meet the requirements of this bill, the SCC will need to hire three full-time employees.

Change in FTE

To meet the requirements of this bill, the SCC will need to hire three full-time employees.

Other Comments

This bill allows Appalachian Power Company and Dominion Energy Virginia to petition the SCC for approval of up to ten rate adjustment clauses. These clauses would allow recovery of project development costs for up to five new electric generating facilities for each company, regardless of fuel source. This will result in an increase in workload for the SCC to implement the requirements of the bill as the SCC is required to: (i) conduct evaluations, (ii) design and engineering assessments, (iii) review federal approvals and licensing, (iv) environmental analysis and permitting, (v) early site permitting, (vi) equipment procurement, and (vii) determining authorized return on equity.

Technical Note

None.