



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: February 16, 2026

Senate Bill 505

Version: Senate Substitute 1

Patron: Deeds

Title: Recovery of fuel and purchased power costs; cost-sharing adjustment mechanism; report.

Summary as Introduced: Requires the State Corporation Commission (the Commission) to establish by regulation a cost-sharing adjustment mechanism for the recovery of a percentage of fuel costs, including the costs of purchased power, under which Appalachian Power Company and Dominion Energy Virginia share the risk of variability of such costs with their customers. Under current law, all such costs are passed through to the customer. The bill directs the Commission to conduct a proceeding to establish such cost-sharing adjustment mechanism and to consider opportunities to mitigate the impact on customer rates that are associated with fluctuations in the market or other unpredictable events that affect customer rates and various elements of a cost-sharing adjustment mechanism that is designed to align the financial incentives of an electric utility with the interests of the customers of the electric utility. The bill also includes elements to include in designing such cost-sharing adjustment mechanism and directs the Commission to complete such proceeding and submit a report to the General Assembly and the Commission on Electric Utility Regulation by September 1, 2027.

Effective Date(s): July 1, 2026

Amendment Necessary: Budget, Item Click or tap here to enter text.

Technical, see *Technical Note* below

None

Fiscal Summary

The bill as substituted removes the original fiscal impact to the State Corporation Commission.

Fiscal Analysis

Revenue

None.

Expenditures

None.

Change in FTE

None.

Other Comments

None.

Technical Note

None.