

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

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ORIGINAL

Bill Number: SB223-S2

Patron: VanValkenburg

Bill Title: Distributed Energy Resources Task Force established; reports; sunset.

Bill Summary: Establishes the Distributed Energy Resources Task Force as an advisory commission within the executive branch with the purpose of developing a comprehensive strategy to advance the Commonwealth’s transition toward integrated distributed energy resource markets and to support the Commonwealth’s compliance with certain regulations. Staff support to the Task Force will be provided by the Department of Energy. The bill describes the membership, powers, and duties of the Task Force and requires the Task Force to submit various reports to the Governor, the State Corporation Commission, the Federal Energy Regulatory Commission, and the Chairs of the Senate Committee on Commerce and Labor and the House Committee on Labor and Commerce. The bill sunsets on July 1, 2027.

Budget Amendment Necessary: Yes **Items Impacted:** 1, 109

Explanation: Budget amendments are needed for the House and Senate to pay legislative members and for the Department of Energy to pay for contractual support and travel expenses for legislative and nonlegislative members.

Fiscal Summary: Additional funding will be needed for legislative member compensation. Additionally, the Department of Energy will require funding for contractual services to support the Task Force, as well as funding to pay for travel reimbursement costs for members of the Task Force.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
House of Delegates	\$0	\$2,400	\$0	\$0	\$0	\$0
Senate of Virginia	\$0	\$2,400	\$0	\$0	\$0	\$0
Dept. of Energy	\$0	\$111,472	\$0	\$0	\$0	\$0
TOTAL	\$0	\$116,272	\$0	\$0	\$0	\$0

Fiscal Analysis: This legislation establishes the Distributed Energy Resources Task Force. The Task Force’s membership includes four legislative members: two Delegates, one Senator, and the Chair of the Commission on Electric Utility Regulation (currently a Senator). The Clerks’ Offices will require additional funding for member compensation when the Task Force holds meetings. Members receive \$300 per day and assuming the Task Force meets four times, the House of Delegates will require \$2,400 and the Senate of Virginia will require

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\$2,400. Legislative members are also entitled to travel, lodging, and incidentals reimbursement. These costs are estimated at \$397 per member, per meeting, or \$6,352 in total. The travel related expenses would need to be budgeted under the Department of Energy, as that office is directed to staff the Task Force.

The Task Force also includes the Secretary of Commerce and Trade, a representative of the Office of the Attorney General, and one other ex officio member to be designated by the Governor. No additional costs are assumed for participation by these individuals, as it is assumed that Task Force meetings will be held in Richmond.

The Governor is allowed to appoint one other member to the Task Force. The chair of the Task Force is to appoint an additional seven nonlegislative members. The eight nonlegislative member would be eligible to receive reimbursement for travel costs. Travel costs are estimated at \$160 per nonlegislative member and therefore could be \$5,120 assuming four Task Force meetings.

The bill directs that the Department of Energy will provide staff to coordinate the work of the Task Force, manage stakeholder engagement, oversee deliverables, and ensure actionable outcomes as needed. The Department of Energy indicates that its existing staff can absorb the administrative responsibilities of the Task Force, but the department estimates it will need approximately \$100,000 for contractual support for technical analysis to support the Task Force.

Other: This version of the bill is identical to HB285-H1, from the Joint Conference Committee.