

State Corporation Commission 2022 Fiscal Impact Statement

1. Bill Number: SB 347

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Bell

3. Committee: Commerce and Labor

4. Title: Electric utilities; energy efficiency programs.

5. Summary: Makes several changes to energy efficiency standards under which each investor-owned incumbent electric utility is required to achieve incremental annual energy efficiency savings. The bill requires energy efficiency savings that start in 2022 at 0.5 percent for Appalachian Power and 1.25 percent for Dominion Energy Virginia of the average annual energy retail sales by that utility in 2019 and increases those savings annually until 2030 when the bill requires energy efficiency savings of 11 percent for Appalachian Power and 15 percent for Dominion Energy Virginia of the average annual energy retail sales by that utility in 2019. The bill requires that such savings percentages be net of (i) freerider savings from customers who would have implemented a measure in absence of utility-delivered energy efficiency programs and (ii) spillover savings from customers who implement an efficiency measure not directly targeted by utility-delivered energy efficiency program.

The bill prohibits an electric utility from including in its efficiency programs, or the State Corporation Commission from requiring, budget limits on energy efficiency programs that the Commission reasonably determines substantially limit that electric utility's ability to acquire all feasible cost-effective energy savings available through such programs.

The bill requires the Commission to biennially review the feasibility of the energy efficiency program savings requirements, taking into account the level of savings achieved by utilities in other states and required by other states, and any other factors the Commission deems appropriate to consider, and report to the Chairs of the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor and the Secretary of Natural and Historic Resources and the Secretary of Commerce and Trade on such feasibility by October 1, 2023, and biennially thereafter.

The bill requires the Commission to establish, from 2024 through 2026 and for every three-year period thereafter, incremental low-income, elderly, disabled, and veteran energy efficiency savings targets in each year, to be achieved through energy efficiency programs designed to benefit low-income, elderly, disabled, or veteran customers. Each year's savings targets for such programs are required to be at least 1.25 percent of the average annual energy retail sales by that utility to those customer classes. The bill authorizes the Commission to provide for performance incentives and penalties for these low-income, elderly, disabled, and veteran savings targets, as deemed appropriate, and authorizes the

savings from the low-income energy efficiency programs to count toward the overall energy efficiency savings requirements.

- 6. Budget Amendment Necessary:** No
- 7. Fiscal Impact Estimates:** None on the State Corporation Commission
- 8. Fiscal Implications:** None
- 9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** None