

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 805

PRINTER NO. 1900

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 14, 2015

PRIME SPONSOR

Senator Boscola

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 805, as amended, amends Title 66 (Public Utilities) with regard to energy efficiency and conservation programs.

For each plan filed for any applicable phase of implementation of the program beginning after May 31, 2021, the legislation reduces the time frame from five years to three years for an electric distribution company ("EDC") to file a new cost-effective energy efficiency and conservation plan within the service territory, unless the Public Utility Commission ("commission") requires a shorter time frame.

In addition, Senate Bill 805 provides that large commercial or industrial class customers may opt out of participation in an electric distribution company's energy efficiency and conservation program. Customers that wish to opt out of the current phase of the program must do so by December 31, 2016. In order to opt out of future program phases, customers must do so no later than one year from the start of the implementation of the new phase.

The legislation stipulates that the option to forgo participation applies regardless of whether the customer purchases default service or supply from an alternate supplier, and the opt-out may be exercised by the customer for any or all of the customer's accounts in this Commonwealth. By opting out, the customer is not required to pay cost recovery charges for the opt-out accounts, and the customer is excluded from receiving funding or other eligibility incentive for those accounts.

Senate Bill 805 permits an electric distribution company to adjust its budget and consumption and peak demand reduction goals under its plan to reflect the customers that have exercised the option to forgo participation in the plan. If one or more of the EDC's large commercial or industrial customers opt out prior to December 31, 2016, the EDC may file a revised plan with the commission to reflect any adjustments.

The legislation requires the commission to promulgate guidelines to administer this program by December 1, 2016.

The act shall take effect in 60 days.

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FISCAL IMPACT:

Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.