

State Corporation Commission 2024 Session Fiscal Impact Statement

1. Bill Number: SB255

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

2. Patron: Surovell

3. Committee: Commerce and Labor

4. Title: Shared solar programs; American Electric Power; minimum bill; capacity.

5. Summary: Requires the State Corporation Commission to establish by regulation a shared solar program, defined in the bill, that allows customers of American Electric Power (Phase I Utility) the opportunity to purchase electric power through a subscription in a shared solar facility, defined in the bill. The bill provides that a customer's net bill for participation in the shared solar program means the resulting amount a customer must pay the utility after the bill credit, defined in the bill, is deducted from the customer's monthly gross utility bill. The bill also requires the Commission to establish a minimum bill, below which a subscriber's net bill cannot go, that is calculated based on the amount of kilowatt-hours billed by the utility and specifies that low-income customers are exempt from such minimum bill.

Under the bill, co-location of two or more shared solar facilities is permitted for shared solar program participation if the facilities are located on a single parcel of land. The bill requires the Commission to (i) establish regulations that prohibit early termination fees and credit reporting for low-income customers, (ii) require net financial savings for subscribers relative to the subscription fee, (iii) require a customer's affirmative consent before providing customer billing and usage data to a subscriber organization, and (iv) establish customer engagement rules. Under the bill, any net crediting fee imposed by the shared solar program shall not exceed one percent of the bill credit value and shall be charged to the subscriber organization. The bill also provides that a utility is permitted to seek recovery of bill credit costs in its triennial base review only if such costs would result in the utility being unable to meet its revenue requirement after accounting for all avoided costs that can be realized by ratepayers.

The bill specifies that the Commission shall update its shared solar program consistent with the requirements of the bill by January 1, 2025 and shall require each utility to file any associated tariffs, agreements, or forms necessary for implementing the program by July 1, 2025.

Additionally, the bill requires the Department of Energy to convene a stakeholder work group to determine the amounts and forms of project incentives for (a) projects located on rooftops, brownfields, or landfills; (b) projects that are dual-use agricultural facilities; or (c) projects that satisfy another category as established by the Department and to submit a

written report to the Chairs of the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor no later than November 30, 2024.

- 6. Budget Amendment Necessary:** No
- 7. Fiscal Impact Estimates:** Preliminary. See Item 8.
- 8. Fiscal Implications:** The Department of Energy reports an estimated cost of \$16,800 to administer the stakeholder work group which can be absorbed within its existing appropriation. There is no fiscal impact on the State Corporation Commission.
- 9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission, Department of Energy
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** None