

# SUPPORT HB 1914

Topic: Electric utilities, period cost

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## Reasons to support HB 1914:

- Virginians pay the 6th highest energy bills in the country, bills that are considered unaffordable for 75% of Virginia households based on federal energy burden standards.
- This bill guarantees that utilities recover full costs without placing an undue burden on ratepayers by giving to the SCC authority to set a fair amortization period of certain costs.
- Dominion Energy has overcharged customers by at least \$502 million since 2017. This suggests that rates are already much higher than they should be, and are only set to increase as costs from the Grid Modernization and Clean Economy Acts get added to customer bills.

## Overview:

The SCC is legally barred from reducing Dominion Energy's electricity rates in the future unless Dominion has been required to pay refunds for overcharges in the past. Current law allows utilities to dodge rate reductions by unilaterally accounting for large multi-year expenses as if they'd paid off in one year to eliminate refunds, thus preventing the SCC from lowering rates. Instead of spreading costs in longer periods of time, utilities can use this accounting gimmick, to disappear refunds for overcharges and prevent future rate cuts.

### What the bill does:

1. This bill allows the SCC to establish a cost recovery period for large expenses, like storm damage and metering retirements, that better balances shareholders and ratepayers' interest.
  - a. This eliminates a key accounting gimmick utility can use to unfairly keep future rates higher than they should be.
  - b. The bill brings the rest of Virginia's code in line with the General Assembly's decision last year to restore SCC authority over cost recovery periods for retiring generation facilities



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This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit [www.vcnva.org/bill-tracker](http://www.vcnva.org/bill-tracker). VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.