

# SUPPORT HB 1984

Topic: Electric utilities; triennial review; rates of return

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## Reasons to support HB 1984:

- 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.
- 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.
- This bill allows the State Corporation Commission (SCC) to set rates low enough to prevent overcharges in the future, and still sufficient for utilities to recover full costs and the authorized rate of return.

## 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. In practice this allows utilities to dodge rate reductions by using accounting gimmicks to eliminate refunds, thus preventing the SCC from lowering rates.

## What the bill does:

1. This bill allows the SCC to set rates for the future based on future costs, regardless of past overcharges, which is the normal practice in all other regulated energy markets.
  - a. The SCC will be able to set rates that reflect the cost of service preventing overcharges in the future
2. This bill allows the SCC to use any methodology it finds consistent with the public interest to determine fair rates of return on common equity for the utility's generation and distribution services.



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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.