

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5732-01
Bill No.: HB 1664
Subject: Energy; Environmental Protection
Type: Original
Date: April 29, 2014

Bill Summary: This proposal changes the laws regarding solar energy rebates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§ 393.1030, 393.1075 - Solar Energy Rebates:

Officials from the **Department of Natural Resources (DNR)** assume this proposal allows an electrical utility to increase its retail costs by up to 1% to create new solar energy to fund solar rebates to customers producing solar power for the utility.

DNR assumes this proposal revises the definition of "demand-side program" as it relates to the Missouri Energy Efficient Investment Act to include solar rebates that are authorized by the 1% increase in retail rates under these provisions to be consistent with existing demand side programs.

DNR does not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Economic Development** assume the proposal would not fiscally impact there agency.

Oversight assumes this proposal could result in increased electrical utility costs up to 1% for State of Missouri owned buildings to fund solar rebates.

Oversight assumes a fiscal impact of \$0 to an unknown cost for increased electric utility rates to general revenue and local governments.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - All State Owned Buildings</u>			
§ 393.1030 - Increased Electric Utility	\$0 or	\$0 or	\$0 or
Rates to fund Solar Rebates	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL GOVERNMENT			
<u>Costs - Local Government Buildings</u>			
§ 393.1030 - Increased Electric Utility	\$0 or	\$0 or	\$0 or
Rates to fund Solar Rebates	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT - Small Business

§§ 393.1030, 393.1075 - Solar Energy Rebates:

Small businesses would expect to see an increase in their electric utility retail costs up to 1%. However, any small business generating electricity with solar panels could expect to see rebates from an electrical utility for producing the solar power.

FISCAL DESCRIPTION

§§ 393.1030, 393.1075 - Solar Energy Rebates:

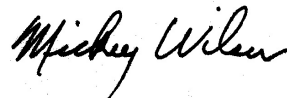
This proposal allows an electrical utility to increase its retail costs by up to 1% to create new solar energy to fund solar rebates to customers producing solar power for the utility.

The proposal revises the definition of "demand-side program" as it relates to the Missouri Energy Efficient Investment Act to include solar rebates that are authorized by the 1% increase in retail rates under these provisions to be consistent with existing demand side programs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Natural Resources
Office of Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
April 29, 2014

Ross Strobe
Assistant Director
April 29, 2014