

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6600-01
Bill No.: HB 2596
Subject: Utilities; Energy
Type: Original
Date: May 7, 2018

Bill Summary: This proposal creates provisions for deployment of electric vehicle charging stations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Public Service Commission Fund	(\$75,260)	(\$88,046)	(\$88,889)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$75,260)	(\$88,046)	(\$88,889)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Public Service Commission Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)** assumes section 393.1060 will create additional proceedings to determine if the Public Service Commission should permit an electric utility to develop a transportation electrification plan and predetermine the prudence of costs associated with the plan.

Given the experience of OPC on time spent litigating existing revenue adjustment mechanisms, the potential for appellate work, such a bill would likely require an additional policy analyst at \$55,368 annually.

In summary, OPC assumes an average cost of \$84,000 per year for the additional FTE to provide for the implementation of the changes in this proposal.

Officials from the **Department of Economic Development - Division of Energy** and the **Public Service Commission** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Metropolitan St. Louis Sewer District** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
PUBLIC SERVICE COMMISSION FUND			
<u>Cost - OPC</u>			
Salaries	(\$46,140)	(\$55,922)	(\$56,481)
Fringe Benefits	(\$22,694)	(\$27,397)	(\$27,563)
Equipment and Expense	(\$6,426)	(\$4,727)	(\$4,845)
<u>Total Cost - OPC</u>	<u>(\$75,260)</u>	<u>(\$88,046)</u>	<u>(\$88,889)</u>
FTE Change - OPC	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE PUBLIC SERVICE COMMISSION FUND	<u>(\$75,260)</u>	<u>(\$88,046)</u>	<u>(\$88,889)</u>
Estimated Net FTE Change on the Public Service Commission Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2019 (10 Mo.)	 FY 2020	 FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on unregulated providers of electric vehicle charging stations that would now be regulated under the Public Service Commission.

FISCAL DESCRIPTION

This bill provides that electric vehicle (EV) charging stations and other forms of transportation electrification are under the jurisdiction of the Public Service Commission. However, EV charging stations or transportation electrification efforts that are owned or operated by individuals that do not otherwise qualify as electrical corporations shall not be regulated by the commission.

FISCAL DESCRIPTION (continued)

The bill also provides that electrical corporations may file, or the commission may request a filing of, an application for a widespread transportation electrification program. The commission shall evaluate a transportation electrification application using certain considerations that are listed in the bill. Transportation electrification shall be considered part of an electrical corporation's rate base and used to determine electric rates.

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
Metropolitan St. Louis Sewer District

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
May 7, 2018