

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1579H.02C
Bill No.: HCS for HB 476
Subject: Utilities; Energy
Type: Original
Date: March 17, 2025

Bill Summary: This proposal creates provisions for the closure of electric power plants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue*	\$0	\$0	\$0

*This bill could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would be an indirect impact and therefore will not show the impact in the fiscal note.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Public Service Commission Fund (0607) *	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Depending on the number of existing 100 megawatt electric generating power plants in Missouri that intend to close, and the level of involvement of the Public Service Commission, the PSC assumes this could include ‘substantial’ work on their part. Oversight assumes the additional cost (if any) would not reach the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government*	\$0	\$0	\$0

*This bill could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would be an indirect impact and therefore will not show the impact in the fiscal note.

FISCAL ANALYSIS

ASSUMPTION

Section 393.401 – Electric Power Plants

Officials from the **Department of Commerce and Insurance – Public Service Commission (PSC)** state this legislation does not describe what is supposed to be done with the certification requirement given to the PSC, General Assembly, and the Governor. If the PSC is to just receive certifications, then the work can be done within current FTE levels. However, if the PSC is to review and/or approve the certifications, that will require additional, substantial work.

Also, if the certification referenced in the bill requires a formal review, even if abbreviated, to determine the new generation supplants the old capacity amounts (as specified), there would be new cases before the PSC, but the number of cases is not known. It is uncertain how many electric generating power plants of over 100MWs are facing closure next, or how many cases for replacing capacity (solar, wind, other contracts) come through to replace electric generating power plant closures. Therefore, the fiscal impact to PSC is undeterminable at this time.

Oversight does not have any information to the contrary. Based on the PSC's response, **Oversight** will reflect the potential cost as \$0 or an unknown cost to the Public Service Commission Fund.

Officials from the **Office of Administration - Facilities Management, Design and Construction (FMDC)** assumed there would be a fiscal impact to the State's utility costs. However, without more information FMDC is unable to calculate the impact this would have on statewide utility costs for consolidated facilities managed by FMDC. FMDC assumes a \$0 to unknown impact.

Oversight assumes this proposal could increase utility costs to state departments and local governments if rate changes are made as a result of these new standards. Oversight assumes this would be an indirect impact and therefore will not show the impact in the fiscal note.

Officials from the **Office of the Governor**, the **Missouri Department of Conservation**, the **Missouri House of Representatives**, the **Missouri Senate**, and the **Missouri Department of Transportation** assume the proposal will have no fiscal impact on their organizations.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other electric companies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028
PUBLIC SERVICE COMMISSION FUND			
Cost – DCI-PSC §393.401- Potential certification review/approval p. 3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses could have an increase in utility cost as a result of this proposal.

FISCAL DESCRIPTION

Beginning January 1, 2026, this bill specifies that prior to the closure of an existing electric generating power plant, an electrical corporation, registered and doing business in Missouri, must first certify that it has secured and placed on the electric grid an equal or greater amount of replacement reliable electric generation as specified in the bill. Adequate transmission lines must be in place and the replacement generation fully operational concurrently with the closure of the existing electric generating plant.

If the replacement electric generation uses some or all of the interconnection facilities used by the existing generation plant, the replacement facilities must be operational within 180 days of the closure of the existing plant. If the existing plant is closed as a result of an unexpected or unplanned cause or event, the electrical corporation must follow the procedures established in the bill, including filing an application within 120 days with the Public Service Commission outlining its plan to install replacement reliable electric generation. During any periods where the replacement power is not fully operational, the electrical corporation must make all reasonable efforts to contract for additional firm generating capacity to meet the planning reserve margin requirement of the regional transmission operator.

The bill also specifies that the average of the summer and winter accredited capacity of the new generation must be greater or equal to the average of the summer and winter accredited capacity of the existing generation. The Public Service Commission must certify that these requirements are met. On or before the official date of the existing electric generating power plant closure, the electric utility company must provide certification to the Commission, the General Assembly, and the Governor that it has met the necessary requirements.

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 Commerce and Insurance
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Office of the Governor
Missouri Senate
Missouri House of Representatives



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