

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6531H.03C
 Bill No.: HCS for HB 2807
 Subject: Utilities; Energy
 Type: Original
 Date: March 19, 2026

Bill Summary: This proposal modifies certain provisions relating to the renewable energy.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Public Service Commission (1607) *	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

*Oversight notes the Public Service Commission will be required to modify the approved energy standard energy tracking system, and they expect this cost to exceed the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§260.035, 393.1025, 393.1030, and 393.1050 – Provisions Relating to Nuclear Energy

Officials from the **Department of Commerce and Insurance – Public Service Commission (DCI-PSC)** state that the DCI-PSC cannot determine an approximate fiscal impact.

The DCI states that §§393.1025 and 393.1030 would require changes to the DCI-PSC tracking systems.

There is an undetermined fiscal impact to the sections in 393.1025 as the commission-approved renewable energy standard tracking system does not include the tracking of credits from battery energy storage systems or nuclear energy credits.

There is an undetermined fiscal impact to the sections in 393.1030.3 as the commission-approved renewable energy standard tracking system does not contemplate the tracking of verified megawatt-hour savings from energy efficiency or demand-side measures.

Thus, modification of the existing system or other resources would be required. The current tracking system is a state contract and currently has no cost to the state.

Upon further inquiry, the **DCI-PSC** stated this would have an unknown impact of over \$250,000 to the PSC fund.

Oversight notes that the DCI cannot determine an approximate fiscal impact; therefore, Oversight will reflect an Unknown fiscal impact to the DCI-PSC to modify the approved energy standard energy tracking system to track credits from battery energy storage systems or nuclear energy credits along with the tracking of verified megawatt-hour savings from energy efficiency or demand-side measures in the fiscal note.

Officials from the **Department of Natural Resources, Department of Economic Development, and Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other electric companies and coops were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
PUBLIC SERVICE COMMISSION FUND (1607)			
<u>Cost – DCI-PSC (§§393.1025 & 393.1030) Updating the renewable energy standard tracking system. p.3</u>	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND	(Unknown)	(Unknown)	(Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill removes nuclear energy from the type of energy the Environmental Improvement and Energy Resources Authority can finance the development and marketing of and adds "battery energy storage systems", as that term is defined in the bill, to the definition of renewable energy resources for the purposes of the Renewable Energy Standard.

Currently, an electrical corporation's renewable energy portfolio requirement requires no less than 15% of energy to be generated from renewable energy resources beginning in 2021. The bill adds nuclear energy sources generated after August 28, 2026, as part of the portfolio requirement and lowers the portfolio requirement to 7.5% beginning in 2027. An electric utilities can comply with the renewable energy standard by purchasing "nuclear energy credits", as defined in the bill. The Public Service Commission will select a program for tracking and verifying the trading of nuclear energy credits.

An electric utility may comply with the portfolio requirements using energy captured due to energy efficiency or demand-side measures. As part of the Commission's rulemaking authority, the Commission must allow by rule an electric utility to comply with the portfolio requirements using verified megawatt-hour savings. The bill adds nuclear energy certificates to the provisions relating to the retirement of certain energy certificates by an accelerated renewable buyer.

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



Julie Morff
Director
March 19, 2026



Jessica Harris
Assistant Director
March 19, 2026