

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4012-01
Bill No.: HB 1599
Subject: Energy: Environmental Protection
Type: Original
Date: February 27, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Attorney General**, the **Department of Economic Development - Public Service Commission**, **Department of Economic Development - Office of the Public Counsel**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Natural Resources**, and the **State Courts Administrator** stated either that this proposal would not affect their agencies or that new duties prescribed by this proposal could be accomplished with existing resources.

Officials of the **Secretary of State (SOS)** stated that this proposal calls for the Public Service Commission to create rules to cause suppliers of electrical energy to disclose information regarding the generation attributes of electricity sold. Using this information, the Department of Natural Resources is to make rules requiring a certain amount of electrical generation to come from renewable resources in future years. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission and the Department of Natural Resources could require as many as 24 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in *Missouri Register* as in the *Code* because cost estimates and fiscal notes are not repeated in the *Code*. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The estimated cost of publication in FY 2003 for this proposal is \$1,476. Actual cost could be more or less and costs in future years would depend upon frequency and length of rules filed, amended, rescinded or withdrawn.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses which could benefit from net metering would be affected by this proposal.
Small businesses which are retail suppliers of electricity would be affected by this proposal.

DESCRIPTION

This proposal would require suppliers of electricity to disclose information on generation attributes quarterly to customers and to others on request. By August 28, 2003, the Public Service Commission would develop rules for electrical corporations to present information in a standard format on the percentages of the corporation's electricity generated from various sources.

The proposal would also require retail suppliers of electricity to generate or purchase a certain percentage of their electricity from renewable sources. The Department of Natural Resources, in consultation with the Commission, would develop a certification process for renewable sources.

The Department of Natural Resources and Public Service Commission would also develop safety criteria and a standard contract to provide two-directional net metering to customers with electric generating systems that are powered by renewable energy sources and capable of producing no more than 100 kilowatts. The contract would allow customers to feed excess electricity back into the power grid to offset consumption costs.

Utilities could not impose additional requirements or charges and would purchase any excess energy produced by the customer annually at the utility's avoided cost. Net metering would be provided on a first-come, first-served basis until statewide capacity equaled the lesser of 100,000 kilowatts or 1% of the peak demand for each supplier of electricity in 2001. Utilities would respond to customer connection requests within 30 days and complete the connection within an additional 15 days or a mutually agreeable later date.

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

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel
Department of Natural Resources

Attorney General

SOURCES OF INFORMATION (continued)

Office of Administration - Administrative Hearing Commission
Secretary of State
State Courts Administrator



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Acting Director
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