

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4012-02
Bill No.: HCS for HB 1599
Subject: Public Service Commission: Energy
Type: Original
Date: May 1, 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 from the **Department of Economic Development - Public Service Commission** and the **Department of Economic Development - Office of Public Counsel** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** assume additional requests for technical assistance from persons and businesses interested in clean energy and how to use net metering would be handled with existing resources.

Officials from the **Office of Secretary of State** in a response to a similar proposal, assumed this bill creates the Clean Energy Act. The Attorney General would promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Attorney General could require as many as 26 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. Therefore, the estimated costs for FY 02 are \$1,599. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.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

If a small business installs any self generation, with net metering, the business's electric bill may decrease.

DESCRIPTION

This proposal would allow net energy metering. Retail electric suppliers would adopt rates, charges, conditions and contract terms for the purchase from and sale of electric energy to customer-generators. The method by which retail electric suppliers are required to calculate the net energy measurement for customer-generators is specified.

Local distribution companies which are retail electric suppliers would not be required to provide net metering service for additional customer-generators when the generating capacity of customer-generators is equal to or greater than the lesser of 10,000 kilowatts or one-tenth of one percent of peak demand for the preceding calendar year. Retail electric suppliers would maintain and make available to the public certain information regarding the total generating capacity of customer-generators.

Net metering units would meet certain standards, including reasonable standards and requirements established by retail electric suppliers

Equipment used by a customer-generator for interconnection would be installed by a qualified electrician or engineer and the installation would have to meet requirements as set out in this proposal. Retail electric suppliers would review and respond to applications within 60 days. They would complete the interconnection within fifteen days of approval if electric service already exists to a premises, unless the supplier and customer agree to another 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 - Office of Public Counsel
Department of Economic Development - Public Service Commission
Department of Natural Resources



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