

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1327-02  
Bill No.: SCR 19  
Subject: Economic Development Department; Energy; General Assembly; Public Service Commission  
Type: Original  
Date: March 6, 2017

Bill Summary: This proposal establishes the Task Force on Retail Electric Competition and the Restructuring of the Electric Utility Industry.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue Fund	(\$60,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$60,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Economic Development (DED) - Division of Energy (DE)** state in order to provide specialized expertise and to develop fully informed recommendations on issues related to retail electric competition, the Division of Energy assumes it would require additional resources. Due to the short time frame and inability to hire additional staff, the Division would need to contract with a consultant. The task force will likely review issues related to resource adequacy, stranded utility investment, utility compensation for the use of distribution plant for delivery of competitors' energy, certification of retailers, Public Service Commission authority over retail offerings, consumer protections including how to ensure that customers that do not make a choice will be served, the need for a carrier of last resort responsibility in the event that competitors go out of business and many other issues. It cannot be assumed that the expertise required of the Division will align with the resources and knowledge other agencies will be providing.

While the experiences of other states will be informative, Missouri's unique energy landscape requires a careful analysis of the questions surrounding retail electric competition.

The Division of Energy assumes it would require up to \$60,000 in contractual funds in FY 18.

Officials from the **Department of Economic Development - Public Service Commission** and the **Office of Public Counsel** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DED- DE</u> Contractual Funds	<u>(\$60,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$60,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

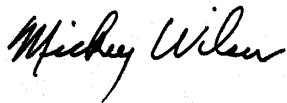
FISCAL DESCRIPTION

This concurrent resolution establishes the Task Force on Retail Electric Competition and the Restructuring of the Electric Utility Industry to make recommendations in a report to the General Assembly on the method, feasibility, and impact of implementing retail electric competition in Missouri. The Task Force shall consist of 17 members. The Task Force shall meet within 15 days of the adoption of this resolution and shall expire on December 31, 2018.

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



Mickey Wilson, CPA  
Director  
March 6, 2017

Ross Strobe  
Assistant Director  
March 6, 2017