

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4167S.01I
Bill No.: SB 759
Subject: Energy; Utilities; Public Service Commission; Consumer Protection
Type: Original
Date: January 16, 2024

Bill Summary: This proposal creates new provisions relating to time-of-use rates for electricity.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of Administration** and the **Hancock Street Light District** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight assumes under this act, time-of-use rates shall be optional and the Public Service Commission shall not require customers to pay time-of-use rates. Customers shall only pay time-of-use rates if they voluntarily opt-in to paying such rates.

According to the Public Service Commission officials, “as of right now, time of use (TOU) rates are defaulted for each consumer that has an AMI meter for all four electric utilities (Evergy is actually two utilities, Metro and West). These plans were based on decisions made by the Commission in previous rate cases, based, in part, on testimony presented to the Commission in rate proceedings. The utilities on their own cannot make changes to the rate structure offered to their customers. Rate structures are requested in the course of the utilities filings for rate relief and other parties to the process are allowed to offer alternative rate structures. The Commission weighs this evidences and makes the final decision.

Ameren Missouri and Liberty have an option for consumers to choose a non-TOU rate. Evergy does not have an option for the consumer to choose a non-TOU rate.

Any customer without an AMI meter cannot be on a TOU rate.

If in a future rate case, under current law, if any party would make a recommendation to the Commission to eliminate TOU rates, or make them non-default, the Commission would have the authority to change the rate structure away from TOU rates. As of now, the Commission has complete discretion to review all evidence to set the appropriate rate structure, TOU or non-TOU, that is in the public interest.”

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

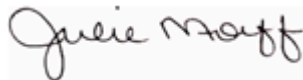
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

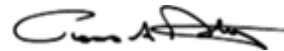
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Hancock Street Light District



Julie Morff
Director
January 16, 2024



Ross Strobe
Assistant Director
January 16, 2024