

SCOMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1344S.01I
Bill No.: SB 386
Subject: Energy; Public Service Commission; Utilities
Type: Original
Date: March 7, 2025

Bill Summary: This proposal creates a community solar pilot program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Public Service Commission Fund (0607)	\$0 or (\$107,297)	\$0 or (\$125,665)	\$0 or (\$127,862)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (\$107,297)	\$0 or (\$125,665)	\$0 or (\$127,862)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Public Service Commission (0607)	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

- ☐ 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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 386.1050 - Community Solar Pilot Program

Officials from the **Department of Commerce and Insurance - Missouri Public Service Commission (PSC)** The proposal requires the PSC to develop statewide technical and net-metering rules for systems larger than 100 kW and set bill credits for subscribers. One additional FTE would be needed for these provisions.

Oversight assumes the PSC is provided with core funding to handle a certain amount of activity each year. Oversight assumes PSC could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, PSC could request funding through the appropriation process; therefore, Oversight will reflect a fiscal impact of 0 to 1 FTE to the Public Service Commission Fund.

Officials from the **Missouri Department of Conservation**, the **Department of Natural Resources**, the **Missouri Department of Transportation**, the **Office of Administration**, and the **City of Kansas City** 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.

In response to similar legislation, HB 2574 (2024), officials from the **Office of Administration - Budget and Planning** assumed the proposal will have no fiscal impact on their organization.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) 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 2026 (10 Mo.)	FY 2027	FY 2028
PUBLIC SERVICE COMMISSION FUND (0607)			
<u>Cost - PSC</u>	\$0 or...	\$0 or...	\$0 or...
Personal Service	(\$61,043)	(\$74,716)	(\$76,210)
Fringe Benefits	(\$37,626)	(\$45,738)	(\$46,337)
Expense and Equipment	(\$8,628)	(\$5,211)	(\$5,315)
<u>Total Cost – PSC</u>	(\$107,297)	(\$125,665)	(\$127,862)
FTE Change - PSC	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND	\$0 or (\$107,297)	\$0 or (\$125,665)	\$0 or (\$127,862)
Estimated Net FTE Change to the Public Service Commission Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 act establishes a community solar pilot program. Each retail electric supplier shall implement a three-year community solar pilot program to run during calendar years 2026-2028. Retail electric suppliers shall allow subscriber administrators and owners or operators of community solar facilities to recruit customers as subscribers and process subscribers' bill credits as described in the act. Each retail electric supplier shall continue operating its community solar pilot program until the total solar electricity demand equals 5% of the retail electric supplier's electricity sales for the previous year.

A community solar facility may be built, owned, or operated by a third party entity under contract with an owner or operator of a community solar facility or a subscriber administrator. A subscriber administrator may contract to administer bill credits as described in the act.

The owner or operator of a community solar facility may serve as a subscriber administrator or may contract with a third party to serve as a subscriber administrator. Subject to certain exceptions under the act, the price paid for a subscription in a community solar facility shall not be subject to regulation by the Public Service Commission.

No later than nine months after the effective date of the act, the Commission shall establish the value of the bill credit for each retail electric supplier to offset each subscriber's retail electric bill for each kilowatt hour subscribed from a community solar facility. The Commission shall establish the bill credit value as described in the act.

A retail electric supplier shall allow for the transferability and portability of subscriptions. On a monthly basis, a subscriber administrator shall update the subscriber administrator's list of subscribers and provide subscriber information to the retail electric supplier as described in the act.

Duties of retail electric suppliers are described in the act. Compensation for retail electric suppliers is described in the act.

Each community solar facility shall be subscribed with at least 10% low-income customers and 20% residential customers. A retail electric supplier shall purchase unsubscribed energy from a community solar facility as described in the act.

No entity may develop, own, or operate more than one community solar facility on the same parcel or contiguous parcels of land.

Interconnection standards for community solar facilities under 100 kilowatts shall be the same as the standards for net-metered customers. For systems larger than 100 kilowatts, the Commission shall develop technical and net metering interconnection rules for customer-generators intending to operate community solar facilities or renewable onsite generators in parallel with the electric utility grid as described in the act.

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

Office of Administration - Budget and Planning

Department of Commerce and Insurance

Department of Natural Resources

Missouri Department of Conservation

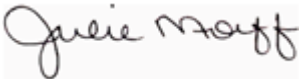
Missouri Department of Transportation

Office of Administration

Office of the Secretary of State

Joint Committee on Administrative Rules

City of Kansas City



Julie Morff

Director

March 7, 2025



Jessica Harris

Assistant Director

March 7, 2025