

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2750-01
Bill No.: SB 872
Subject: Public Service Commission: Energy
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None	\$0	\$0	\$0
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
None	\$0	\$0	\$0
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 Social Services - Division of Family Services** assume the proposed legislation would have no fiscal impact on their agency. Officials noted that electric companies would pass on the avoided cost of the retail electrical suppliers directly to low income customers following the same procedures established by the Department.

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 response to a similar proposal, assumed this bill creates the Clean Energy Act. The Public Service Commission and possibly the Department of Natural Resources would promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission and Department of Natural Resources 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 03 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

FISCAL IMPACT - Local Government

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 create the Consumer Clean Energy Act. Retail electric suppliers would notify all retail customers quarterly that they will supply net generation meters to customer-generators and that the rates for the sale of energy must be the same for customer-generators and other customers. The method by which retail electric suppliers are required to calculate the net energy measurement for customer-generators is specified.

At the beginning of each year, any unused kilowatt-hour credit accumulated by customer-generators would be credited to low-income customers.

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 at least 1% of the companies average forecasted peak demand. Retail electric suppliers would maintain and make available to the public certain information regarding the total generating capacity of customer-generators.

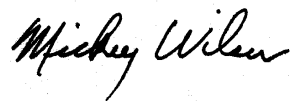
Net metering units would meet certain standards. An retail electric supplier could not require a customer-generator to meet further requirements if the net metering unit has met the standards. Applications by a customer-generator for interconnection must be responded to within 30 days and if it is approved connection must be completed within 15 days.

The Public Service Commission in consultation with the Department of Natural Resources will promulgate regulations to ensure that simplified contracts will be used for interconnection.

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
Department of Social Services - Division of Family Services



Mickey Wilson, CPA
Acting Director
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