

FISCAL ESTIMATE
DOA-2048 (R10/92)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule

SB 56 (99-1498/1)

Amendment No. if applicable

Subject

Creating a clean energy rebate program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

2. Decrease Costs

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

5. Types of Local Governmental Units affected:

Towns Villages Cities

Counties Others _____

School Districts VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.505 (1) (er) (creates)

Assumptions Used in Arriving at Fiscal Estimate:

The bill provides a rebate to an individual installing a clean energy resource system of \$100 per million British Thermal Units (BTU) of energy produced. It is estimated that around 550 systems would be eligible per year to receive this rebate. The Division of Energy and Intergovernmental Relations (DEIR) estimates that 10 million BTUs per year per system will be produced. That will allow each individual to receive an average payment of around \$1,000 per year. The bill sets a maximum rebate of \$2,000. The average per year total cost for rebates would be \$550,000. In 1986, DOA ran a similar program for six months with 4.00 FTE. During that time, DOA approved 308 systems for a total of \$697,307. (commercial industry was included, and their maximum was \$10,000; some wanted rebates for installing multiple systems for the same building. With this bill, only individuals may apply, and only one system per year can be rebated)

DEIR estimates that DOA can operate the program with 2.00 FTE for a total cost of \$80,000, along with \$15,000 in supply expenses. There will be a one-time cost of \$11,000 to buy computers, desks, partitions, and other basic office supply costs

The total estimated cost for the first year is \$656,000. It is unknown how this program will provide incentives for people to install a clean energy resource system, and thus increase the demand on the appropriation.

The bill requires DOA to promulgate rules to operate the program. This process could take from six to ten months from the passage of the bill before the Joint Committee for Review of Administrative Rules were to take up and approve the promulgated rules. The earliest start date for the program would be six to ten months after passage.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

Ryan Gill,
Department of Administration
6-6497

Authorized Signature/Telephone No.



Charles E. McDowell 7-3836

Date:

March 15, 1999

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect original updated
 DOA-2047 (R10/92) corrected supplem.

LRB or Bill#/Adm. Rule#
SB-56

Amendment No.

I. One-time Costs or Revenue Impacts for State and/or Local Government **\$ 11,000**
 (do not include in annualized fiscal effect)

II. Annualized Costs:	Annualized Fiscal impact on State Funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries & Fringes	\$ 80,000	
(FTE Postion Changes)	2.00	
State Operations - Other Costs	\$ 15,000	
Local Assistance		
Aids to Individuals or Organizations	\$ 550,000	
TOTAL State Costs by Category	\$ 645,000	\$0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 645,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues-	Increased Revenue	Decreased Revenue
Complete this only when proposal will increase or decrease state revenues (tax increase, decreased fees)		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$0	\$0

NET ANNUALIZED FISCAL IMPACT:

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 645,000	
NET CHANGE IN REVENUES	\$0	