

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**LRB # -3200/4**

**INTRODUCTION # AB 389**

**Admin. Rule #**

**Subject control of transmission facilities by a transmission company; creating a utility public benefits fund; requiring electric utilities and retail co-ops to charge public benefit fees; etc.**

**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. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
|--|--|

5. Types of Local Governmental Units Affected:
- Towns            Villages            Cities  
 Counties        Others \_\_\_\_\_  
 School Districts        WTCS Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

20.505(1)(ge); (1)(gs); (10)(q); (10)(r); (10)(s)

**Assumptions Used in Arriving at Fiscal Estimate:**

Based on DOA's limited experience in administering the \$17 million public benefits pilot, increased staffing will be required. Estimates below are minimal.

This bill will create a "utility public benefit fund," which is a segregated fund created in DOA. Also, a newly created 11 member Council on Utility Public Benefits will be attached to DOA. The bill directs DOA to operate low income and renewable energy programs from the new fund. Revenues from the bill could be as high as \$137 million.

DOA currently administers \$40 million in federal LIHEAP and Weatherization funds. This bill identifies \$27 million in new revenue for low income programs, and potentially another \$26 million through formulas to these existing programs, for a total of \$53 million in new funding. DOA is also currently administering a \$17 million public benefits pilot project with 2.00 FTE. The pilot focuses on demand-side management and renewable issues. This bill would add \$20 million in new revenue, and potentially \$64 million through a formula in the bill, for a total of \$84 million in new funding for energy conservation and renewables. This represents a 425% increase in the level of funding.

In total, DOA estimates \$137 million in new SEG revenue from the bill. The bill identifies \$27 million for low income funding, and \$20 million for energy conservation and efficiency and renewable resource funding. The other \$90 million will be formula driven based on further PSC analysis of utilities expenditure experience.

In order to administer \$137 million in new funding, DOA will incur contracted costs, plus limited internal staffing. The estimate is provided on the following page.

**Long-Range Fiscal Implications:**


Revenues will increase over time

**Prepared By: / Phone # / Agency Name**

**Authorized Signature / Telephone No.**

**Date**

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 for  
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Fiscal Estimate for LRB 3200/4 (continued)

Impact on the department is:

2.00 senior contract managers (Energy)	\$118,500 salary/fringe
1.00 senior accountant	60,200 salary/fringe
<u>1.00</u> community specialist (Housing)	<u>52,300</u> salary/fringe
4.00 SEG FTE	\$231,000 SEG
Contracted cost*	<u>\$600,000</u> SEG
Total annual general op. costs:	<u>\$831,000</u> SEG

For FY00, the estimated costs are for 2.00 FTE (\$118,500) and \$100,000 in contract authority, a total of \$218,500 SEG.  
For FY01, the full annual cost is estimated.

\*DOA estimates that contractual services will be required to conduct an independent audit, encourage voluntary contributions, study incentives for distributed generation, and evaluate annual reports on utility electrical generation using renewable resources. The above estimate is based on 8,000 total contract hours averaging \$75/hour.

