

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # -3150/3

INTRODUCTION # SB 196

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. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive 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

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Date

June 15, 1999

Fiscal Estimate for LRB 3150/3 (continued)

Impact on the department is:

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

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.