

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 03-3411/1	<b>Introduction Number</b> SB-280									
<b>Subject</b>										
Retention of energy conservation funding by public utilities										
<b>Fiscal Effect</b>										
<b>State:</b>										
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs										
<b>Local:</b>										
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate										
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">1. <input type="checkbox"/> Increase Costs</td> <td style="width: 33%;">3. <input type="checkbox"/> Increase Revenue</td> <td rowspan="4" style="width: 33%; vertical-align: top;">5. Types of Local Government Units Affected  <input type="checkbox"/> Towns    <input type="checkbox"/> Village    <input type="checkbox"/> Cities  <input type="checkbox"/> Counties    <input type="checkbox"/> Others  <input type="checkbox"/> School Districts    <input type="checkbox"/> WTCS Districts                 </td> </tr> <tr> <td>    <input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</td> <td>    <input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</td> </tr> <tr> <td>2. <input type="checkbox"/> Decrease Costs</td> <td>4. <input type="checkbox"/> Decrease Revenue</td> </tr> <tr> <td>    <input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</td> <td>    <input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</td> </tr> </table>		1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
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<b>Fund Sources Affected</b>										
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.155 (1) (g)										
<b>Affected Ch. 20 Appropriations</b>										
<b>Agency/Prepared By</b>										
PSC/ Gordon Grant (608) 267-9086										
<b>Authorized Signature</b>										
Burnie Bridge (608) 267-7897										
<b>Date</b>										
10/23/2003										

## Fiscal Estimate Narratives

PSC 10/23/2003

LRB Number	03-3411/1	Introduction Number	SB-280	Estimate Type	Original
<b>Subject</b>					
Retention of energy conservation funding by public utilities					

### Assumptions Used in Arriving at Fiscal Estimate

SB 280 would make changes to the public benefits program by allowing the PSC to grant a portion of the fees currently paid by public utilities to be used in the utilities service territory. To accomplish these changes the PSC would be required to implement rules that specify annual energy savings targets that the programs must be designed to achieve and requires the PSC to then monitor those programs to determine if they achieve economic benefits equal to the portion of the contribution allowed to be retained. The bill further requires the PSC to promulgate rules for the grants made by DOA from the fund for energy conservation and other programs. Recipients of grants made by DOA would be required to demonstrate the economic benefits resulting from the proposal will be equal to the amount of the grant.

Under the bill the portion of the utility payment going to the public benefits programs for energy conservation programs for industrial, commercial or agricultural customers would be the amount subject to use by a utility after approval by the PSC. It is anticipated that approximately three or four utilities might request to use a portion of their payments for programs. Because there is no certainty as to the number of utilities who would request to initiate programs it is difficult to determine the PSC's cost of monitoring such programs. In the years prior to the creation of the Public Benefits Program when all of the investor owned utilities were required to operate conservation programs the PSC had the equivalent of 7.0 FTE monitoring and working on the programs. Currently, the PSC has one half time position working on these types of issues. It is impossible to say with any certainty an appropriate number of staff that would be required to be allocated to this activity without first knowing the number of utilities that would opt to participate. It should also be noted that when the PSC had 7.0 FTE positions the utilities were operating extensive programs that included a residential component, a component that is not included in this bill.

The rule-making proceedings would require a significant amount of staff time to accomplish. Recent rule-making cases required 1000 hours of staff time to complete, or the equivalent of just under a half-time position for a limited period of time. Presumably, the rule-making activities including emergency and final rules required in this bill would take a similar amount of time to complete. However, the PSC would probably absorb the time within existing staff.

### Long-Range Fiscal Implications

Unkown