

2007 ASSEMBLY BILL 322

May 14, 2007 – Introduced by Representative MONTGOMERY, cosponsored by Senator PLALE. Referred to Committee on Energy and Utilities.

1 **AN ACT** *to create* 196.374 (5) (bm) 3. of the statutes; **relating to:** calculation of
2 operating revenues of certain energy utilities for the purpose of determining
3 spending on certain energy efficiency and renewable resource programs.

Analysis by the Legislative Reference Bureau

Under current law, investor-owned electric and natural gas utilities, which are referred to as “energy utilities,” are required to spend a specified percentage of their operating revenues on certain energy efficiency and renewable resource programs, and the Public Service Commission (PSC) is required to ensure in rate-making orders that such energy utilities recover from rate payers the amounts spent on the programs. Current law directs the PSC to submit, no later than December 31, 2008, a proposal to the governor and the legislature on how energy utilities should allocate the amounts recovered within different classes of customers.

Current law also imposes requirements on how much energy utilities may recover from “large energy customers” during the period before the proposal goes into effect. A “large energy customer” is defined as a customer that satisfies certain requirements, including having a monthly demand of at least 1,000 kilowatts of electricity or 10,000 decatherms of natural gas. During the period before the proposal goes into effect, an energy utility may recover from a large energy customer the amount that the energy utility recovered from the customer under former law in 2005 for similar programs. As a result, if an energy utility did not, under former law in 2005, collect any revenues from a particular large energy customer for the purpose of recovering the costs of the similar programs, then, during such period, the energy

