

Fiscal Estimate Narratives

DOA 3/23/2010

LRB Number	09-2740/2	Introduction Number	AB-0755	Estimate Type	Original
Description Allowing certain utilities to administer investment programs for energy efficiency improvements and renewable energy applications, creating requirements for political subdivision loans for similar improvements and applications, providing an exemption from emergency rule procedures, and granting rule-making authority.					

Assumptions Used in Arriving at Fiscal Estimate

AB-755, as originally introduced, required the Department of Administration (DOA) to issue an administrative rule requiring that any contractor or subcontractor performing work for the Weatherization program be included on a list of acceptable contractors or subcontractors compiled by the Public Service Commission unless no such contractor or subcontractor is available. This rule making effort can be absorbed within the existing resources of the Department. The original bill also required the Public Service Commission to administer all funds received under the federal Energy Efficiency and Conservation Block Grant awarded under the American Recovery and Reinvestment Act of 2009. Previously, the Joint Committee on Finance, at its meeting of August 4, 2009, had authorized DOA's Office of Energy Independence (OEI) to expend funds under this \$11,743,000 federal grant. A significant portion of the grant has since been sub-granted, much of it to the Department of Commerce. AB-755 would supersede this earlier authorization and require OEI to cancel existing awards. It is uncertain how much of the original federal award could be recovered or what costs the recovery would incur. However, DOA would attempt to conduct the cancellation and recovery process within the limits of existing resources.

Assembly Substitute Amendment (ASA) 2 to AB-755 has been introduced and resolves the conflict mentioned above and directs no action on the part of DOA. Therefore, ASA 2 to AB-755 will have no fiscal impact on the Department.

Long-Range Fiscal Implications

None.