

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1506/1	Introduction Number SB-0067
Description changing the phase-out of utility aid payments for decommissioned power plants	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="text-align: right; margin-top: 5px;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Craig Steinfeldt (608) 266-5705	Robert Schmidt (608) 266-5773
Date	
3/10/2023	

Fiscal Estimate Narratives

DOR 3/10/2023

LRB Number	23-1506/1	Introduction Number	SB-0067	Estimate Type	Original
Description changing the phase-out of utility aid payments for decommissioned power plants					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, post-exemption utility aid payments are made only for a production plant that is decommissioned. The bill defines decommissioned as the earliest of the following: 1) the production plant is no longer recovered through the utility's rates; or 2) the production plant is transferred to a person who is not subject to the annual license fees imposed by the state. For plants with multiple power generation units, the utility aid payment will not be reduced on the basis that one or more, but not all, of the power generation units permanently cease generating electricity. The phase out of utility aid payments does not begin until the production plant is decommissioned, and the amount is based on the payment received prior to the first unit ceasing operation.

The bill has an indeterminate fiscal effect on utility aid payments. Under the bill, utility aid payments will remain at the current amounts when a production plant begins shutting down multiple power generating units, and the decommissioned amount will be based on all formerly operating units. Under current law, a production plant is not subject to phase down payments until it is no longer recovered through a utility's rates; the bill's decommissioned definition to that point has no fiscal effect. A production plant transfer to a person not subject to the annual license fee would have an indeterminate fiscal effect as utilities have retained substations near the original production plant of recently demolished coal plants and have only sold, or plan to sell, portions of the original property for redevelopment.

The department has ongoing costs of \$1,300 to maintain additional data on multiple power generating units, and one-time administrative costs of \$39,700 for computer program changes.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description changing the phase-out of utility aid payments for decommissioned power plants		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$39,700		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$1,300	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$1,300	\$
B. State Costs by Source of Funds		
GPR	1,300	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,300	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
DOR/ Craig Steinfeldt (608) 266-5705	Robert Schmidt (608) 266-5773	3/10/2023