



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0334

Title: Establishing cost calculations for transmission systems

Primary Sponsor: Molnar, Brad

Status: As Amended in Senate Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$191,914	\$185,246	\$184,724	\$185,318
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$191,914	\$185,246	\$184,724	\$185,318
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 334 requires the Public Service Commission (PSC) to calculate the cost to the total electric grid infrastructure of applicant generating assets for comparison to existing generation assets.

FISCAL ANALYSIS

Assumptions:

- Section 2 (1): The commission shall calculate the cost to the total electric grid infrastructure of applicant generating assets. The PSC interprets "applicant" to mean a utility as Section 2 (5) specifies that the section applies to utilities regulated by the commission.
- Section 2 (1)(d): The commission's cost calculation shall include the value of unused transmission and distribution lines.
- Section 2 (3): Carbon costs must either be monetized with consideration for the longevity and effects of greenhouse gas production of generating assets, or the effects and longevity must be noted in Commission orders.

4. Section 3 (1): The commission shall allocate costs to achieve consumer indifference, which is a term defined in the bill.
5. Section 3 (2): Costs of using baseload generation for balancing variable generation capacity must be assigned to the generator causing the need for balancing services.
6. Section 3 (4): The Commission shall allocate transmission and wheeling costs associated with the sale of excess energy from intermittent generators sold into the wholesale market to the intermittent generators.
7. The PSC estimates that at least 20 pages of rulemaking will need to be developed, adopted, and filed. Rulemaking costs are estimated at \$1,200 (20 pages at \$60 per page) for 2022.
8. The commission estimates needing 2.00 FTE rate analysts (\$180,294 salary and benefits in FY 2022, \$180,426 salary and benefits in FY 2023); \$5,600 for office packages and computers in FY 2022; and \$4,820 for phones, office supplies, office space, and training in each year of the biennium in order to comply with SB 334.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$180,294	\$180,426	\$179,832	\$180,426
Operating Expenses	\$11,620	\$4,820	\$4,892	\$4,892
TOTAL Expenditures	<u>\$191,914</u>	<u>\$185,246</u>	<u>\$184,724</u>	<u>\$185,318</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$191,914	\$185,246	\$184,724	\$185,318
TOTAL Funding of Exp.	<u>\$191,914</u>	<u>\$185,246</u>	<u>\$184,724</u>	<u>\$185,318</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$191,914	\$185,246	\$184,724	\$185,318
TOTAL Revenues	<u>\$191,914</u>	<u>\$185,246</u>	<u>\$184,724</u>	<u>\$185,318</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

NO SPONSOR SIGNATURE

Sponsor's Initials

3.19

Date

KA

Budget Director's Initials

3-17-21

Date