

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2191

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Ebbin

3. Committee: Commerce and Labor

4. Title: Voluntary Solar Resource Development Fund.

5. Summary: This bill requires electric utilities to provide customers with the option to make voluntary contributions to the Voluntary Solar Resource Development Fund (the Fund), which is established by this bill. Moneys in the Fund will be allocated by the Department of Mines, Minerals and Energy (DMME) as loans for projects that involve the acquisition, installation, or operation of photovoltaic devices, solar water heating devices, or certain solar space heating devices at a residence, structure occupied by a nonprofit organization, or commercial establishment. DMME is authorized to expand the scope of the program to include making loans for renewable energy and energy efficiency projects.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill requires electric utilities to provide customers with the opportunity through mail, online, or any other mechanism approved by the Department of Mines, Minerals and Energy (DMME), to contribute to the Voluntary Solar Resource Development Fund (the Fund), a special non-reverting fund established by this bill.

The bill instructs electric utilities to notify customers and collect voluntary donations. On a quarterly basis, utilities are to send to DMME (i) all donations for deposit to the Fund, and (ii) a quarterly report stating the number of customers, by customer class, that have contributed to the Fund, the amounts of the contributions and an accounting of the utility's cost of administering the program.

Monies collected in the Fund are to be used for a revolving loan program established by DMME. This program is intended to facilitate the construction and acquisition of solar energy projects, or if DMME opts to expand the scope of the program as is authorized by this bill, of other types of renewable energy projects. DMME is responsible for management and execution of the loan program and is charged with certifying loans to the State Comptroller. DMME is also to submit annual reports to the Governor and Chairmen of the House and Senate Committees on Commerce and Labor by June 1 of each year. These reports are to

include the status of the revolving loan program, the number of loans provided, the amount of each loan, the recipient of the loan, the loan's repayment status, and the nature of the project for which the loan was provided.

The bill specifies that all reasonable administrative costs incurred by DMME in administering this program are to be reimbursed from the Fund. Therefore, as it is anticipated that DMME will likely incur an increased workload as a result of this bill, all costs associated with this increase would be supported by donations collected in the Fund. The exact costs to DMME associated with this bill are indeterminate at this time, but in the event that an increase in the agency's nongeneral fund appropriation is needed, it can be made administratively.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy, State Comptroller (Department of Accounts).

10. Technical Amendment Necessary: No.

11. Other Comments: This bill provides that all reasonable costs incurred by the electric utilities for implementing the requirements imposed by this bill are to be reimbursed by monies in the Fund.

SB975 also establishes a Voluntary Solar Resource Development Fund and requires the State Corporation Commission, instead of DMME, to administer the Fund and program.

Date: January 24, 2011

c: Secretary of Commerce and Trade
Secretary of Finance