

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB975

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

**2. Patron:** Whipple

**3. Committee:** Commerce and Labor

**4. Title:** Voluntary Solar Resource Development Fund; grant program.

**5. Summary:** This bill requires the Department of Mines, Minerals and Energy (DMME) to provide electric customers with the option to make voluntary contributions to the Voluntary Solar Resource Development Fund (the Fund), which is established by this bill. In addition, it requires electric utilities to post a link to the relevant section of DMME's website to make donations to the Fund, and periodically promote the Fund. Moneys in the Fund are to be used to provide loans for solar energy projects or, if DMME opts to expand the scope of the program, other types of renewable energy projects. As defined by the bill, a "solar energy project" is a project that involves the acquisition, installation, or operation of a photovoltaic device, solar water heating device, or solar space heating device at a residence, structure occupied by a nonprofit organization, or commercial establishment. In addition, this bill authorizes reimbursement of all of DMME's costs to administer the program to come from the Fund. The bill grants DMME authority to delay making loans from the Fund if the monies available in the Fund are not sufficient to defray the administrative costs incurred in administering the program. DMME is to provide annual reports on the Fund and the actions of the program on or before June 1 of each year, beginning in 2013. The bill contains a sunset clause of July 1, 2016.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** This bill establishes the Voluntary Solar Resource Development Fund (the Fund) and associated revolving loan program, and names DMME as the state agency responsible for the administration of both.

The program is intended to facilitate the construction and acquisition of eligible solar energy projects or, if DMME opts to expand the scope of the program, 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, beginning in 2013. 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 managing this program and the Fund are to be reimbursed from the Fund. DMME may delay making loans from the Fund if the Fund balance is not sufficient to defray these administrative costs. It is anticipated that DMME will likely incur an increased workload as a result of this bill, but the exact increase is unknown and depends on the amount of monies collected in the Fund. Since the exact costs to DMME associated with this bill are indeterminate, any changes necessary to the agency's nongeneral fund appropriation in the future 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 is similar to HB2191.

**Date:** February 2, 2011

c: Secretary of Commerce and Trade