

## State Corporation Commission 2012 Fiscal Impact Statement

**1. Bill Number:** HB894

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input 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:** Ware, R.L.

**3. Committee:** Commerce and Labor

**4. Title:** Utility energy efficiency programs.

**5. Summary:** Utility energy efficiency programs. Provides that an energy efficiency program proposed by an electric utility is in the public interest if the net present value of the benefits exceeds the net present value of the costs as determined by any three of four benefit cost tests. The four tests to be considered are the Total Resource Cost Test, the Utility Cost Test (also referred to as the Program Administrator Test), the Participant Test, and the Ratepayer Impact Measure Test. An electric utility's energy efficiency program may be deemed to be in the public interest if it provides measurable and verifiable energy savings to low-income customers or elderly customers. The current standard for what constitutes a cost-effective conservation and energy efficiency program conducted by a natural gas utility is revised to conform to these new provisions for electric utilities. Finally, the measure expands the definition of "energy efficiency program" with regard to electric utilities to include customer engagement programs that result in measurable and verifiable energy savings that lead to efficient use patterns and practices.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** None on the State Corporation Commission. See Item 8.

**8. Fiscal Implications:** The increased energy savings (efficiency and conservation) may result in less revenue (decrease in collection of state and local utility consumer tax) due to a reduction of electrical usage.

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission; Local Governments

**10. Technical Amendment Necessary:** No

**11. Other Comments:** House Bill 312 and Senate Bill 493 appear to be duplicates of this bill.

**Date:** 1/18/12 CW