State Corporation Commission 2025 General Assembly Session State Fiscal Impact Statement

PUBLISHED: 1/21/2025 12:54 PM ORIGINAL

Bill Number: HB1999 Patron: McNamara

Bill Title: Energy Innovation Pilot Program established.

Bill Summary: Establishes the Energy Innovation Pilot Program to foster the development of innovative energy projects by allowing Program participants to provide grid services or other beneficial energy measures. Under the Program, a participant, after obtaining State Corporation Commission approval, is not required to comply with specific state statutes and regulations pertaining to the generation, transmission, or distribution of electric energy for sale, except for those laws and regulations that are required for worker safety, public safety, or environmental protection, for a period of five years. The bill includes provisions for application requirements, an approval process, Program exit procedures, a test period extension process, suspension or revocation of Commission approval, consumer protections, Commission investigations, and recordkeeping and reporting requirements.

Budget Amendment Necessary: Yes **Items Impacted:** 476 (NGF 02080)

Explanation: The State Corporation Commission (SCC) will require additional Staff to manage the newly

established Energy Innovation Pilot Program.

Fiscal Summary: Preliminarily, it is anticipated that at least four new positions may be required to manage the Program requirements. The bill provides that the Commission shall establish a schedule of fees for the administration and operation of the Program.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	FY2025	<u>FY2026</u>	FY2027	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
SCC (17100)	\$0	\$499,900	\$464,000	\$464,000	\$464,000	\$464,000
TOTAL	\$0	\$499,900	\$464,000	\$464,000	\$464,000	\$464,000

Position Impact:

<u>Agency</u>	FY2025	<u>FY2026</u>	FY2027	<u>FY2028</u>	<u>FY2029</u>	FY2030
SCC (17100)	0	4				
TOTAL	0	4				

Fiscal Analysis: The bill directs the Commission to establish and administer the Energy Innovation Pilot Program. At least four new positions may be required to manage the Program requirements. The bill provides

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that the Commission shall establish a schedule of fees for the administration and operation of the Program. It shall be those new nongeneral fund fees that the Commission will use to fund the requirements in the bill.

Additionally, the bill requires that the SCC review each application submitted and notify the applicant as to its decision no later than 90 days from the date the application was received by the SCC. This is a constrained timeframe for the Commission to conduct its review and decision.

Other: None