Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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Bill Number: HB2426 **Patron:** Callsen
Bill Title: Small renewable energy projects; permit by rule.

Bill Summary: Amends the definition of ''small renewable energy project'' for the purposes of obtaining a permit by rule from the Department of Environmental Quality to include interconnection facilities, as defined in the bill.

Budget Amendment Necessary: **Yes.** **Items Impacted:** **364 (DEQ)**
Explanation: This bill involves the Department of Environmental Quality (DEQ). An amendment is required for the agency to carry out the requirements of this bill.

Fiscal Summary: The annual general fund impact to DEQ is estimated at $495,000 annually, corresponding to three positions in charge of completing tasks for which the agency currently has no expertise. See "Fiscal Analysis," below.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DEQ	$0	$495,000	$495,000	$495,000	$495,000	$495,000
TOTAL	**$0**	**$495,000**	**$495,000**	**$495,000**	**$495,000**	**$495,000**

Fiscal Analysis: This impact statement is preliminary. DEQ anticipates a nonabsorbable general fund expenditure impact due to the proposed bill. Currently, DEQ's small renewable energy permit by rule authority applies only up to the point where a project connects to a substation. The bill expands this authority to cover all components of a project, including generation tie lines, collector lines, substations, switching stations, and other equipment necessary to connect an electrical generation facility to the electrical grid.

To implement the expanded program, DEQ will need to hire at least three electrical engineers with expertise in the design, review, construction, and safe operation of electrical substations and high voltage transmission line connections. The estimated cost for these positions is approximately $495,000 per year. DEQ lacks the necessary expertise in-house. To develop this estimate, DEQ consulted with the State Corporation Commission (SCC), which recommended four full-time employees. DEQ has adjusted the request to three based on the newness of the program but may require additional resources once the program is established.

The SCC anticipates no fiscal impact as a result of this bill.

Other: None.