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

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Bill Number: HB 2113 H1 Patron: Herring

Bill Title: Solar Interconnection Grant Fund and Program; established, sunset, report.

Bill Summary: Establishes the Solar Interconnection Grant Program for the purpose of awarding grants on a competitive basis to public bodies to offset costs associated with the interconnection of solar facilities to the grid. The Program is administered by the Division of Renewable Energy and Energy Efficiency of the Department of Energy. The bill requires that priority be given to solar facilities located on previously developed project sites. The bill requires the Division to establish and publish guidelines and criteria for the awarding of grants and general requirements of the Program. The provisions of the bill expire on July 1, 2026. The bill directs the Commission on Electric Utility Regulation to review and identify any issues associated with the process and cost of interconnecting solar projects to the grid and report its findings by December 1, 2025.

Budget Amendment Necessary: Yes Items Impacted: 24, 109

Explanation: The bill will result in expenses which the Department of Energy and Commission on Electric

Utility Regulation are unable to absorb within existing appropriations. Budget amendments to HB 1600 approved by the House include \$2.0 million to Energy for the implementation of

this bill.

Fiscal Summary: It is anticipated that the bill will result in a general fund expense of \$225,000.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
Energy	-	\$150,000	-	-	-	
CEUR	-	\$75,000				
TOTAL	-	\$225,000	-	-	-	-

Fiscal Analysis: Energy anticipates that the workload to administer this program and produce the required annual report will be equivalent to one full time employee, resulting in an annual expense of \$150,000.

The Commission on Electric Utility Regulation anticipates a fiscal impact of \$75,000 to cover expenses related to consulting or contractual support for technical analysis and regulatory case review relating to interconnection of solar energy projects to the electric grid.

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Budget amendments to HB 1600 approved by the House include \$2.0 million to Energy for the implementation
of this bill. It is unclear whether this amount is intended to support administrative and review expenses.

Other: None.