

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4429H.02I
 Bill No.: HB 1753
 Subject: Utilities; Energy
 Type: Original
 Date: January 22, 2024

Bill Summary: This proposal creates provisions for the closure of electric power plants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Public Service Commission Fund*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Depending on the number of existing 100 megawatt electric generating power plants in Missouri that intend to close, and the level of involvement of the Public Service Commission, the PSC assumes this could include ‘substantial’ work on their part. Oversight assumes the additional cost (if any) would not reach the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 393.401 – Electric Power Plants

Officials from the **Department of Commerce and Insurance – Public Service Commission (PSC)** state this legislation does not describe what is supposed to be done with the certification requirement given to the PSC, General Assembly, and the Governor. If the PSC is to just receive certifications, then the work can be done within current FTE levels. However, if the PSC is to review and/or approve the certifications, that will require additional, substantial work.

Also, if the certification referenced in the bill requires a formal review, even if abbreviated, to determine the new generation supplants the old capacity amounts (as specified), there would be new cases before the PSC, but the number of cases is not known. It is uncertain how many electric generating power plants of over 100MWs are facing closure next, or how many cases for replacing capacity (solar, wind, other contracts) come through to replace electric generating power plant closures. Therefore, the fiscal impact to PSC is undeterminable at this time.

Oversight does not have any information to the contrary. Based on the PSC's response, Oversight will reflect the potential cost as \$0 or an unknown cost to the Public Service Commission Fund.

Officials from the **Missouri Senate**, the **Missouri House of Representatives**, the **Office of the Governor** and the **Hancock Street Light District** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other electric companies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025	FY 2026	FY 2027
PUBLIC SERVICE COMMISSION FUND			
<u>Cost – DCI-PSC §393.401</u> Potential certification review/approval	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2025	FY 2026	FY 2027
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill specifies that prior to the closure of an existing electric generating power plant, an electric utility company, registered and doing business in Missouri, must first certify that it has secured and placed on the electric grid an equal or greater than the name plate capacity amount of replacement reliable electric generation. Adequate transmission infrastructure necessary to interconnect the new reliable electric generation to the state's electric grid and to transmit electricity must be fully operational before the closure of the existing electric generating power plant.

The new replacement reliable electric generation must be equal to or greater than any existing electric generating power plant and must be certified by the Public Service Commission and the regional reliability organization in which the electric utility operates. Replacement reliable electric generation may be constructed outside the state if it is connected to the utilities regional electric grid.

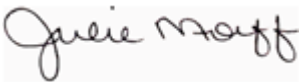
The electric utility may use purchase power agreements to meet all or part of its replacement reliable electric generation requirements. Before the official date of the existing electric generating power plant closure, the electric utility company must provide certification to the Commission, the General Assembly, and the Governor that it has met the necessary requirements.

The bill has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Missouri Senate
Missouri House of Representatives
Office of the Governor
Hancock Street Light District



Julie Morff
Director
January 22, 2024



Ross Strobe
Assistant Director
January 22, 2024