

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 832

PRINTER NO. 1277

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

June 20, 2023

PRIME SPONSOR

Senator Yaw

DESCRIPTION

Senate Bill 832 amends Title 71 (State Government) to create the Independent Energy Office as a nonpartisan, independent agency. The duties of the office shall be:

- Plan recommendations that cover energy technologies in the Commonwealth;
- Analyze policies, regulations and laws that pertain to energy generation, production or distribution;
- Provide at least one statewide energy report each legislative session to be presented to the General Assembly; and
- Formulate and review the use of energy and energy efficiency initiatives designed to advance energy resource development opportunities and provide energy services to businesses, communities and homeowners in the Commonwealth.

The office shall also have the following discretionary duties:

- Provide independent studies on other state energy policies;
- Track energy use, production and generation; and
- Work with the General Assembly to establish a statewide energy plan.

This legislation establishes the Independent Energy Office Selection and Organization Committee to appoint a director. The committee shall be made up of the following members:

- President pro tempore of the Senate;
- Speaker of the House of Representatives;
- Majority Leader of the Senate;
- Minority Leader of the Senate;
- Majority Leader of the House of Representatives;
- Minority Leader of the House of Representatives;
- Majority and Minority Chairperson of the Senate Environmental Resources and Energy Committee; and

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- Majority and Minority Chairperson of the House of Representatives Environmental Resources and Energy Committee.

The committee shall appoint a director by May 20, 2025. The term of the director shall be six years, and the director may be removed by concurrent resolution passed by the House of Representatives and Senate. The director shall appoint a deputy director and the appropriate personnel necessary to carry out the duties of the office. The office may procure the temporary or intermittent services of outside attorneys, experts or consultants.

FISCAL IMPACT:

This analysis anticipates that the Independent Energy Office will not be fully staffed with six employees until FY 2025-26.

Senate Bill 832 is estimated to cost \$30,000 in FY 2024-25, assuming the director is appointed by May 2025. The first-year cost represents one month’s salary and benefits for the director and one-half month’s salary and benefits for a deputy director. For FY 2025-26, the Independent Energy Office will cost approximately \$1.75 million and \$1.25 million annually thereafter. The costs are as follows:

<u>Description</u>	<u>Costs</u>
Start-Up Costs	
Furniture	\$165,359
Office Equipment	\$15,126
Communications Equipment	\$19,567
Electronics/Computers	\$262,088
Office Fit-Out Costs	\$37,861
Total Projected Start-up:	\$500,000
Recurring Costs	
Payroll & Benefits	\$1,000,000
Operating	\$250,000
Total Recurring:	\$1,250,000