



March 5, 2024

SUMMARY OF BILL AS AMENDED (014922): Requires the State Energy Policy Council (Council) to develop the Tennessee Energy Policy and document, update, and maintain such policy. Authorizes the Council to commission studies including a study on natural gas demand, signal forecasting, current infrastructure capacities, and infrastructure investment recommendations for the state to meet natural gas demand. Requires the Council to submit the initial draft of the policy to the Comptroller of the Treasury by December 31, 2024 and to contain a bridging strategy addressing Tennessee's ability to meet energy demand over the next 10 years, strategic considerations of fuel and supply method changes, a list of existing opportunities to leverage capabilities and infrastructure, a list of ways to improve energy needs forecasting relative to demand over the next 10, 15, and 20 years, a framework of imperatives, legislation recommendations, executive agency recommendations, and strategies addressing long-term energy production infrastructure and capacities. Requires the Council to review the policy at least once a year and submit a report outlining any changes and maturation of the policy to the Comptroller of the Treasury by December 31 each year.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures – \$400,000/FY24-25
\$215,000/FY25-26 and Subsequent Years**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 68-204-103, the State Energy Policy Council was created to advise and recommend to the Governor and the General Assembly on identifying all state energy resources to ensure a secure, stable, and more predictable energy supply, manage the use of energy resources, and increase domestic energy exploration, development, and production within the state and region.
- The Council is responsible for compiling an annual assessment report on the energy sector, developing an ongoing comprehensive policy plan to achieve maximum effective management and use of present and future sources of energy, create an annual energy policy plan, continually reviewing and coordinating all state government research, education, and management programs relating to energy matters, educate and inform the general public regarding energy matters, and engage in discussions with federal government agencies and leaders to identify opportunities to increase domestic energy supply within Tennessee.

- The Council currently performs the duties and responsibilities required in the proposed legislation. However, expanding the subject matter which the State Energy Policy Council must also assess will increase the cost associated with studies commissioned by the Council.
- According to the Council, a recurring amount of \$70,700 currently supports research provided by the University of Tennessee and member travel.
- According to the Council, such costs will result in an increase in state expenditures of \$400,000 in FY24-25 to support an initial study on a comprehensive natural gas needs assessment for the state. The study would examine current and looming natural gas supply capacity constraints and solutions such constraints. The assessment would be undertaken by a private sector vendor through an open and competitive request for proposals process.
- There will be a recurring increase in state expenditures of \$215,000 in FY25-26 and subsequent years for the expanding scope of research, subject matter expertise, and preparation of related work products or deliverables.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/eb