Fiscal Estimate - 2023 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 23-0767/1	Introduction Number SB-0226

Description
authorizing community solar programs and granting rule-making authority

Fiscal Effect

State:
☐ No State Fiscal Effect
☒ Indeterminate

☐ Increase Existing Appropriations
☐ Increase Existing Revenues
☐ Increase Costs - May be possible to absorb within agency's budget
☐ Yes ☐ No

☐ Decrease Existing Appropriations
☐ Decrease Existing Revenues
☐ Decrease Costs

☐ Create New Appropriations

Local:
☐ No Local Government Costs
☒ Indeterminate

1. ☐ Increase Costs
   ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue
   ☐ Permissive ☐ Mandatory

2. ☐ Decrease Costs
   ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue
   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns ☐ Village ☐ Cities
☐ Counties ☐ Others
☐ School Districts ☐ WTCS Districts

Fund Sources Affected   **Affected Ch. 20 Appropriations**

☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
PSC/ Jenna Schmidt (608) 267-7709	Jenna Schmidt (608) 267-7709	4/28/2023

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Assumptions Used in Arriving at Fiscal Estimate

2023 SB 226 allows for the establishment of community solar programs. In a community solar program, retail electric customers of an investor-owned electric utility may subscribe to a community solar facility and receive credits to their electric bills for electricity produced by the facility. A subscriber and the community solar facility to which the subscriber subscribes must be located within the service territory of the same investor-owned electric utility and a subscriber's annual value of bill credits may not exceed the subscriber's average annual electric bill. Any bill credits which have been unsubscribed for two years must be redeemed at the wholesale dollar-per-kilowatt-hour rather than the rate established by the Public Service Commission (Commission). Under the bill, subscribers may not receive any state subsidy for which generating electricity from a renewable energy resource is a criteria for eligibility nor may subscribers receive any payment or other benefit from a tax incremental district. The bill requires investor-owned utilities to include options in their tariff filings that allow subscribers to receive bill credits for subscriptions to community solar facilities. The bill specifies that community-solar facilities are subject to applicable zoning requirements and a local municipality must approve a community solar program by a two-thirds vote of its governing body. Finally, the bill makes a community solar facility subject to property taxation and requires it to maintain a funded plan for decommissioning the solar equipment.

2023 SB 226 requires the Commission to promulgate rules for the program that will allow for the establishment of community solar facilities and for subscribers to receive electric bill credits. The bill requires the Commission rules to establish a rate used to calculate the amount of bill credits; the rate must be set for each investor-owned electric utility at a level that allows for creation and financing of a community solar market. Finally, the Commission's program rules must modify existing interconnection standards, fees, and processes to facilitate interconnection of community solar facilities with the electric distribution grid; allow investor-owned electric utilities to recover costs of applying credits to bills; and require subscriber organizations to maintain proof of financial responsibility ensuring the availability of funds for decommissioning community solar facilities. The work associated with the Commission's requirements under 2023 SB 226 includes rulemaking, tariff review and bill credit calculation and can be absorbed by existing staff.

Local Fiscal Effect
2023 SB 226 only applies to investor-owned utilities and their customers. Therefore, there will not be any additional administrative duties for municipal electric utilities as a result of this bill. Municipal governments may have indeterminate additional costs related to existing zoning regulations.

Long-Range Fiscal Implications