

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4854-01
Bill No.: SB 1380
Subject: Energy; Natural Resources Dept.; Public Service Commission: Utilities
Type: Original
Date: March 24, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission**, **Department of Economic Development - Office of Public Counsel** and **Department of Natural Resources** assume the proposed legislation would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act requires the Department of Natural Resources to promulgate rules requiring suppliers of electrical energy to generate and purchase electricity from renewable energy resources. These rules shall include a portfolio requirement providing the following:

- renewable energy sources of no less than 1/4 of 1% of retail sales after 2005;
- renewable energy sources of no less than 1 & 1/2% after 2008;
- renewable energy sources of no less than 3% after 2011; and
- renewable energy sources of no less than 6% for 2017 to 2027.

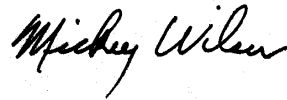
These rules shall apply to all power sold to Missouri users, including power that is self-generated or purchased from another source in or outside of the state. All suppliers of electricity must provide documentation to the Department and the Commission demonstrating compliance with the provisions of this section.

The Department must also establish by rule a certification process for power that is generated from renewable energy sources. The certification process shall be consistent with operation practices of the Regional Transmission Organizations in the Midwestern United States. Criteria for certification shall be based on fuel type, technology, and the environmental impacts of the facility.

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 Natural Resources
Department of Economic Development -
Public Service Commission
Department of Economic Development -
Office of Public Counsel

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 24, 2004