

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5873S.01I
 Bill No.: SB 1411
 Subject: Attorney General; Civil Penalties; Consumer Protection; Energy; Public Service
 Commission; Utilities
 Type: Original
 Date: March 27, 2026

Bill Summary: This proposal creates provisions relating to a competitive retail electricity market.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

* Oversight assumes this proposal could change utility costs to state departments and local governments. Oversight assumes this would have an indirect impact and therefore will not show the impact in the fiscal note.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Office of Public Council Fund (1508)	(Unknown, Greater than \$250,000)	(Unknown, Greater than \$250,000)	(Unknown, Greater than \$250,000)
Public Service Commission Fund (1607)	(Unknown, Greater than \$250,000)	(Unknown, Greater than \$250,000)	(Unknown, Greater than \$250,000)
State Facilities Maintenance & Operating Fund (1501)	(\$150,961)	(\$166,838)	(\$169,848)
Total Estimated Net Effect on <u>Other</u> State Funds*	(Unknown, Greater than \$650,961)	(Unknown, Greater than \$666,838)	(Unknown, More or Less than \$669,848)

*Oversight assumes that the fiscal impact will exceed \$250,000 due to the Department of Commerce and Insurance – Public Service Commissions’ and the Department of Commerce and Insurance – Office of Public Councils’ possible need of additional FTE and need to develop a robust customer education program. The impact also includes an additional FTE for The Office of Administration - Facilities Management, Design and Construction.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE
Total Estimated Net Effect on FTE	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE

- 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 2027	FY 2028	FY 2029
Local Government*	\$0	\$0	\$0

*This bill could change utility costs to state departments and local governments. Oversight assumes this would be an indirect impact and therefore will not show the impact in the fiscal note.

FISCAL ANALYSIS

ASSUMPTION

§§393.2000 – 393.2036 - Electrical Choice and Competition

Officials from **Department of Commerce and Insurance (DCI)** state that this proposal requires the Department of Commerce and Insurance (DCI) – Public Service Commission (PSC) and the Department of Commerce and Insurance – Office of Public Counsel (OPC) to develop and establish multiple new procedures and guidelines as well as develop a robust customer education program. DCI assumes PSC and OPC could initially require additional FTE to provide for the changes in this proposal, therefore, DCI will range the fiscal impact as Unknown, possibly greater than \$250,000 to the Office of Public Counsel Fund (OPC) and the Public Service Commission Fund (PSC).

Oversight does not have any information to the contrary. Therefore, for fiscal note purposes, Oversight will range the fiscal impact as Unknown, possibly greater than \$250,000 to the General Revenue to the Office of Public Council Fund (1508) and to the Public Service Commission Fund (1607).

Officials from the **Office of Administration - Facilities Management, Design and Construction (FMDC)** assume that this bill could increase utility costs to all state departments and local governments if rate changes are made. Without additional information, FMDC is unable to accurately calculate the impact of this bill; therefore, the overall impact is 1.00 FTE and \$120,631.57 to unknown.

Section 393.2006 allows customers to select their electric utility provider. FMDC assumes that it would need to engage in a competitive bid/procurement process to select utility providers for state-owned, institution and leased locations to ensure that the state is receiving the best rates. FMDC assumes that it will need to engage in a separate procurement process for each facility or a small subset of facilities, as it would not seem feasible, or in the state's best interest, to select only one provider for entire state. Given the volume of procurements that would need to occur in a relatively short period of time, FMDC assumes that it will need at least one new FTE to manage this process. However, depending on how the procurements are structured, additional FTE could be required. If FMDC is able to negotiate better utility rates for various locations as a result of this legislation than what the state is currently paying, there is the potential for some savings to help offset the additional costs. FMDC estimates that the impact of this bill is 1.00 FTE and \$120,631.57 to unknown.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the need for an FTE to the State Facilities Maintenance and Operating Fund.

Oversight assumes this proposal could change utility costs to state departments and local governments. Oversight assumes this would be an indirect impact and therefore will not show the impact in the fiscal note.

Officials from the **Missouri Department of Conservation, Missouri Department of Transportation, City of Kansas City, and City of Springfield** 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 that we have received from state agencies and political subdivisions; however, other cities, electric companies, and coops were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
STATE FACILITIES MAINTENANCE AND OPERATING FUND (1501)			
<u>Cost – OA (§§393.2000 - 393.2160) p.3</u>			
Salaries	(\$85,380)	(\$104,505)	(\$106,595)
Fringe Benefits	(\$47,953)	(\$58,368)	(\$59,209)
Equipment and Expense	(\$17,528)	(\$3,965)	(\$4,044)
Total Cost – OA	(\$150,961)	(\$166,838)	(\$169,848)
FTE Change – OA	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT TO THE STATE FACILITIES MAINTENANCE AND OPERATING FUND	<u>(\$150,961)</u>	<u>(\$166,838)</u>	<u>(\$169,848)</u>
Estimated Net FTE Change to the State Facilities Maintenance and Operating Fund	1 FTE	1 FTE	1 FTE
OFFICE OF PUBLIC COUNCIL FUND (1508)			
<u>Cost – DCI-OPC (§§393.2000 - 393.2160) Increased job duties/additional FTE p.3</u>	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)
ESTIMATED NET EFFECT TO THE OFFICE OF PUBLIC COUNCIL FUND	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)
PUBLIC SERVICE COMMISSION FUND (1607)			
<u>Cost – DCI-PSC (§§393.2000 - 393.2160) Increased job duties/additional FTE p.3</u>	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
ESTIMATED NET EFFECT TO THE PUBLIC SERVICE COMMISSION FUND	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)	(Unknown, Greater than <u>\$250,000</u>)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses could have a change in utility costs as a result of this proposal.

FISCAL DESCRIPTION

The act creates "The Electrical Choice and Competition Law." Provisions of the act shall govern the sale of electricity in the state and any provision of law that conflicts with the act shall be null and void.

Under the act, an electric utility shall provide equal and open access to electric supply over the electric utility's transmission and distribution systems to allow retail electric suppliers to sell electricity directly to retail customers in the state.

Twenty-four months after August 28, 2026, the Public Service Commission shall permit commercial and industrial customers of electric utilities to choose a retail electric supplier, as defined in the act.

Pursuant to the time frame provided for in the act, the Commission shall permit residential customers to choose a retail electric supplier. The ability of energy assistance residential customers to retain access to all financial assistance benefits shall not be affected by the provisions of the act.

Each electric utility shall submit to the Commission a restructuring plan to assist retail customers to choose a retail electric supplier. The plan shall be submitted pursuant to a schedule established by the Commission, as described in the act. Specifics of the plan are described in the act. The Commission shall review each restructuring plan and issue an order accepting, modifying, or rejecting the plan, as described in the act.

Electric utilities shall unbundle the electric rates consistent with the provisions of the act. After the implementation of the unbundling process, the Commission shall regulate the manufacture, sale, and distribution of electricity pursuant to the provisions of the act.

Electric utilities shall be permitted to recover transition costs pursuant to the time frame and divestiture process under the act. The Commission shall approve the recovery and time periods over which the stranded costs are to be collected by the competitive transition charge as described in the act.

Electric utilities shall divest their generation assets pursuant to the specifics described in the act and with the approval of the Commission.

Electric utilities shall provide default supply service to retail customers who do not choose a retail electric supplier as described in the act. Allocation of direct and indirect costs incurred from the provision of the default supply service is described in the act.

The Commission may establish a separate process for electric supply service for energy assistance customers. The process shall include a grouping of energy assistance customers into an aggregation program. Specifics of the aggregation program are described in the act. If an energy assistance customer chooses to opt-out of the aggregation program, the customer shall no longer be eligible for any energy assistance relief.

All electric utilities shall provide open and nondiscriminatory access to their data and systems to retail electric suppliers. Retail electric suppliers shall obtain customer consent prior to receiving certain customer data. The Commission shall develop a process to obtain customer consent for the release of the customer data as described in the act. Retail customers shall be able to select their preferred billing method, as described in the act. Electric utilities shall implement an accelerated switching process where residential customers may change retail electric suppliers as described in the act. Certain customers moving within a service area shall continue receiving electric service from the same retail electric supplier without being required to switch to a different retail electric supplier.

Six months after August 28, 2026, the Commission shall develop a customer education program to ensure all retail customers have access to accurate information about their ability to choose a retail electric supplier. Specifics of the program are described in the act.

The Commission shall establish the "Office of Retail Market Development and Oversight" to be funded by an annual assessment of retail electric suppliers based on a formula developed by the Commission but not to exceed \$20,000 annually per retail supplier license. The authority and responsibilities of the Office are described in the act.

No person or company shall supply electric service in the state without obtaining a retail electric supplier license from the Commission. The Commission shall develop a licensing process as described in the act. The Commission shall monitor the retail power market for the supply and

distribution of electricity to retail customers to ensure retail electric suppliers are not engaged in anti-competitive or discriminatory practices.

If the Commission finds that a retail electric supplier engaged in anti-competitive or discriminatory practices, the Commission shall ask the Attorney General to file a civil action. If the court finds that a violation occurred, the court may impose civil penalties, damages, and other relief described in the act. Any proceedings initiated under this provision shall be subject to the provisions relating to procedures before the Commission and provisions relating to the Office of the Public Counsel. Provisions under the act that are applicable to proceedings involving electric utilities shall also apply to retail electric suppliers.

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
Joint Committee on Administrative Rules
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Office of the Secretary of State
City of Kansas City
City of Springfield



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March 27, 2026



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March 27, 2026