

Revised based upon amendments adopted.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	411,750		218,472	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS,</b>	<b>411,750</b>		<b>218,472</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 469, as amended by AM833, would authorize the State Energy Office to carry out the following:

Carbon dioxide emissions study – LB 469 would require the Department of Environmental Quality to provide the State Energy Office with a copy of the state plan to regulate carbon dioxide emissions prior to the submission deadline for the plan, as established by the Environmental Protection Agency. The State Energy Office would be required to prepare a report assessing the effect of the state plan upon the electric power sector. The agency would be required to complete the study within 30 days after receiving the state plan. The State Energy Office estimates a cost of \$50,000 General Funds to contract with the University of Nebraska for the required economic research and analysis.

Development of a state energy plan – The State Energy Office would be directed to develop an integrated and comprehensive strategic state energy plan. The plan would include both short-term and long-term objectives. The State Energy Office estimates that 1 FTE Energy Policy Advisor would be hired to coordinate the effort, and costs would include consulting expenses to gather and analyze data, and expenses to conduct stakeholder meetings and public hearings. The costs as estimated are summarized below:

	<b>FY15-16</b>	<b>FY16-17</b>
1 FTE Energy office salary & benefits	71,750	73,472
State energy plan consulting expense	285,000	140,000
Travel	5,000	5,000
<b>TOTAL</b>	<b>361,750</b>	<b>218,472</b>

All costs would come from the General Fund.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 469	AM: 833	AGENCY/POLT. SUB: Nebraska Energy Office
REVIEWED BY: Cindy Miserez	DATE: 03/30/2015	PHONE: <a href="tel:402-471-4174">402-471-4174</a>
COMMENTS: AM 833 amends LB583 into LB469. This is the portion that discusses a State Energy Plan. AM 833 assigns review of the NDEQ (Environmental Quality) report to the EPA to the Nebraska Energy Office. The fiscal impact information in the top and bottom grids agree in total. The fiscal impact stated in the text is slightly higher than the total number in the upper and lower grids. I believe the intended fiscal impact is as stated in the top and bottom grids. The estimate of fiscal impact of AM833 to LB469 by the Nebraska Energy Office appears reasonable.		

Please complete ALL (5) blanks in the first three lines.

2015

LB<sup>(1)</sup> 469

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Energy Office

Prepared by: <sup>(3)</sup> Danielle Jensen Date Prepared: <sup>(4)</sup> 4/20/2015 Phone: <sup>(5)</sup> 471-3360

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$411,750</u>	<u>0</u>	<u>\$218,472</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>\$411,750</u>	<u>0</u>	<u>\$218,472</u>	<u>0</u>

Explanation of Estimate:

AM 833 to LB 469 has two directives for the Nebraska Energy Office (NEO): (1) Prepare a report assessing effects of the state plan developed by the Nebraska Department of Environmental Quality (NDEQ) as required under Section 111(d) of the Clean Air Act issued in connection with the Environmental Protection Agency's (EPA) Clean Power Plan, and (2) Develop a state energy plan to meet the goals and objectives identified in LB 469. LB 469 also directs the Energy Office to review the plan periodically and update it as needed.

The Energy Office estimates the expense for the above directives, as further described below, would be \$416,750 for FY 2015/16, and \$223,472 for FY 2016/17. Funding for the addition of the FTE would be required beyond FY 2015/16 and would need to reflect any anticipated increases in hourly wages.

For preparation of the Section 111(d) report described in (1) above, the Energy Office would hire a consultant to conduct the economic analysis. To reduce the cost and increase the reliability of data, Energy Office would use as a basis for the report the forecasts on energy demand and prices currently prepared by public power entities.

For purposes of this fiscal note, the Energy Office consulted with University personnel with economic research experience necessary for the Section 111(d) report and they estimate a cost of \$50,000.

For preparation of the initial state energy plan, the Energy Office will work with University personnel or third party contractors with the necessary expertise to complete the activities required for the development of the plan. Such activities include: collecting and analyzing technical data; facilitating stakeholder meetings and organizing information obtained at the stakeholder meetings; developing strategies and plans to meet identified objectives, and conducting public hearings for input and dissemination of the state energy plan. The Energy Office estimates that the expense for the University personnel or third-party consultants will be \$285,000 for FY15/16. To arrive at this estimate, the Energy Office consulted with the Missouri Energy Division, which has been in the process of developing a state energy plan during the last year. The Missouri Energy Division accepted a bid for \$285,000 from a third party contractor to complete similar activities following a formal Request for Proposal process. The Energy Office anticipates that a preliminary state energy plan would be prepared during the FY15/16 but that continued technical analysis, stakeholder involvement and public hearings will be necessary during FY 16/17 to complete a final plan, although at a reduced level of activity.

To complete the ongoing work required under AM 833 to LB 469, it would be necessary to add one FTE to the Nebraska Energy Office staff. This staff person will act as the program manager for the state energy plan and for the preparation of the Section 111(d) report. State personnel classifications currently include an "Energy Policy Advisor" position. The minimum permanent hourly rate listed for this position is \$25.745 for FY 2014/15, with an increase of 2.5% for FY 2015/16 for the first year resulting in an hourly wage of \$26.385 and an increase of 2.4% for FY 2016/17 resulting in an hourly wage of \$27.015. This results in a total cost (including benefits) of \$71,750 for FY 2015/16 and \$73,472 for FY 2016/17.

The Energy Office anticipates travel by agency personnel across the state to meet with stakeholder groups, technical advisors and others will be required during FY15/16 and FY16/17 to complete the required activities. Three staff members will attend a total of 11-13 meetings in the state; three in out-state Nebraska, and 8-10 in the Omaha and Lincoln areas. State vehicles will be used for travel. The out-state Nebraska meetings will also require the need for lodging for Energy Office staff. Meeting space will need to be secured for all meetings including the possibility of audio-visual equipment. The Energy Office does intend to try and reduce meeting space cost by reaching out to stakeholder groups for the use of meeting space at their facilities. Total amount for staff travel and meeting expenses are estimated at \$5,000 each year based on approximately 1800 miles for out-state Nebraska and Omaha meetings, five nights of lodging and six days of meals for out-state Nebraska travel, and \$200 per facility for rental and audio visual needs.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2015-16</b>	<b>2016-17</b>
	<b><u>15-16</u></b>	<b><u>16-17</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Energy Policy Advisor	1	1	54,754	56,068
Benefits.....			16,996	17,404
Operating.....			335,000	140,000
Travel.....			5,000	5,000
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$411,750</b>	<b>\$218,472</b>