

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below			

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

LB 863 is the Wind Energy Expansion Act.

Section 3 requires the Director of the State Energy Office to establish a process, including criteria and standards, to recognize and assist efforts of counties to create, maintain, or expand their wind energy sectors. Counties that meet the criteria may apply to the director to be designated a wind energy friendly county.

Section 4 requires the State Energy Office to establish a resource database to provide information sources that may be useful to the county in evaluating and crafting wind energy production conditional use permits.

The State Energy Office has identified four positions, which are currently staffed, that will do work associated with the Wind Energy Expansion Act. Since these positions are already on staff and funded with current resources, they pose no need for additional funding.

In addition to staff time, the Energy Office estimates the cost to establish the required database to be between \$30,000 and \$75,000 dollars. Based on the language in LB 863, “the State Energy Office shall establish a resource data base to provide...**information sources**” (emphasis added) that the county may find useful. The intent of the bill appears to be that the Energy Office provide a database of sources, not a database of statistics. These sources are to be utilized by counties as they evaluate and make determinations. It is unlikely that a database of sources will cost anywhere from \$30,000-\$75,000.

Section 11 of the bill includes the Wind Energy Expansion Act as one of the authorized uses of the State Energy Office Cash Fund. For this reason, it is assumed that any costs associated with the Act will be borne with Cash Funds.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 863	AM:	AGENCY/POLT. SUB: Nebraska Energy Office	
REVIEWED BY: Lee Will		DATE: 2/1/2016	PHONE: 471-4175
COMMENTS: The Nebraska Energy Office's estimate of fiscal impact appears to be reasonable given the assumptions used.			

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

2016

LB⁽¹⁾ 863

FISCAL NOTE

State Agency OR Political Subdivision Name: (2)

Nebraska Energy Office

Prepared by: (3) Danielle Jensen

Date Prepared: (4) February 3, 2016

Phone: (5) 471-3360

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below	See below		
CASH FUNDS	See below	See below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 863 directs the Energy Office to develop a process to recognize and assist efforts of counties to create maintain or expand their wind energy sectors. Personnel time will be needed to develop criteria and standards, application forms and a resource database that will be useful to the county in evaluating and crafting wind energy production conditional use permits that meet the objectives of the county and wind energy producer applicant.

The Energy Office would need to hire an outside contractor to develop the information for the database including the following potential activities: 1) Zoning / land use issues: a. Survey and research existing Nebraska county zoning regulations applicable to wind, b. Research county zoning regulations applicable to wind in other states; 2) Meetings with: a. Wind developers to identify factors consider for siting wind farms, b. County zoning officials, c. Landowner groups promoting wind in state, and d. Meetings with other groups with interest in wind; 3) Development of Guidelines: a. Defining and developing scope and outline for the guidelines, b. Drafting guidelines, c. Public meetings or hearings to present draft, and d. Revising and issue public guidelines; and 4) Development of the information resources (website, press releases, etc.). The University of Nebraska-Lincoln (UNL) estimates that it would cost between \$30,000 and \$75,000 to cover these activities. On the lower end of the spectrum, most work would be conducted in Lincoln with outreach to local organizations and experts in the wind industry. The higher end of the spectrum would involve retaining a second year law student to travel across the state working with focus groups and stakeholders, as well as conducting research on what other states do in this area.

In addition to the development of the information for the database, the Energy Office estimates the following number of hours for existing agency personnel for different duties needed to complete the actual database: 1) 200 hours for the agency's Artist Chief/Web Developer for graphic design of the database and any forms needed, 2)15 hours for the agency's IT Infrastructure Support Specialist for duties in relation to setup of webpage for the database, 3) 75 hours for the Public Information Officer II to edit and proofread all documents and webpages in relation to the database, and 4) 50 hours for the Agency Director to work with the contractor and other partners in the development of the database. Total wages for these staff members is \$9,694.04 plus \$2,358.00 in benefits for a total agency cost of \$12,052.04

The Energy Office does not have any unallocated funding to cover the operating costs of this program. The agency receives up to \$300,000 in oil and gas severance tax fees, which are used for administrative costs of carrying out the statutory duties of the agency and for the required matches of the federal grants the agency receives. All staff time is allocated to existing programs, almost all of which are federal programs. The Agency also receives formula grant money for US Department of Energy programs, as well as competitive grant funds. These funds are committed to carrying out the specific activities of those grants, and cannot be used for other activities. While the Agency acknowledges that the salary of the Director and other staff is already being paid for using existing federal and state funds, the duties proposed by LB 863 would not comply with the requirements of

the existing federal programs. Reducing time spent on these programs would reduce funding as well. Additional funds would be needed to replace the difference.

Therefore, the Energy Office would need \$42,052.04-\$87,052.04 to cover the development of this program and the related database.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Artist Chief/Web Developer	1		4,958.21	
IT Infrastructure Support Specialist	1		355.72	
Public Information Officer II	1		1,863.17	
Agency Director	1		2,516.94	
Benefits.....			2,358.00	
Operating.....				
Travel.....			30,000-75,000	
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$42,052.04- \$87,052.04	