

PREPARED BY: Scott Danigole
 DATE PREPARED: January 30, 2020
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LB 1205

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1205 is the Renewable Energy Standards Act.

The bill requires public power suppliers to have placed renewable electric power generation capacity into service on the following schedule:

- On or before the last day of 2022, capacity equal to thirty-five percent (35%) of the supplier’s median annual generation for the calendar years 2019 through 2021;
- On or before the last day of 2026, capacity equal to fifty percent (50%) of the supplier’s median annual generation for the calendar years 2023 through 2025; and,
- On or before the last day of 2030, capacity equal to seventy-five percent (75%) of the supplier’s median annual generation for the calendar years 2027 through 2029.

The provisions of LB 1205 will likely result in construction of renewable resource facilities. Under this assumption, the Power Review Board will have an increase in the number of hearings and administrative activities. At that time, the Power Review Board will need to request additional funding to address this workload increase.

No immediate fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1205	AM:	AGENCY/POLT. SUB: Nebraska Power Review Board	
REVIEWED BY: Claire Oglesby	DATE: 1/30/20	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Nebraska Power Review Board’s fiscal note.			

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2020

LB⁽¹⁾ 1205

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Power Review Board

Prepared by: ⁽³⁾ Tim Texel Date Prepared: ⁽⁴⁾ January 29, 2020 Phone: ⁽⁵⁾ 402-471-2301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No significant fiscal impact anticipated in fiscal years 2020-2021 and 2021-2022.

LB 1205 would require Nebraska’s consumer-owned electric power suppliers to meet certain capacity thresholds of renewable generation resources by the dates set out in the bill. The thresholds are: 35% by the end of 2022, 50% by the end of 2026 and 75% by the end of 2030. The standard is the power supplier’s median annual generation for the three calendar years preceding the operative date. The supplier can either own the facilities or enter into a contract to purchase the electric output from the facilities.

The Power Review Board (PRB) expects that in order to meet some of the capacity thresholds in the bill, Nebraska’s consumer-owned electric suppliers would need to build or contractually acquire the right to significantly greater amounts of renewable resources than are currently owned or under contract. If the power suppliers were to construct and own the resources, the PRB would see a sharp increase in the number of hearings and administrative activity to approve the necessary generation resources. However, it is the PRB’s understanding that many of the state’s largest utilities with generation resources have met or are close to meeting the threshold for 2022. Thus, the PRB does not anticipate large increases in hearings in the next two fiscal years. If the additional resources were needed, the construction activities would likely be closer in time to the 2026 and 2030 thresholds. The PRB will monitor the situation. If the PRB sees or anticipates significant increases in the number of applications and hearings closer to the 2026 and 2030 deadlines, the PRB will at that time request to increase both its appropriation and its assessments to accommodate the increases.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____