

FISCAL IMPACT STATEMENT ON BILL NO. **S.536**

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TO:	The Honorable Larry A. Martin, Chairperson, Senate Judiciary Committee		
FROM:	State Budget Division, Budget and Control Board		
ANALYSTS:	K. Earle Powell		
DATE:	April 22, 2013	SBD:	2013266

AUTHOR:	Senator Gregory	PRIMARY CODE CITE:	58-27-25
SUBJECT:	Energy System Freedom of Ownership Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 536 amends the Code of Laws of South Carolina, 1976, to enact the Energy System Freedom of Ownership Act to establish provisions that allow a third party to sell electricity produced by a renewable energy facility. The Bill provides that the sale of electricity from a renewable energy facility by third parties does not subject the seller to regulation as a public utility. The Bill exempts renewable energy facilities from provisions governing electric utilities and electric cooperatives. The Bill imposes requirements on fees charged by a utility to a renewable energy facility and establishes responsibilities of the State Energy Office regarding these provisions.

EXPLANATION OF IMPACT:

State Budget and Control Board

The Board reports that this Bill directs the State Energy Office to develop standards for the sale of electricity that a customer of a utility company generates from a renewable energy facility owned or provided by a third party but located on the customer's property and primarily intended to offset part or all of the electricity requirements of the customer. The Bill allows the Office to impose and collect a \$10 fee for each kilowatt of generation capacity for the initial registration of a facility to offset the cost of carrying out these provisions.

The State Energy Office indicates the Bill will increase staff workload and may require the use of an outside consultant from time to time. The ability to impose and collect the fee included in the legislation should sufficiently cover these increased expenses. However, should this ability be removed, the Office would need a general fund appropriation to cover the costs of the duties and requirements included in the Bill.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Brenda Hart
Assistant Director, State Budget Division