

FISCAL IMPACT STATEMENT ON BILL NO. **S.1189**

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TO: The Honorable William E. "Bill" Sandifer, III, Chairperson, House Labor, Commerce and Industry Committee

FROM: State Budget Division, Budget and Control Board

ANALYSTS: Stephen Gardner

DATE: May 20, 2014 SBD: 2014250

AUTHOR: Senator Gregory PRIMARY CODE CITE: 58-27-865

SUBJECT: Distributed Energy Resource Act

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

Senate Bill 1189 amends the Code of Laws of South Carolina, 1976, by adding Chapter 39 to Title 58, so as to provide for a South Carolina Distributed Energy Resource Program. The Bill also defines certain terms, sets goals, and provides for the process and implementation of the program, including the application and approval process for the program and cost recovery. The Bills adds Chapter 40 to Title 58 so as to provide for a Net Energy Metering Program, to define certain terms and to provide for the requirements for the program. Furthermore, the Bill adds Article 23 to Chapter 27, Title 58, so as to provide for the lease of Renewable Electric Generation Facilities Program, including an application process and registration with the Office of Regulatory Staff and penalties for violations of the lease program.

EXPLANATION OF IMPACT:

Office of Regulatory Staff

The Agency estimates that there will be a recurring cost of approximately \$185,624 to Other Funds. This amount includes \$130,000 for the salary of two and one-half (2.5) new FTEs, \$40,300 in benefits, \$9,324 in equipment, and \$6,000 in travel and training to administer the program. The Agency would not request an increase for FY 15 because the funding would come from Other Funds in their current proposed budget authorization request. However, the agency would add any needed increase to the budget authorization request for FY 16. The agency expects the cost to increase after the first "set-up" year due to the continuing registering of the lessees for the program.

Public Service Commission

The Agency estimates this Bill will have no fiscal impact on the State General Fund or on Federal and/or Other Funds.

Approved by:



Brenda Hart
Assistant Director, State Budget Division