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FISCAL IMPACT REPORT

ORIGINAL DATE 2/26/09

SPONSOR Feldman LAST UPDATED _____ HB _____

SHORT TITLE Renewable Energy Certificate Renewal SB 600

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 600 would eliminate one of the three exceptions to the provision that renewable energy certificates (RECs) are owned by the generator of renewable energy. The bill eliminates the exception that RECs are owned by the public utility purchaser if the generator is a qualifying facility under the federal Public Utility Regulatory Policies Act of 1978. The remaining two exceptions are (i) REC ownership by the energy purchaser when it is transferred to the purchaser by the generator under specific agreement and (ii) REC ownership by the energy purchaser pursuant to a contract for renewable energy that was in effect prior to January 1, 2004.

FISCAL IMPLICATIONS

There are no apparent fiscal impacts.

SIGNIFICANT ISSUES

The EMNRD states that while SB 600 eliminates one of the three current exceptions, the possibility of a purchaser owning RECs by specific agreement remains. SB 600 does not effect a change in the possibility of a purchaser owning RECs in the future, so long as both parties are aware of the need for, and are able to enter into, a specific agreement.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Should the bill not pass, RECs would continue to be owned by public utility purchasers instead of a generator who is a qualifying facility under the federal Public Utility Regulatory Policies Act of 1978.

GH/mc