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FISCAL IMPACT REPORT

SPONSOR: Romero DATE TYPED: 3/7/03 HB _____

SHORT TITLE: Goals for Use of Renewable Energy SB SJM 89

ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		See Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
Public Regulation Commission

SUMMARY

Synopsis of Bill

- Senate Joint Memorial 89 encourages the Executive Branch to pursue policies and goals to implement the use of renewable energy, energy efficiency and alternative fuel technologies throughout state government, as well as the state as a whole.
- The memorial resolves that at least 10% of our electricity be generated from renewable energy by 2010.
- The Public Regulation Commission is encouraged to promote net metering.
- The Secretary of Energy, Minerals and Natural Resources is requested to pursue all feasible measures to encourage the use of alternative-fueled and gas-electric hybrid vehicles, including the development of statewide alternative fuel filling stations.
- The Secretary of Economic Development is directed to study the development of a “renewable energy economic development cluster”.

Significant Issues

Renewable energy requires special promotion because, in most applications, it is not the cheapest energy source. As more renewable energy is deployed, electric rates will increase. Higher electric rates will have a negative impact on the state's budget, at least in the immediate future.

FISCAL IMPLICATIONS

SJM 89 will result in FTE and budget implications for many state entities. There is no appropriation contained in the memorial, and therefore it is presumed that the departments should be able to absorb the cost with existing resources.

While this initiative has certain costs associated with the development process, the process is essential to the state to move forward with technology and development.

RELATIONSHIPS AND CONFLICTS

- This memorial relates to, and in some respects conflicts with, SJM 51 and HJM 97.
- SJM 79 relates to and is consistent with this joint memorial. SJM 79 encourages the PRC to implement its Renewable Energy Rule.
- HJM 21 relates to and is consistent with this joint memorial. HJM 21 urges a significant increase in the limit on net metering.
- SB 836 relates to and is also consistent with this joint memorial. SB 86 requires the PRC continue with implementation of its Renewable Energy Rule.
- SB 686 relates to this memorial in that net metering of self-generation is encouraged, but fuel sources are not limited to renewable energy.

TECHNICAL ISSUES

- This joint memorial uses a definition of renewable energy that differs from the definition in the Electric Utility Industry Restructuring Act. The Electric Utility Industry Restructuring Act definition of renewable energy includes hydropower.
- The PRC's Renewable Energy Rule mandates a 10% renewable energy portfolio standard by 2011, whereas this joint memorial urges 2010.
- Net metering up to 10kW is already allowed by PRC rules. This memorial does not suggest a higher limit for net metering. SB 686 mandates net metering be increased, but does not limit the fuel source of the generation to renewable energy.