

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 18, 2007**

**TO:** Honorable Phil King, Chair, House Committee on Regulated Industries

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2226** by Coleman (Relating to the creation of a Tex Sun solar energy system rebate program.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2226, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue (Loss) from System Benefit Account 5100</b>	<b>Probable Revenue Gain from System Benefit Trust Fund (Outside Treasury)</b>
2008	(\$148,544,000)	\$146,897,000
2009	(\$155,605,000)	\$150,336,000
2010	(\$159,365,000)	\$153,855,000
2011	(\$162,967,000)	\$157,457,000
2012	(\$166,654,000)	\$161,144,000

**Fiscal Analysis**

The bill would amend the Utilities Code relating to the creation of a TexSUN solar energy system rebate program (program) by redesignating the System Benefit Fund (SBF) as a trust fund with the Comptroller of Public Accounts (CPA) in the state treasury and requiring the Public Utility Commission (PUC) to administer the SBF as trustee. The bill adds a nonbypassable fee in an amount not to exceed 65 cents per megawatt hour, to be deposited into the SBF, to fund certain solar energy programs (TexSUN).

The bill would require the PUC administer the program, act as trustee of the funds collected for the program, and establish certain rules for collecting and distributing program funds. PUC, by rule, would be required to adopt rules relating to the standard program rebate, including how the rebate is calculated.

Based on the analysis of the PUC, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect September 1, 2007.

### **Methodology**

Based on the analysis of the Comptroller of Public Accounts, the bill would result in a revenue loss to the System Benefit Account 5100 of \$148,511,000 in fiscal year 2008; \$155,605,000 in fiscal year 2009; \$159,365,000 in fiscal year 2010; \$162,967,000 in fiscal year 2011; and \$166,654,000 in fiscal year 2012. The bill would result in a gain to the System Benefit Trust Fund outside the state treasury of \$146,897,000 in fiscal year 2008; \$150,336,000 in fiscal year 2009; \$153,855,000 in fiscal year 2010; \$157,457,000 in fiscal year 2011; and \$161,144,000 in fiscal year 2012. The bill would create the System Benefit Trust Fund (fund) as a trust fund outside of the State Treasury and divert the revenue from the System Benefit Account 5100 to the fund. The estimated fiscal impact is based on the Comptroller of Public Accounts Biennial Revenue Estimate for 2008-09 and the original nonbypassable fee at the maximum rate under current practices. Interest income was adjusted downward in GR Account 5100 because of the loss of revenue. Interest income for the new trust fund could not be estimated because future spending and balances cannot be predicted. This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review.

Based on information from the CPA, the revenue impact to the state of the TexSUN program cannot be determined because the bill would authorize the PUC to set the TexSUN nonbypassable fee, up to a maximum of 65 cents, and because the timing of the fee is unknown.

Based on the analysis of the PUC, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas

**LBB Staff:** JOB, JRO, MW, TGI