

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 21, 2007

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

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

IN RE: HB2794 by Puente (Relating to the requirements for granting a certificate of convenience and necessity that includes the construction of an electric generating facility that uses wind power.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2794, As Introduced: a negative impact of (\$928,070) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$483,535)
2009	(\$444,535)
2010	(\$444,535)
2011	(\$444,535)
2012	(\$444,535)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$483,535)	6.0
2009	(\$444,535)	6.0
2010	(\$444,535)	6.0
2011	(\$444,535)	6.0
2012	(\$444,535)	6.0

Fiscal Analysis

The bill would amend the Utilities Code relating to the requirements for granting a certificate of convenience and necessity (CNN) that includes the construction of an electric generating facility (EGF) that uses wind power. The bill would prohibit the Public Utility Commission (PUC) from issuing a CNN that allows construction of a wind-powered EGF unless the Texas Commission on Environmental Quality (TCEQ) certifies that the EGF does not present certain risks to the state or interfere with the rights of certain property owners. This bill would require TCEQ to adopt rules, in consultation with the Parks and Wildlife Department, pertaining to the provisions of the bill and specifies requirements for TCEQ in establishing the certification program.

This bill would take effect September 1, 2007.

Methodology

Based on information provided by the Texas Commission on Environmental Quality (TCEQ), this analysis assumes that under the provisions of the bill, 8 wind-powered electric generating facilities (EGF) will apply for certification in FY08.

It is estimated that TCEQ would have costs associated with certifying these EGFs. Based on the analysis of TCEQ, it is assumed that registering providers and regulating this industry would necessitate additional resources at a cost of \$928,070 through FY09.

This analysis estimates costs for staff of \$334,087 for 6.0 FTEs in fiscal year 2008 through fiscal year 2012. Other operating expenses, training, and travel are estimated at \$15,934 in fiscal year 2008 through fiscal year 2012. This analysis estimates capital costs, including computers and furniture, of \$39,000 in fiscal year 2008. Estimated costs also include \$94,514 through fiscal year 2012 for associated benefits.

Technology

It is assumed that there would be a one-time technology impact of \$9,000 to TCEQ for the acquisition of computer equipment for the additional FTEs necessary to implement the provisions of this bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

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