

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 10, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1111 by Schwertner (Relating to transmission and distribution system resiliency planning by and cost recovery for electric utilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1111, As Introduced : a negative impact of (\$1,048,274) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$524,137)
2025	(\$524,137)
2026	(\$524,137)
2027	(\$524,137)
2028	(\$524,137)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$524,137)	5.0
2025	(\$524,137)	5.0
2026	(\$524,137)	5.0
2027	(\$524,137)	5.0
2028	(\$524,137)	5.0

Fiscal Analysis

The bill would amend the Utilities Code to enable an electric utility provider to present a resiliency plan to the Public Utility Commission (PUC) that would include an estimated cost and implementation explanation over a three-year period. The bill requires the PUC to approve, approve with modification, or deny the plan after its review. The bill would allow the electric utility provider to file an application to recover some or all of the costs for implementing the plan that can include capital investments and annual depreciation estimates through a rate adjustment. The bill would take effect immediately upon a vote of two-thirds of all members within both chambers; otherwise, the bill will take effect on September 1, 2023.

Methodology

Based on the analysis of the PUC, this estimate assumes that the agency would require an additional 5.0 full time equivalent positions to implement the provisions of the bill. This includes an additional two Engineer III positions (\$75,000 with \$22,748 in benefits each) to review the resiliency plans submitted by electric utility providers and to support rulemaking, a Financial Examiner IV (\$70,000 with \$21,231 in benefits) and Financial Examiner V (\$80,000 with \$24,264 in benefits) to manage cost recovery efforts and rate implications, and one Attorney III (\$90,000 with \$27,297 in benefits) to support agency rulemaking and an anticipated increase in proceedings. In addition, the agency would require \$10,000 each fiscal year for operational expenses and \$5,850 each fiscal year for payroll contribution costs.

Technology

This estimate assumes \$10,000 each fiscal year in information technology costs.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

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