

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 10, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3069 by Darby (relating to the approval of a certificate of convenience and necessity for certain transmission projects.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3069, Committee Report 1st House, Substituted: a negative impact of (\$747,401) through the biennium ending August 31, 2027.

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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$153,508)
2027	(\$593,893)
2028	(\$593,893)
2029	(\$593,893)
2030	(\$593,893)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$153,508)	1.0
2027	(\$593,893)	5.0
2028	(\$593,893)	5.0
2029	(\$593,893)	5.0
2030	(\$593,893)	5.0

Fiscal Analysis

The bill would amend the Utilities Code by adding additional criteria to the Congestion Cost Savings Test (CCST). The CCST must analyze the estimated cost of a transmission project for consumers and the estimated congestion cost savings for consumers. The criteria set by rule must provide for an evaluation of potential savings for customers using methods such as discount rates, hurdle rates, averaging costs over a reasonable number of years, or scenario planning or any other method the Public Utility Commission of Texas (PUC) considers appropriate.

Methodology

Based on the analysis of the Public Utility Commission of Texas (PUC), the bill's provisions would lower the qualification threshold for economic-based transmission projects. The agency anticipates, and this estimate assumes, that this would result in an increase in the number of certificates of convenience and necessity (CCN) qualifying as economic projects that would need to be processed by the agency.

This estimate assumes the agency would require 5.0 additional full time equivalents (FTE) positions to implement the provisions of the bill, 1.0 FTE in fiscal year 2026 and an additional 4.0 FTEs in fiscal years 2027-2030. Three Attorneys III (\$115,500 per year with estimated benefits of \$32,825) positions would be needed, with one attorney position being needed only in fiscal year 2026 for rulemaking pertaining to the CCST and the following two attorney positions in fiscal year 2027 for processing economic-based transmission (CCN). A Financial Examiners IV-V position (\$100,000 per year with estimated benefits of \$28,420) would be needed for the increased volume of CCNs submitted to PUC. Lastly, an Engineer III-V position (\$115,500 per year with estimated benefits of \$32,825) would be needed for expertise and knowledge of transmission projects. Other associated costs include \$2,483 in fiscal year 2026 and \$9,698 in fiscal years 2027-2030 for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$2,700 in fiscal year 2026 and \$10,800 in fiscal years 2027-2030.

Local Government Impact

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

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, GDZ, JBel