

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 214** SLS 15RS 408
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 29, 2015 7:04 AM	Author: JOHNS
Dept./Agy.: Public Service Commission	Analyst: Drew Danna
Subject: Creates the Solar User Rights and Disclosures Act	

COMMERCIAL REGULATIONS OR INCREASE SG RV See Note Page 1 of 1
 Creates the Solar User Rights and Disclosures Act. (8/1/15)

Proposed law creates the Solar User Rights and Disclosures Act. Proposed law authorizes the commission to promulgate rules and regulations to govern the registration of solar companies, conduct investigations, impose fees and penalties, and take actions necessary to assure proper implementation of the proposed law.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation may increase expenditures as it will require the commission to establish, investigate, and implement rules and regulations for solar energy companies in the state. Potential expenses for the Public Service Commission (PSC) may include per diem/fuel for investigations, postage, and supplies. Most PSC district offices are responsible for investigations and these expenses are expected to be minimal due to the small number of solar companies within the state. Should an investigation reveal that a company is out of compliance, the PSC will take the case to an administrative law judge within the PSC who will render a decision and issue an order.

The proposed legislation does not provide PSC with regulatory power, therefore any disputes regarding the order would be resolved in district court. Should the company challenge an order in district court, expenses may range from \$600 to \$2,000 due to legal fees and court costs. Over the last 10 years PSC has issued, on average, 400 orders annually for utility companies similar to the solar industry. Of the 400 orders, an average of 2 per year are challenged in district court. Therefore, it is unlikely that expenditures will increase significantly.

The Public Service Commission estimates there are over 50 solar companies active in Louisiana, but cannot provide a more accurate number until the commission initiates a rulemaking to obtain the information and register all solar companies within the state.

REVENUE EXPLANATION

The proposed legislation will result in an increase in self-generated revenue. The exact increase is indeterminable at this time since it is unknown how many solar companies exist and what the registration fees associated with the proposed legislation would be. In addition, any penalties assessed against the solar companies would also be classified as self-generated revenue.

- | | | | |
|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director