

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE PROTECTION OF ELECTRIC UTILITY RATEPAYERS FROM THE INCREASED COSTS ASSOCIATED WITH IMPLEMENTATION OF REQUIREMENTS TO REGULATE CARBON DIOXIDE EMISSIONS FROM EXISTING FOSSIL-FUEL-FIRED ELECTRIC GENERATING UNITS.

Prime Sponsors: Sens. Cooke and Sonnenberg

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/29/16.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$164,310 cash funds to the Department of Regulatory Agencies for FY 2016-17. This provision also states that the appropriation is based on the assumption that the Department will require an additional 2.0 FTE. The provision includes language making the appropriation contingent upon the final judgement by the U.S. Supreme Court in the case of *Chamber of Commerce v. EPA*. The provision also includes an effective date and applicability clause that makes the bill effective upon passage.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast. The budget package allocates a total of \$3.2 million General Fund for 2016 legislation that is not accounted for in the budget package, including \$3.0 million to be available for appropriations plus \$0.2 million for the associated 6.5 percent statutory reserve. This bill reduces General Fund revenues by \$5.5 million in FY 2016-17, and would thus: (a) require the full amount allocated for 2016 legislation; and (b) require other General Fund appropriations for existing programs to be reduced by \$2.3 million in order to maintain a 6.5 percent statutory General Fund reserve.

Timing Issues

The appropriation for this bill is contingent upon the United States Supreme Court's decision in *Chamber of Commerce v. EPA*, which impacts the federal Environmental Protection Agency's (EPA) Clean Power Plan. The Department will require an appropriation in the fiscal year after the one in which the Court has made its decision. The Court issued a stay on February 9, 2016, that halts the implementation of the EPA's Final Rule "Carbon Pollution Guidelines for Existing Stationary Sources: Electric Utility Generation Units" (80 Federal Register 64661). This rule establishes emissions guidelines for states to follow in developing plans to reduce greenhouse gas emissions from existing fossil fuel-fired generating units. The stay would have to be lifted by June 30, 2016, for the Department to require a FY 2016-17 appropriation.