

Fiscal Estimate Narratives

DOA 10/9/01

LRB Number	01-3633/2	Introduction Number	AB-545	Estimate Type	Original
Subject					
Eliminating public benefits energy conservation programs					

Assumptions Used in Arriving at Fiscal Estimate

LRB-3633/2 makes several changes to the collection of public benefits fees for the statewide WFOE program. It becomes effective in FY03.

Current law states that the low-income portion of collected public benefit fees is determined by the need for low-income programs. This bill modifies the fee charged by nonmunicipal utilities for the low-income portion of WFOE. Under this bill, the low-income portion can only generate in each fiscal year the amount that is required under current law in FY00. The FY00 amount, \$20.4 million, is a decrease of \$3.4 million from the planned FY03 amount.

LRB-3633 also reduces the amount of public benefits fees that municipal electric utilities and cooperative associations can charge. Under this bill, the amount charged must be sufficient to generate an annual average of \$8 per meter (currently \$16 per meter) and it eliminates the option of municipal utilities and coops of establishing their own energy programs. Municipal utilities and coops can still collect fees for low-income programs, but they can not collect fees for other energy programs and, therefore, can not provide their own energy programs or buy into the statewide program. This is a decrease \$3.6 million in revenue used for local energy programs.

In addition, this bill eliminates the portion of the public benefits fee charged by nonmunicipal utilities for funding other energy programs. As a result of this change and the elimination of fees mentioned above, the only funding source for energy conservation and efficiency programs is the annual contributions by gas and electric utilities. This decreases Wisconsin's annual revenue for these programs by \$16.5 million.

Long-Range Fiscal Implications

The current FY03 revenue amount for the statewide WFOE program is \$90.3 million and this bill would reduce it to \$70.4 million. That is a \$19.9 million reduction in state revenue for use in administering the statewide public benefits programs. It would also decrease local revenue by \$3.6 million used to provide local energy programs. All of DOA's existing Public Benefits grants and contracts would need to be amended or cancelled in order to meet the requirements of this bill. Since these grants and contracts actually administer the statewide Wisconsin Focus on Energy program (DOA oversees the program), any decrease in revenue leads to a decrease in the number of programs, a decrease in the number of people served and a decrease in the amount of services each person receives. The number of staff required to administer and oversee the statewide WFOE program would not be impacted.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Eliminating public benefits energy conservation programs			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-19,840,388
TOTAL State Revenues		\$	\$-19,840,388
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-19,840,388	\$-\$3,631,184
Agency/Prepared By		Authorized Signature	Date
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