

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4069/1	Introduction Number AB-841
Description Administration and funding of programs for utility public benefits; renewable energy requirements for utilities and retail electric cooperatives; energy efficiency requirements for state construction; revising and reviewing the state energy conservation code; state use of renewable energy resources; anaerobic digester research; and granting rule-making authority	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOA/ Nancy Foss (608) 266-5877	Martha Kerner (608) 266-1359
Date	
12/19/2005	

Fiscal Estimate Narratives

DOA 12/20/2005

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Assumptions Used in Arriving at Fiscal Estimate

The proposed bill would require DOA to establish goals for state agency use of electric energy derived from renewable resources, to monitor and annually report on the degree of attainment of the goals, and to set energy efficiency standards for equipment that is installed as a component of a construction project that consumes energy. The proposed bill also modifies the administration of the public benefits program as it affects the energy efficiency and renewable resource programs.

The bill identifies seven departments and the University of Wisconsin System as those agencies that will have a goal of generating or purchasing 10% of their total annual electric energy from energy derived from renewable resources by December 31, 2006 and 20% of their total annual electric energy by December 31, 2011. The bill requires the department to calculate total annual electric energy on the basis of an average of the total annual electric energy during the three years prior to the specified dates. The department is able to collect and analyze the required data within existing resources.

The proposed bill would require DOA to ensure that energy efficiency standards for equipment are met for all equipment installed as part of state construction projects. The standards are referenced to non-state standard setting bodies like the U.S. Environmental Protection Agency, the American Society of Heating, Refrigerating and Air-Conditioning Engineers, and the Illuminating Engineering Society of North America. These groups are continuously revising and updating their standards. Thus, continuous updating and revising of state project specifications would need to occur since the bill requires at all times that state specifications meet or exceed such standards. The workload can be absorbed by DOA.

The Division of State Facilities estimates that there may be \$33 million worth of equipment annually in the Building Program of which 80% or \$26.4 million probably would be affected by the energy standards directed to be developed under the bill. The Division also estimates that the cost increase for initial purchase would be a factor of 6% or \$1,584,000. These higher acquisition costs would be paid by the project budgets up front and would reduce other project expenditures since no increase in bonding or other costs for projects is provided. The savings in operations would occur in non-project budgets over a period of years.

The modifications to the administration of the public benefits program is not anticipated to have a fiscal effect on DOA since the department would still be administratively responsible for the program.

Long-Range Fiscal Implications

Higher initial project costs or reduced scope for projects in Building Program. Operating savings on energy cost would occur over multiple years.