Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 374(ENE)
Fiscal Note Number:	1
(H) Publish Date:	3/9/2018

Identifier: HB374-DCCED-RCA-02-23-18
Title: ON-BILL FINANCING OF ENERGY IMPROVEMENTS
Sponsor: WOOL
Requester: (H) Energy

Department: Department of Commerce, Community and Economic Development
Appropriation: Regulatory Commission of Alaska
Allocation: Regulatory Commission of Alaska
OMB Component Number: 2417

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2019**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Regulatory Commission of Alaska	Date:	02/23/2018
Approved By:	Catherine Reardon, Director	Date:	02/23/18
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB 374 would add new sections to statute (AS 42.05.750 - 42.05.756) to allow an electric or gas distribution utility to enter into a financing arrangement with a customer or landlord to finance the purchase and installation of a renewable energy system, energy efficiency device, or energy conservation system in an eligible residence or building.

The utility is allowed to recover the purchase, installation, and financing costs through a meter conservation charge on the customer's utility bill, with the utility also allowed to assess interest. This legislation establishes a meter conservation charge as a line item charge on the customer's bill, with the utility allowed to disconnect electric or gas service for nonpayment of the meter conservation charge.

HB 374 also addresses notice requirements for and the transferability of the financing arrangement, adds provisions specific to rental properties, and provides the utility with the ability to contract with a third party to administer the financing program.

The Regulatory Commission of Alaska (RCA) would be required to review and approve tariff revisions filed by regulated electric and gas companies seeking to establish program rules and cost assessment methodologies. The RCA would also be required to review proposed interest rates and disconnection provisions to ensure compliance with statute, with the possibility of a rulemaking proceeding to address general program guidelines. Once implemented, the RCA could be required to address consumer complaints regarding the assessment amount or disconnection process.

The RCA expects to implement the provisions of this legislation with existing resources.