

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	SB808
Version:	CS
Request Number:	
Author:	Rep. Sears
Date:	4/6/2015
Impact:	Corp Com: \$150,000, 2 FTE minimum

Research Analysis

SB 808 requires the owner of a wind energy facility to submit to the Corporation Commission evidence of financial security, in an amount sufficient to cover costs of decommissioning. For any facility reaching its commercial generation date before December 31, 2016, this evidence is required to be submitted after it has been in operation for 15 years. After that date, it must be submitted by the fifth year of operation. The financial security must be accompanied by an estimate of the total cost of decommissioning, prepared by a licensed engineer, and must be 125% of that estimate.

The measure also includes setback requirements for new wind energy facilities. The base of any tower must be no closer than one and one-half miles from a public-use, private-use, or municipal airport, a public school, or a hospital.

Finally, the bill includes notice requirements for new wind energy facility construction. Notification of intent to build must be submitted to the Corporation Commission, published in a general circulation newspaper in the county or counties, and a public meeting. No construction could begin until all of these notification requirements are met.

Prepared By: Sean Webster

Fiscal Analysis

After review and consultation with the Corporation Commission of the Committee Substitute for SB 808, the Corporation Commission has altered their initial impact from ½ FTE and a \$50-60,000 impact, to: 2 FTE at a minimum at a cost of \$150,000. According to the Corporation Commission, this “represents the minimum for 2-FTE with benefits and could increase based on the job market at the time and ability to attract the highly skilled professionals needed to conduct the specific job functions”. A breakdown of the methodology used by the Corporation Commission is below:

March 30, 2015

RE: Updated Senate Bill 808 Fiscal Impact

The new reporting requirements will require additional staff beginning in the first year reports will be filed. The Commission will also have to update rules, procedures, and create desk routines and standards for the new process. A minimum of one (1) full-time employee (FTE) is estimated to process all reporting related requirements.

The requirement to change surety bond type will require additional specialized personnel within the agency. ½ FTE is estimated to be required to evaluate submissions and ensure maintained compliance. Initial cases involving filed surety will require analysts, attorneys, and other administrative time. This need will vary based on the number of anticipated annual filings. The minimal impact would be ½ FTE if cases are streamlined and uncontested.

Page 3, new sub-section 2, will require an analyst with salvage value experience to evaluate the filings. While these people are currently on staff, they are currently fully allocated to current and ongoing causes. Approximately ¼ to ½ FTE are estimated to process this portion of the filings. This requirement would grow, given additional facilities and the requirement to re-file every 5 years. We recommended removing language requiring filing every 5 years.

Page 4 Section 2 New Law - The new setback requirements will require no FTEs as disputes arising under this section will be with the District courts.

Page 5 Section 3 New Law - Processing the notice requirements will require employees to intake, review, file, and archive. I would estimate ¼ to ½ FTE to process this new requirement.

Section C - Archiving notices will result in minimal impact on the Commission.

Prepared By: Kristina King

Other Considerations

None.