



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0055: Revising public utility resource planning laws

Primary Sponsor: Gary Parry

Status: As Introduced

- ☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact
- ☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$260,459	\$14,541	\$0	\$0
State Special Revenue (02)	\$4,841	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$260,459)</u>	<u>(\$14,541)</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 55 provides an appropriation to the Department of Environmental Quality (DEQ) of \$75,000 for the biennium to meet the requirements of this act. Upon spending down the \$75,000 appropriation, DEQ will charge public utilities for the ongoing costs of executing department duties pursuant to 69-3-1207, MCA and 69-3-1205, MCA. Those ongoing costs may be recovered by public utilities from rate payers. Public Service Commission Office (PSC) will have new duties and reporting to DEQ. PSC will receive a transfer from the general fund of \$200,000 for the biennium.

FISCAL ANALYSIS

Assumptions

Department of Environmental Quality

1. DEQ must adopt rules on or before July 1, 2026, to administer the selection of independent evaluators pursuant to 69-3-1207(4)(c), MCA.
2. Soliciting and evaluating a list of independent evaluators will occur once every three years beginning in FY 2026. Following solicitation of the original list of independent evaluators, DEQ will conduct annual review and maintenance of the list of independent evaluators to ensure the list is current.
3. Selecting an independent evaluator and prescribing a scope of work for the independent evaluator will occur every two years.
4. The independent evaluator selected by DEQ will contract directly with a utility. Therefore, DEQ will not pay the independent evaluator for its services. The costs of the independent evaluator services are not included in DEQ's calculation of fiscal impacts.

5. Pursuant to New Section 6 (3), the independent evaluator will be given intervenor status by the Public Service Commission for the purpose of representing itself in Commission discovery and hearings. Therefore, DEQ will not provide the independent evaluator with legal representation. Legal costs for the independent evaluator's legal costs are not included in DEQ's calculation of fiscal impacts.
6. DEQ will review and comment on public utilities integrated least cost plans every two years. The personal services costs for those duties are currently paid with grant funding from the U.S. Department of Energy, but upon the effective date of HB 55 will be paid with revenue to the special revenue account established in New Section 1.
7. This is appropriated to DEQ \$75,000 from the general fund to meet the requirements of HB 55.

Public Service Commission

8. The Public Service Commission (PSC) must review a plan within 120 day of the receipt of the plan.
9. PSC will notify the DEQ when the commission receives a proposal to solicit electricity supply resources and share information collected.
10. There is appropriated to the PSC to meet the requirement of HB 55

Fiscal Analysis Table**Department of Environmental Quality**

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	0.25	0.25	0.00	0.00
TOTAL Fiscal Impact	0.25	0.25	0.00	0.00
<u>Expenditures</u>				
Operating Expenses	\$65,300	\$14,541	\$0	\$0
TOTAL Expenditures	\$65,300	\$14,541	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$60,459	\$14,541	\$0	\$0
State Special Revenue (02)	\$4,841	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$65,300	\$14,541	\$0	\$0
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$60,459)	(\$14,541)	\$0	\$0
State Special Revenue (02)	(\$4,841)	\$0	\$0	\$0

Public Service Regulation

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$200,000	\$0	\$0	\$0
TOTAL Expenditures	\$200,000	\$0	\$0	\$0
<u>Funding of Expenditures</u>				
General Fund (01)	\$200,000	\$0	\$0	\$0
TOTAL Funding of Expenditures	\$200,000	\$0	\$0	\$0

Revenues**Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

General Fund (01)	<u>(\$200,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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STATEWIDE SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	<u>0.25</u>	<u>0.25</u>	<u>0.00</u>	<u>0.00</u>
TOTAL Fiscal Impact	<u>0.25</u>	<u>0.25</u>	<u>0.00</u>	<u>0.00</u>
<u>Expenditures</u>				
Operating Expenses	<u>\$265,300</u>	<u>\$14,541</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Expenditures	<u>\$265,300</u>	<u>\$14,541</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures</u>				
General Fund (01)	<u>\$260,459</u>	<u>\$14,541</u>	<u>\$0</u>	<u>\$0</u>
State Special Revenue (02)	<u>\$4,841</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Expenditures	<u>\$265,300</u>	<u>\$14,541</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues</u>				
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	<u>(\$260,459)</u>	<u>(\$14,541)</u>	<u>\$0</u>	<u>\$0</u>
State Special Revenue (02)	<u>(\$4,841)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

GAP
Sponsor's Initials

1/7/25
Date

RO
Budget Director's Initials

1/7/2025
Date