

## AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Connecticut Siting Council

Date: March 20, 2014

Subject Matter of Regulation: Regulations concerning the siting of wind turbines pursuant to Public Act 11-245, codified at C.G.S. §16-50kk, which requires a decommissioning plan with financial assurance for wind turbine projects.

Regulation Section No.: 16-50j-94(i)

Statutory Authority: Public Act 11-245  
C.G.S. §16-50kk

Other Agencies Affected: Office of Policy and Management

Effective Date Used in Cost Estimate: March 20, 2014

Estimate Prepared By: Melanie Bachman

Telephone: 860-827-2951

### SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: Connecticut Siting Council

Fund Affected: Special Revenue

	First Year	Second Year	Third Year
	2014	2015	2016
Number of positions	1	1	1
Personal Services			
Other Expenses			
Equipment			
Grants			
<b>Total State Cost</b>	\$107,253	\$107,253	\$107,253
<b>Estimated Revenue Gain (Loss)</b>	\$107,253	\$107,253	\$107,253
<b>Total Net State Cost</b>	\$107,253	\$107,253	\$107,253

Agency: Connecticut Siting Council

Fund Affected: Special Revenue

	First Year	Second Year	Third Year
	2014	2015	2016
Number of positions			
Personal Services	\$27,916	\$27,916	\$27,916
Other Expenses			
Equipment			
Grants			
<b>Total State Cost</b>	\$27,916	\$27,916	\$27,916
<b>Estimated Revenue Gain (Loss)</b>	\$27,916	\$27,916	\$27,916
<b>Total Net State Cost</b>	\$0	\$0	\$0

### **Explanation of State Impact of Regulation:**

If a decommissioning plan with a financial assurance component is required for an application or petition for a declaratory ruling for a wind turbine project, this will require additional staff, services rendered by another state agency or consultant services for review of the decommissioning plan and financial assurance. If the Council engages the services of another state agency with expertise in this area, there will be a per project cost for review. The Office of Policy and Management retains this type of expertise. If the Council hires a staff economist, the approximate annual total salary cost would be \$107,253.00.<sup>1</sup> If the Council hires a consultant, based on past experience with consultant services rendered on wind projects, the average cost to review one project would be \$27,915.64.<sup>2</sup> However, costs associated with consultant fees on specific projects are invoiced directly to the project proponent and therefore, are recoverable in full by the Council.

### **Explanation of Municipal Impact of Regulation:**

There will be no fiscal impact on municipalities as a result of this regulation.

### **Explanation of Small Business Impact of Regulation:**

The regulatory action will have an affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small businesses. The action could impact approximately 5 energy companies that have gross annual sales of less than five million dollars.<sup>3</sup> Public Act 11-245 requires the Council to adopt regulations concerning the siting of wind turbines, which includes, under Subdivision 1 of the Act, a requirement for a public hearing for wind turbine projects. Projected costs to small businesses for the Council review process for a wind project would be approximately \$59,000.<sup>4</sup> These projected costs do not include fees for expert witnesses, legal representation and consultants engaged by the energy companies.

**Is a regulatory flexibility analysis required pursuant to C.G.S. §4-168a? Yes.**

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<sup>1</sup> Department of Administrative Services, Class Specification: Economist, available at <http://das.ct.gov/HR/JobspecNew/JobDetail.asp?FCC=6313> (base salary plus fringe).

<sup>2</sup> Personal Services Agreement, Epsilon Associates, September 2010-September 2012, Invoice amounts for review of Petition 980 only.

<sup>3</sup> These calculations are based on the Annual Retail Gross Revenue amounts reported for energy companies engaged in energy sales in the state in the Council's Fiscal Year 2012 Assessments by Industry pursuant to C.G.S. §16-50v.

<sup>4</sup> These calculations are based on the average invoice totals for Council review of Petition Nos. 980, 983 and 984 filed by BNE Energy, Inc. in late 2010 pursuant to C.G.S. §16-50v. These totals do not include invoices for the Development and Management Plan process under Section 16-50j-97 of the Regulations of Connecticut State Agencies. A separate fiscal estimate has been prepared for that section.

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION**

Agency Submitting Regulation: Connecticut Siting Council      Date: December 20, 2011

Subject Matter of Regulation: Regulation requiring preparation and Council review of a Development & Management Plan (D&M) plan for the siting of a wind turbine project pursuant to Public Act 11-245.

Regulation Section No.: 16-50j-97      Statutory Authority: Public Act 11-245

Other Agencies Affected: None

Effective Date Used in Cost Estimate: December 20, 2011

Estimate Prepared By: Melanie Bachman      Telephone: 860-827-2951

**SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION**

Agency: Connecticut Siting Council      Fund Affected: None

	First Year 2012	Second Year 2013	Third Year 2014
Number of positions			
Personal Services			
Other Expenses			
Equipment			
Grants			
Total State Cost	\$1,480	\$1,480	\$1,480
Estimated Revenue Gain (Loss)	\$1,480	\$1,480	\$1,480
Total Net State Cost	\$0	\$0	\$0

**Explanation of State Impact of Regulation:**

This will increase staff hours for review of the D&M plan. This provision will not require additional staff. In late 2010, the Council received 3 petitions for wind projects. One petition was denied. The Council received a D&M Plan for Petition 983 on September 16, 2011. The D&M process has not yet been completed. The Council has not yet received a D&M Plan for Petition 984. Staff estimates that approximately 20 hours will be expended in reviewing the D&M plan submitted for Petition 983. For the two projects that were approved, an approximate total of 40 staff hours will be expended reviewing the D&M Plans. At an average of \$37 per hour, the estimated cost for staff review of the two D&M Plans would be approximately \$1,480 per year. However, costs associated with staff hours on specific projects are invoiced directly to the project proponent and therefore, are recoverable in full by the Council.

**Explanation of Municipal Impact of Regulation:**

There will be no fiscal impact on municipalities as a result of this regulation.

**Explanation of Small Business Impact of Regulation:**

The regulatory action will have an affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small businesses. The action could impact approximately 5 energy companies that have gross annual sales of less than five million dollars.<sup>1</sup> Public Act 11-245 requires the Council to adopt regulations concerning the siting of wind turbines. Projected costs to small businesses for Council review and approval of D&M plans would be approximately \$740 per project.<sup>2</sup> The projected cost does not include fees for professional services, legal representation and consultants engaged by the energy companies for preparation of the D&M plan.

**Is a regulatory flexibility analysis required pursuant to C.G.S. §4-168a? Yes.**

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<sup>1</sup> These calculations are based on the Annual Retail Gross Revenue amounts reported for energy companies engaged in energy sales in the state in the Council's Fiscal Year 2012 Assessments by Industry pursuant to C.G.S. §16-50v.

<sup>2</sup> This calculation is based on a staff analyst estimate of the amount of time for review of the D&M plan, review of responses to requests for additional information related to the D&M plan and generation of a staff report for Council consideration and approval.

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION**

**Agency Submitting Regulation:** Connecticut Siting Council      **Date:** December 20, 2011

**Subject Matter of Regulation:** Regulations concerning the siting of wind turbines pursuant to Public Act 11-245, which requires a public hearing for wind turbine projects.

**Regulation Section No.:** 16-50j-93      **Statutory Authority:** Public Act 11-245

**Other Agencies Affected:** None

**Effective Date Used in Cost Estimate:** December 20, 2011

**Estimate Prepared By:** Melanie Bachman      **Telephone:** 860-827-2951

**SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION**

**Agency:** Connecticut Siting Council

**Fund Affected:** None

	<b>First Year</b>	<b>Second Year</b>	<b>Third Year</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Number of positions</b>			
<b>Personal Services</b>			
<b>Other Expenses</b>			
<b>Equipment</b>			
<b>Grants</b>			
<b>Total State Cost</b>	\$59,157	\$59,157	\$59,157
<b>Estimated Revenue Gain (Loss)</b>	\$59,157	\$59,157	\$59,157
<b>Total Net State Cost</b>	\$0	\$0	\$0

**Explanation of State Impact of Regulation:**

If a public hearing is required for a petition for a declaratory ruling, this will increase staff hours, meal and travel reimbursements, increase expenditures related to per diem payments (\$200 per event or day), meal and travel reimbursements for the Council members, incur costs for publication of notice, consultant fees, transcription and audio services. However, costs associated with staff hours, Council expenditures and services are invoiced directly to the project proponent and therefore, are recoverable in full by the Council. The Council received three petitions for declaratory rulings for wind projects in late 2010. Total invoice amounts for Petition 980 were \$92, 873.80, total invoice amounts for Petition 983 were \$43,495.91 and total invoice amounts

for Petition 984 were \$41,101.25.<sup>1</sup> The average total invoice amount among the three petitions is \$59,156.98.

**Explanation of Municipal Impact of Regulation:**

There will be no fiscal impact on municipalities as a result of this regulation.

**Explanation of Small Business Impact of Regulation:**

The regulatory action will have an affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small businesses. The action could impact approximately 5 energy companies that have gross annual sales of less than five million dollars.<sup>2</sup> Public Act 11-245 requires the Council to adopt regulations concerning the siting of wind turbines, which includes, under Subdivision 1 of the Act, a requirement for a public hearing for wind turbine projects. Projected costs to small businesses for the Council review process for a wind project would be approximately \$59,000.<sup>3</sup> These projected costs do not include fees for expert-witnesses, legal representation and consultants engaged by the energy companies.

**Is a regulatory flexibility analysis required pursuant to C.G.S. §4-168a? Yes.**

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<sup>1</sup> These calculations are based on the average invoice totals for Council review of Petition Nos. 980, 983 and 984 filed by BNE Energy, Inc. in late 2010 pursuant to C.G.S. §16-50v. These totals do not include invoices for the Development and Management Plan process under Section 16-50j-97 of the Regulations of Connecticut State Agencies. A separate fiscal estimate has been prepared for that section.

<sup>2</sup> These calculations are based on the Annual Retail Gross Revenue amounts reported for energy companies engaged in energy sales in the state in the Council's Fiscal Year 2012 Assessments by Industry pursuant to C.G.S. §16-50v.

<sup>3</sup> These calculations are based on the average invoice totals for Council review of Petition Nos. 980, 983 and 984 filed by BNE Energy, Inc. in late 2010 pursuant to C.G.S. §16-50v. These totals do not include invoices for the Development and Management Plan process under Section 16-50j-97 of the Regulations of Connecticut State Agencies. A separate fiscal estimate has been prepared for that section.