

OFFICE OF FISCAL ANALYSIS

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HB-5002

AN ACT CONCERNING A GREEN ECONOMY AND ENVIRONMENTAL PROTECTION.

As Amended by House "A" (LCO 9844)

House Calendar No.: 238

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

The bill as amended makes various changes to existing renewable energy regulations, requires the Department of Energy and Environmental Protection to study energy topics and analyze potential sites for renewable energy, and establishes a green jobs ladder.

Sections 1-5 make changes to various residential renewable energy programs, including 1) changing the current status of net metering for residential customers that generate renewable energy, 2) extending procurement of renewable energy credits by electric distribution companies from eight to 10 years, 3) delaying the start of a new tariff-based system for energy procurements and 4) expanding the Connecticut Green Bank's solar investment program. These sections have no fiscal impact.

Section 6 requires the Department of Energy and Environmental Protection (DEEP) and the Public Utilities Regulatory Authority (PURA) to jointly study the value of distributed energy resources. It is expected that both entities can fulfill this requirement within existing staffing and resources.

Section 8 of the bill requires the Department of Transportation to screen their properties that may be suitable for Class I renewable energy sources, and requires DEEP to perform a feasibility analysis for each property for the purpose of siting sources. It is anticipated that DEEP can conduct analysis of potential sites within available staffing and resources.

Section 11 requires DEEP, in consultation with the Department of Administrative Services, to develop new sustainability standards. It is expected they can develop these standards within existing staffing and resources.

Sections 20-21 require the Office of Workforce Competitiveness (OWC) to establish and make available for publishing a green jobs career ladder, and results in a General Fund cost of \$179,243 in FY 20 and \$123,411 in FY 21.

In order to identify careers in the green technology industry and available jobs that actually produce green goods and services in Connecticut, the OWC would need to conduct a survey of such jobs. This results in a cost of \$24,811 in FY 20 and \$22,555 FY 21 for salary and fringe benefits for a part-time employee to manage the project, as well as a one-time cost of \$60,000 in FY 20 only for a consultant (\$50,000) and mailings and equipment (\$10,000).

In addition to identifying the green careers and job openings, the Labor Department's Office of Research would need to gather and analyze current labor market information to establish a description of career progression from entry level to higher levels of pay, skill, responsibility, or authority as required under the bill. This requires one durational full-time Research Analyst I at a cost of \$94,432 in FY 20 and \$100,856 in FY 21 for salary and fringe benefits.ⁱ

Sections 20-21 have an out years cost of less than \$30,000 annually beginning in FY 22 to the OWC to update the green jobs career ladder on an "as needed" basis as required under the bill.

The other sections in the bill as amended are not anticipated to have fiscal impact.

Ratepayer Impact

The bill as amended, including sections of the bill not mentioned above, may increase costs to electric ratepayers, depending on how the various requirements and costs placed on electric distribution companies may be recovered by increasing rates on customers, and how the various changes to energy procurements may impact the electric market. The magnitude of any increased costs to ratepayers is unknown at this time.

“House A” struck the underlying bill and its associated impact, and established most of the aforementioned requirements.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

ⁱ In 2011, the federal Bureau of Labor Statistics conducted surveys to measure green industry and occupational employment nationally. In order to measure green employment by industry and occupations in Connecticut, the OWC would have to undertake similar state-level survey work.

ⁱ The bill requires the establishment of a green jobs career ladder by January 1, 2020, with publication of the results on the Office of Higher Education and DOL websites no later than July 1, 2020. However, it is anticipated that the survey work would take approximately one year to complete, with subsequent analysis continuing into the following year. Thus, costs are anticipated to occur in both FY 20 and FY 21.