

OFFICE OF FISCAL ANALYSIS

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HB-5002

AN ACT CONCERNING A GREEN ECONOMY AND
ENVIRONMENTAL PROTECTION.

AMENDMENT

LCO No.: 9844

File Copy No.: 385

House Calendar No.: 238

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact.

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 8 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

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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.

Section 20-21 require the Office of Workforce Competitiveness (OWC) to establish and make available for publishing a green jobs career ladder, 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.

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 amendment are not anticipated to have fiscal impact.

Ratepayer Impact

The amendment, 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.ⁱ

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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.