

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	7,400		7,400	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	7,400		7,400	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 629 is the Rural Community-Based Energy Development Act.

Section 2 identifies Legislative intent to create new rural economic development opportunities through rural community-based energy development.

Section 3 provides definitions including the definition for C-BED project or community-based energy development project as a new wind energy project that meets certain criteria.

Section 4 requires a C-BED tariff to have a rate schedule that allows for a rate of three cents per kilowatt hour net present value over the twenty-year life of the power purchase agreement. The schedule shall provide that the rate is higher in the first ten years than the last ten years.

Section 5 requires a public power district to consider mechanisms to encourage the aggregation of C-BED projects and require any qualified owner to provide sufficient security to secure performance under the power purchase agreement.

The Power Review Board (PRB) estimates the bill's provisions could result in a greater number of applications for facilities. This would increase the number of hearings the PRB conducts. Since no historic data on the interest in C-BED projects exists, the PRB is unable to accurately identify the potential number of hearings. As a matter of prudence, the PRB has requested funding to address eight additional hearings. There is no basis to disagree with this estimate. If the number of hearings outpaces this estimate, the PRB will likely request deficit funding in the future.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
NEBRASKA POWER REVIEW BOARD: No basis to dispute agency analysis.					