



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2338

PRINTER'S NO. 3302

PRIME SPONSOR: Fiedler

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Energy Development Fund	\$0	See Fiscal Impact

SUMMARY:

Amends Article 28 of The Administrative Code of 1929 to update provisions regarding the Pennsylvania Energy Development Authority.

ANALYSIS:

House Bill 2338, Printer's Number 3302, amends Article XXVIII-C of Act 175 of 1929, known as the Administrative Code, pertaining to the Pennsylvania Energy Development Authority (PEDA). PEDA was originally established by Act 280 of 1982. The bill expands the definitions of "cost" to include energy audits; environmental and geotechnical surveys; permits and other necessary approvals; planning; and financing. It also expands the definitions of "project" to include indigenous energy resources; measures to generate, conserve, manage, deliver or store renewable energy; and measures to strengthen the resiliency of energy infrastructure.

The legislation alters the composition of the PEDA board by reducing the number of gubernatorial appointees from nine to five and updating ex officio members to include the Secretaries of the Department of Environmental Protection, the Department of Conservation and Natural Resources, and the Department of Community and Economic Development. As the board will have fewer members, corresponding changes are made to reduce the number of board members required for a quorum and to adopt or approve any action. It also changes the sunset date for PEDA to December 31, 2035.

Finally, the bill significantly expands the powers of PEDA. It authorizes PEDA to apply for and receive grants and tax credits from the federal government and allows the authority greater flexibility in the financial arrangements and ownership structures it may consider when approving and funding projects. PEDA would be permitted to own and operate projects, either solely or jointly with other entities. It would also be able to provide capital in the form of loans and credit enhancements, among other structures, rather than in the form of grants.

The act shall take effect immediately.

FISCAL IMPACT:

The structural changes to PEDA's board and authorities will have no direct cost or fiscal impact to the Energy Development Fund from which PEDA derives its funding. Moreover, federal funds are available to cover administrative and staff support for some expanded operations related to implementation of the Infrastructure and Jobs Act and the Inflation Reduction Act.

With new ownership structures and financial arrangements available to the authority, PEDA may greatly expand its activities as compared to prior years. Any new projects undertaken pursuant to these changes may have fiscal implications for the Energy Development Fund, but those impacts would be dependent on specific projects that have not yet been authorized and are therefore indeterminate at this time.

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House Appropriations Committee (D)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.