

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 187

PRINTER NO. 126

AMOUNT

See Fiscal Impact

FUND

Alternative Fuels Incentive Fund

DATE INTRODUCED

January 24, 2025

PRIME SPONSOR

Senator Yaw

DESCRIPTION

Senate Bill 187 amends Title 71 (State Government) to create the Independent Energy Office as a nonpartisan, independent agency. The duties of the office shall be:

- Plan recommendations that cover energy technologies in the Commonwealth;
- Analyze policies, regulations, and laws that pertain to energy generation, production, or distribution;
- Provide at least one statewide energy report each legislative session to be presented to the General Assembly; and
- Formulate and review the use of energy and energy efficiency initiatives designed to advance energy resource development opportunities and provide energy services to businesses, communities, and homeowners in the Commonwealth.

The office shall also have the following discretionary duties:

- Provide independent studies on other state energy policies;
- Track energy use, production, and generation; and
- Work with the General Assembly to establish a statewide energy plan.

This legislation establishes the Independent Energy Office Selection and Organization Committee to appoint a director. The committee shall be made up of the following members:

- President pro tempore of the Senate;
- Speaker of the House of Representatives;
- Majority Leader of the Senate;
- Minority Leader of the Senate;
- Majority Leader of the House of Representatives;
- Minority Leader of the House of Representatives;
- Majority and Minority Chairperson of the Senate Environmental Resources and Energy Committee; and

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- Majority and Minority Chairperson of the House of Representatives Environmental Resources and Energy Committee.

The committee shall appoint a director by May 20, 2025. The term of the director shall be six years, and the director may be removed by concurrent resolution passed by the House of Representatives and Senate. The director shall appoint a deputy director and the appropriate personnel necessary to carry out the duties of the office. The office may procure the temporary or intermittent services of outside attorneys, experts, or consultants.

Funding for the new office shall be annually allocated from the Alternative Fuels Incentive Fund.

This act shall take effect in 60 days.

FISCAL IMPACT:

This analysis anticipates that the Independent Energy Office will not be fully staffed with six employees until FY 2025-26 at a cost of approximately \$1.25 million. The costs are as follows:

<u>Description</u>	<u>Costs</u>
Start-Up Costs	
Furniture	\$165,359
Office Equipment	\$15,126
Communications Equipment	\$19,567
Electronics/Computers	\$262,088
Office Fit-Out Costs	\$37,860
Total Projected Start-up:	\$500,000
Recurring Costs	
Payroll & Benefits	\$1,000,000
Operating	\$250,000
Total Recurring:	\$1,250,000

Beginning July 1, 2025, and every year thereafter, \$1.25 million shall be allocated from the Alternative Fuels Incentive Fund to cover the costs of office.