

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2023 REGULAR SESSION**

MEASURE

2023 BR NUMBER 900

HOUSE BILL NUMBER 4

TITLE AN ACT relating to merchant electric generating facilities and making an appropriation therefor.

SPONSOR Representative Josh Branscum

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department for Environmental Protection, Public Service Commission

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Merchant Electric Generating Facility Monitoring and Enforcement Fund

FISCAL ESTIMATES	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable
EXPENDITURES		(Indeterminable)	(Indeterminable)
NET EFFECT		\$0	\$0

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of this measure is to require merchant electric generating facility construction certificate applicants to provide a decommissioning plan and secure a bond to assure decommissioning obligations can be fulfilled. The bill directs the Energy and Environment Cabinet (Cabinet) to monitor and enforce bond requirements, verify compliance once facilities are generating electricity for sale, oversee mitigation measures, and in the case of non-compliance, draw upon decommissioning bonds to dismantle a facility and implement the plan.

FISCAL EXPLANATION: The bill creates the Merchant Electric Generating Facility Monitoring and Enforcement Fund and requires the Cabinet to establish a fee structure to be charged to each facility for which the Cabinet has monitoring and enforcement responsibilities. The Cabinet is also given the authority to hire a consulting independent licensed engineer to review the decommissioning bonds and plans but directs any expenses or fees incurred by the Cabinet to be paid by the facility. Therefore, this bill is revenue neutral and any additional costs for the Cabinet will be covered by fees assessed to the facilities.

DATA SOURCE(S): LRC Staff

PREPARER: Sara Rome **NOTE NUMBER:** 32 **REVIEW:** JAB **DATE:** 2/17/2023