

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-7206

AN ACT CONCERNING PROCEEDINGS OF THE SITING COUNCIL
AND OTHER REQUIREMENTS CONCERNING CERTAIN UTILITY
EXPENDITURES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Consumer Counsel ¹	CC&PUCF - Cost	766,641	516,641

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund

Municipal Impact: None

Explanation

The bill results in an additional cost to the Office of Consumer Counsel (OCC) of \$766,641 in FY 26 and \$516,641 annually thereafter. The bill requires the Siting Council to make the OCC a party in certain Siting Council proceedings that the OCC determines may significantly impact electric rates. The bill also requires that any OCC staff hired as a party for Siting Council proceedings, be funded by the systems benefit charge.

OCC would require three new full-time staff to complete the expanded duties within the bill. The new positions would include: a Utilities Examiner (annual salary of \$97,141), a Staff Attorney (annual salary of \$97,141), and a Policy Research Analyst (annual salary of \$87,635). The corresponding fringe benefits associated with the new

¹The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 83.26% of payroll in FY 26.

positions would total \$234,724 annually. Additionally, OCC would require \$250,000 in other expenses to conduct the transmission analysis and hire consultants to complete requirements contained within the bill. The \$250,000 in other expenses would be a one-time cost.

The bill makes other procedural and administrative changes to the Public Utilities Regulatory Authority (PURA) and the Siting Council that are not anticipated to result in a fiscal impact as they have the staff and expertise necessary to implement the changes.

Rate Payer Impact

The rate payer impact of the bill is indeterminate and would be dependent upon decisions made by electric distribution companies (EDC) outside of the immediate scope of the bill.

Costs associated with OCC participation in Siting Council proceedings and discretionary OCC appeals from Siting Council proceedings are both passed on to customers and electric ratepayers, which could increase costs.

The bill also encourages grid enhancing technologies, which can reduce costs to rate payers. Grid enhancing technologies can reduce utility capital investment and reduce distribution system costs, which can be reflected as savings to rate payers. Additionally, grid enhancing technologies lower energy costs and improve the benefits of updating and investing in various capital projects by EDCs.

It is anticipated, that approved projects for grid enhancing technologies, would yield savings to rate payers that would outweigh any additional consulting or capital costs². However, the extent of the savings would be dependent upon the specific project and various EDC decisions, that are outside the immediate scope of the bill.

The bill makes other changes that could yield savings to rate payers, including prohibiting EDCs or gas companies to recover for certain

² PURA's Decision dated November 9, 2022, Docket No. 17-12-03RE07

advertising expenses, including internet as well as prohibiting EDCs from recovering the costs of promoting an application before the Siting Council and preparing for a council proceeding.

The net impact to rate payers is indeterminate and would be dependent upon a variety of decisions that are outside the immediate scope of the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.