

OFFICE OF FISCAL ANALYSIS

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

sSB-4

AN ACT CONCERNING ENERGY AFFORDABILITY, ACCESS AND
ACCOUNTABILITY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
DEEP/PURA ¹	CC&PUCF- Cost	345,811	345,811

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

Municipal Impact: None

Explanation

The bill makes various changes related to nuclear energy, energy procurements, and renewable thermal energy networks. The corresponding fiscal impacts are described below.

Nuclear Energy

The bill creates a new moratorium exception for advanced nuclear reactors, and also requires the Commissioner of the Department of Energy and Environmental Protection (DEEP) to be a point of contact for requirements related to atomic development. These changes are not anticipated to result in a fiscal impact to the state or municipalities, as

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.

DEEP has the staff and expertise necessary to implement the changes.

Additionally, the bill authorizes \$5 million in General Obligation bonds for the purpose of funding grants or loans through the advanced nuclear reactor and offshore wind energy facility site readiness funding program, which is established in the bill. To the extent bonds are fully allocated when available, total debt repayment is anticipated to be approximately \$7.2 million over the 20-year duration of the bonds, with the earliest annual payment of up to \$250,000 possible in FY 27.

Energy Procurements

The bill requires DEEP to make various procedural and administrative changes to procurement authorization to include active demand response projects and gas demand response projects. Additionally, the bill creates a process to allow electric distribution companies to use power and related products purchased from nuclear facilities to meet standard service requirements. These modifications are not anticipated to result in a fiscal impact as DEEP has the staff and expertise necessary to implement the changes.

Renewable Thermal Energy Networks

The bill results in additional annual costs to the Public Utilities Regulatory Authority (PURA), beginning in FY 26, of approximately \$345,811, associated with the establishment of a utility-scale renewable thermal energy network program, which includes a pilot component, working group, and a study of various issues.

PURA would require two additional full-time staff to complete the requirements contained within the bill. The new positions would include: one full-time Economist, with an approximate annual salary of \$85,700 (plus 71,353 in fringe benefits) and one full-time Associate Research Analyst, with an approximate annual salary of \$103,000 (\$85,758 in fringe benefits). The new staff would be responsible for developing parameters and procedures or filing proposals for the networks as well as standardizing a data collection system that allows

PURA and the public to track a network's status and performance.

The bill makes various other changes to emergency service restoration planning committees and line and restoration crew members safety, which do not have a fiscal impact to the state or municipalities, as the changes impact electric distribution companies.

Rate Payer Impact

There are several mechanisms within the bill that could impact rate payers. However, it is estimated that the various changes within the bill will (on average) result in a potential savings to rate payers. The bill is likely to expand efficiency and demand response programs that have provided bill reductions for direct program participants and avoids costs at the system level.

Allowing active demand response projects and gas demand response projects to settle Renewable Energy Certificates instead of reselling them in the market, would likely save administrative fees, which could be passed on to rate payers in the form of savings. Additionally, the bill seeks to avoid costs associated with gas expansion through the development of thermal energy networks, which could also result in savings to the rate payer.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.