

March 6, 2017

The Honorable Robert Olson, Chairperson
Senate Committee on Utilities
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 183 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 183 is respectfully submitted to your committee.

SB 183 would create the Kansas Retail Electric Choice Act which would allow Kansas electricity consumers to choose their retail electric generation supplier. The bill would require the Kansas Corporation Commission (KCC) to implement, enforce and manage the Act, and on or before July 1, 2018, the Commission would be required to establish rules and regulations necessary for the implementation of the Act.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$500,000- \$800,000	--	\$500,000- \$800,000
FTE Pos.	--	--	--	--

According to the KCC, implementation of Retail Choice is a highly complex undertaking. States that have passed similar legislation have typically allowed several years to implement the required changes. The agency indicates that the one-year timeline contained in the bill is not realistic and could not be accomplished; therefore, the agency is providing estimates for both FY 2018 and FY 2019. Although the agency states that it would need to hire a significant number of additional staff members after the transition to Retail Choice, it is unable to estimate how many FTE positions would be necessary until the rules and regulations are created. The cost of FTE

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positions is not included in the estimated costs above, which reflect only the projected costs for consultants. Any fiscal effect associated with SB 183 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Amy Green, KCC