

**HF49 - 0 - Utilities Annual Diversity Report Required**

Chief Author: **Ruth Richardson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **1/13/2023 1:30:05 PM**  
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>General Fund</b>	-	33	33	33	33	33
<b>Total</b>	-	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>Biennial Total</b>			<b>66</b>			<b>66</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.25	.25	.25	.25
<b>Total</b>	-	<b>.25</b>	<b>.25</b>	<b>.25</b>	<b>.25</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 1/13/2023 1:30:05 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
General Fund	-	33	33	33	33	33
<b>Total</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
	<b>Biennial Total</b>		<b>66</b>			<b>66</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	33	33	33	33	33
<b>Total</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
	<b>Biennial Total</b>		<b>66</b>			<b>66</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>			<b>-</b>

**Bill Description**

HF 49 proposes a new utility reporting requirement to the commissioner of commerce under a new section of Minnesota Statute [216C.51] Utility Diversity Reporting. Details of the proposal as follows:

- Subdivisions 1 and 2 outline the policy purpose for reporting the definition of utilities (under 216C.06, Subdivision 18) that are required to fulfill this reporting obligation.
- Subdivisions 3 and 4 outline the timeline for the annual reports, contents of the report, and information that the utilities are required to include in the reports.
- Subdivision 5 specifies that the utilities include as much state-specific data as available.
- Subdivision 6 requires the department (of Commerce) to publish an annual report and a specific retention schedule.

**Assumptions**

Based on the definition of “utility” in Minnesota Statute 216C.06, all electric and gas utilities engaged in the delivery of energy in Minnesota are required to make this report. Including private, public, and municipally owned utilities. There are over 200 entities in the state of Minnesota that meet these criteria. The Department assumes it will have two primary responsibilities based on the proposed language.

1. Based on subdivisions 1-5, the Department will need to provide reporting guidance to over 200 utilities; including who needs to report what and when. And then instructions on how to report the details to the Department. Based on past experience with similar reporting requirements, the Department assumes it will develop a standardized reporting format and further define terms outlined in subdivisions 1-5 to ensure clarity and consistency for utility reporting.
2. Based on subdivision 6, the Department assumes it will be responsible for compiling the results of over 200 utility reports, synthesizing the information contained in the reports, developing information for publishing, creating and executing a review process internally and externally prior to publishing the report, and then maintaining reports as they are published over time.

The Department assumes it will need a .25FTE at a management analyst 3 level to perform these responsibilities.

The Department also assumes this will be a general fund expense unless given express authority to recover these costs under Minnesota Statute 216B.62 Regulatory Expenses.

**Expenditure and/or Revenue Formula**

.25 FTE management analyst 3

			FY24	FY25	FY26
Salary			19,325	19,325	19,325
Fringe			5,797	5,797	5,797
Other Personnel Related Costs			7,831	7,831	7,831
			32,952	32,952	32,952

**Long-Term Fiscal Considerations**

This is an ongoing requirement so ongoing funding will be necessary.

**Local Fiscal Impact**

**References/Sources**

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