

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	HB2747
Version:	FA1
Request Number:	13319
Author:	Rep. Caldwell, T.
Date:	3/25/2025
Impact:	\$1,000,000

Research Analysis

The Floor Substitute for HB 2747 requires the Corporation Commission to enter an order within 180 days on a utility's application to expand or purchase a natural gas generation facility, instead of 240 days. The measure also requires any new natural gas generation facility to secure a firm contract for transporting natural gas to its facility through a competitive solution process.

The measure allows a utility to start recovering work-in-progress expenses prior to the commercial operation of a new, or newly expanded, natural gas facility. The Commission is required to permit a special rate for the recovery of such expenses. If the initiative to construct or expand a natural gas facility is terminated before completion, the utility must automatically refund customers any money collected through the special rate plus interest. The utility has 90 days to refund the money after terminating the project.

The measure also allows a public utility to defer 90 percent of their depreciated expenses as a regulatory asset. The Commission is required to review the asset balances prior to moving them into the utility's rate base. At the end of a test year, the balance of the regulatory asset must be included in the utility's rate base without any reductions. Any new deferrals would be included in the utility's next rate case.

Further, the measure authorizes retail electric suppliers and rural electric coops to extend their current network of transmission lines, provided they:

- solicit competitive bids, which are overseen by an independent evaluator appointed by the Corporation Commission; and
- identify the energy resources they will connect to, or identify possible resources for integrating new or existing natural gas generation.

Lastly, the measure prohibits retail electric suppliers from offering rate-payer-funded incentives, rebates, or inducements to its customers to promote the switching of fuel sources from natural gas to electricity.

DIFFERENCE BETWEEN THE COMMITTEE SUB AND FLOOR SUB

The Floor substitute modifies the language requiring a utility to refund customers any work-in-progress expenses it collected if a project is terminated before completion. The Floor sub requires a utility to *automatically* refund customers such expenses *plus interest*, and it requires them to do it in 90 days.

Prepared By: Emily Byrne

Fiscal Analysis

Upon review of the floor amendment to HB 2747, the Oklahoma Corporation Commission (OCC) estimates the need to hire two additional FTE at a total recurring cost of Two Hundred Fifty Thousand Dollars (\$250,000) as well as the need to hire an independent evaluator when applicable at a total recurring cost of Seven Hundred Fifty Thousand Dollars (\$750,000). Therefore, the total estimated fiscal impact of this measure total One Million Dollars (\$1,000,000).

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.