

OFFICE OF FISCAL ANALYSIS

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sHB-6412

AN ACT CONCERNING A LOW-CARBON FUEL BLEND OF HEATING OIL AND THE ESTABLISHMENT OF A BIOHEAT ADVISORY BOARD.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Consumer Protection, Dept.	GF - Cost	75,913	66,913
State Comptroller - Fringe Benefits ¹	GF - Cost	27,222	27,222

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 requires the Department of Consumer Protection (DCP) to regulate and annually report on the conversion to low-carbon fuel blend for heating oil resulting in a cost of \$103,135 in FY 22 and \$94,135 in FY 23. The bill requires a certain percentage of the low carbon fuel blend to be biodiesel by specific dates, requires DCP to regulate the market and annually report on: 1) the progress of the bill's requirements, 2) the effect the requirements have on the price and supply of heating oil, and 3) opportunities or barriers to increasing the requirements of the bill. To meet the requirements of the bill DCP will have to hire one inspector (\$65,913 annual salary and \$27,222 fringe benefits) and purchase testing materials (\$10,000 in FY 22 and \$1,000 in FY 23).

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

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Section 2 requires the Department of Energy and Environmental Protection to study the long-term use of low-carbon fuel blends as part of its Comprehensive Energy Strategy, and results in no fiscal impact.

The Out Years

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