



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 1212** HLS 26RS 2698
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2026	3:55 PM	Author: CREWS
Dept./Agy.: Governor's Office of Homeland Security & Emergency Prep.		Analyst: Richie Anderson
Subject: Transformer Evaluations		

INFRASTRUCTURE OR INCREASE GF EX See Note Page 1 of 1
 Provides relative to the evaluation of transformers

Proposed law provides for the assessment of transformers; requires electric utility companies, electric project developers, owners, or operators in the state to submit a report to the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP), the Public Service Commission, and the United States Department of Energy. This report shall detail all relevant information for each transformer including name, location, purpose, narrative analysis, solutions to protect from ground induced currents (GIC), total cost to implement GIC protection, a priority list, and funding recommendations to protect at risk transformers. Proposed law requires GOHSEP to review reports and recommendations submitted by covered entities, request additional technical information, and produce a comprehensive report for the Governor and House Select Committee on Homeland Security by April 1, 2027.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase SGF expenditures for the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP). Proposed law requires GOHSEP to review reports and recommendations submitted by covered entities, request additional technical information, and produce a comprehensive report for the Governor and House Select Committee on Homeland Security by April 1, 2027. GOHSEP reports that to implement the proposed law, the department will need to hire outside consultants with specialized expertise in engineering, grid resilience, electromagnetic analysis, data validation and modeling services, and technical report preparation support. GOHSEP reports they are unable to quantify the costs to hire these outside consultants for the period of October 30, 2026, to April 1, 2027. To the extent that GOHSEP is able to implement the proposed law with one consultant with expertise in multiple required fields, then expenditures may be significant. If GOHSEP requires multiple consultants, then expenditures will be significant.

There are 22 municipality owned electric utility companies. Proposed law may result in an increase in expenditures for public municipal owned electric utility companies to produce the report required by proposed law. The exact fiscal impact, if any, is indeterminable and will depend on the capabilities and expertise of each company.

The proposed law provides that the Public Service Commission shall receive copies of the reports from the covered entities by October 30, 2026. PSC reports that the proposed law will not require any expenditures to receive these reports.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
 Deputy Fiscal Officer