

Policy Memorandum

FISCAL
RESEARCH
CENTER

GEORGIA STATE UNIVERSITY
ANDREW YOUNG SCHOOL OF POLICY STUDIES
FISCAL RESEARCH CENTER
AUGUST 9, 2005

SUBJECT: Fiscal Note for H.B. 209 LC 18 4029—Follow-Up Data

Analysis Prepared by Kenneth Heaghey

This note summarizes and updates data used to estimate the fiscal impact of H.B. 209 LC 18 4029.

Energy Information Administration (EIA) data shows that the industrial sector in Georgia spent \$3,440.9 million on energy in 2001. This is the last year of data reported by EIA on state level end-use sector consumption. The 2002 survey of manufacturing energy consumption shows that manufacturing consumed about 69.7 percent of total industrial sector energy consumption on a national basis. This proportion was assumed to apply to Georgia usage. Thus, Georgia manufacturing sector energy expenditures equaled about \$2,398.0 million in 2001.

Estimates of annual consumption in Georgia the manufacturing sector were developed by increasing the 2001 estimate by changes in the PPI for finished energy goods. No change in overall consumption was assumed. At a national level, industrial sector energy consumption has been fairly steady since 2001 varying up or down a couple of percentage points. In Georgia, the real value of manufacturing's contribution to Gross State Product has also been very steady. The following table summarizes the results of the calculations described above:

| | Estimated Energy Expenditures by Georgia Manufactures (\$M) | PPI Finished Energy Goods |
|------|--|---------------------------------|
| 2001 | 2,398 | 96.7 |
| 2002 | 2,202 | 88.8 |
| 2003 | 2,529 | 102 |
| 2004 | 2,802 | 113 |