

SB 1519 -1 STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

Establishes Oregon Energy Commission as a policy and rulemaking body for the Oregon Department of Energy. Transfers certain duties of the Department to the Commission and modifies the general duties of the Department. Makes modifications to state energy policy. Directs the Department to develop a statewide strategic energy report, present a draft report to the Legislative Assembly by September 15, 2020, and directs the Commission to adopt the report no later than January 1, 2021 and to periodically review and update report. Reduces to 0.1 percent the percentage of energy resource supplier's gross operating revenue that annual energy resource supplier assessment may not exceed. Changes calculated share of annual energy resource supplier assessment below which energy resource supplier is exempt from payment of assessment from \$250 to \$2,500. Modifies definition of "gross operating revenue" for purposes of energy resource supplier assessment. Transfers duties, functions, and powers of Department related to small scale local energy project loans and clean energy deployment program to Oregon Business Development Department. Makes conforming amendments.

Becomes operative July 1, 2019. Declares emergency, effective on passage.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

- Existence of the Oregon Department of Energy
- History of action by the Legislative Assembly regarding the Oregon Department of Energy
- Inclusion of a commission member with transportation expertise
- Clarification that measure does not include energy siting

EFFECT OF AMENDMENT:

-1 Updates language of state energy policy. Modifies the makeup of the Oregon Energy Commission and reduces the number of voting members from seven to six and increases the number of nonvoting members from two to four. Changes the statewide strategic energy report to a statewide strategic energy plan. Specifies that the plan and any subsequent revisions must be submitted to the Legislative Assembly at the beginning of the next odd-numbered year regular session and may not go into effect until on or after January 1 following the close of that session, unless an earlier permissible effective date is granted. Changes to 0.15 percent the percentage of energy resource supplier's gross operating revenue that annual energy resource supplier assessment may not exceed.

BACKGROUND:

The Oregon Department of Energy (ODOE) was established in 1975 in response to the national energy crisis. Its statutory mission is to promote the efficient use of energy and to advocate for the use and development of new renewable energy. Since its creation, ODOE has been assigned a variety of energy-related responsibilities, including regulatory functions. ODOE is structured around four operative divisions: Nuclear Safety and Emergency Preparedness, Energy Planning and Innovation, Energy Development Services, and Energy Facility Siting. The Department is overseen by a Director who is appointed by the Governor. The Department receives no General Fund

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revenue.

During the 2015-2016 interim session, the Joint Interim Committee on Department of Energy Oversight was appointed to conduct a review of ODOE. The Committee was directed by the Senate President and the Speaker of the house to focus its work on the following elements: review of the agency's charge, mission, and statutory responsibilities; a review of the agency's organizational structure and funding streams; assessment of the current gaps and deficiencies in the agency's operation structure and personnel capacity to fulfill its mission and programs; and assessment of the agency's capacity to facilitate stakeholder relationships, both public and private, to fulfill its mission.

Senate Bill 1516 establishes the Oregon Energy Commission as the policy and rulemaking body for ODOE. The measure requires ODOE to develop a statewide strategic report, and transfers certain duties of ODOE and the Director of ODOE to the Commission. Becomes operative July 1, 2019.