

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1519 - 1

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Creates Oregon Energy Commission as policy and rulemaking body for State Department of Energy.

Government Unit(s) Affected:

Public Utility Commission (PUC), Business Development Department (Business Oregon), Department of Energy (ODOE)

Summary of Expenditure Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The bill establishes the Oregon Energy Commission (OEC) as the policy and rulemaking body for the ODOE. The bill also transfers the duties, functions and powers related to the Small-Scale Local Energy Loan (SELP) projects, the Clean Energy Development programs, and local government financing tools for real property utility improvements (also known as the Property Assessed Clean Energy program or PACE) from the State Department of Energy (ODOE) to the OBDD. In addition, OBDD in consultation with ODOE, shall report to the appropriate interim committees of the Legislative Assembly prior to September 15, 2019, on the estimated cost of continuing to manage the loan portfolio, including an estimate of ongoing transaction costs, for loans for small scale local energy projects under ORS chapter 470 for the next eight years.

ODOE anticipates \$150,000 Other Funds in 2017-19 and \$2.0 million Other Funds in 2019-21 to support the OEC and maintain the Statewide Strategic Energy Plan. The shift of the Small-Scale Local Energy Loan program will have an impact on staffing levels at ODOE, but the extent of these staffing changes are not clear at this time. The measure raises the level at which energy resource suppliers are exempt from paying the energy resource supplier assessment (ESA), from \$250 to \$2,500, and decreases the statutory ESA cap from 0.375 to 0.15 percent of an energy suppliers gross operating revenue. While the 2017 assessment of 0.134 percent is within the amended maximum, it is unknown how the change will affect funding for ODOE’s 2019-21 budget, as the bill increases expenditures supported by ESA revenues and suppliers’ gross operating revenue for 2018 are not yet available.

OBDD anticipates the need for additional staffing to support the various loan programs, but the extent is not clearly known at this time. Additionally, the SELP program may require a General Fund appropriation to meet required bond payments in April of 2021.

There is a minimal fiscal impact to Public Utilities Commission.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of its budgetary impact on the State’s General Fund.