

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** SB 375                      **STATUS:** Original  
**SUBJECT:** Product Energy Standards  
**GOVERNMENT UNIT AFFECTED:** Department of Energy  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Michelle Deister  
**DATE:** April 23, 2007

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**EXPENDITURES:** See Comments.

**POSITIONS / FTE:** See Comments.

**EFFECTIVE DATE:** January 1, 2008

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill establishes minimum energy efficiency standards for certain products; prohibits the sale or installation of products that do not meet standards; allows the State Department of Energy to adopt rules in certain cases to update minimum efficiency standards; requires the director to introduce a bill to the Legislative Assembly to conform to statutory minimum efficiency standards with rules; and requires the director to apply for a waiver of federal preemption in certain cases.

The Oregon Department of Energy (ODE) currently establishes minimum energy efficiency standards for certain products. The department indicates that the addition of new products can be absorbed up to a certain point, as products that were previously regulated by the Department are removed from the list once equivalent Federal energy efficiency standards are set. If a Federal standard already exists for a product and Oregon wishes to set a more stringent standard, then ODE must complete the Federal preemption process. One of the products identified in the bill, residential furnaces, establishes a standard that exceeds an existing Federal standard, so ODE would need to pursue the Federal preemption process. The department estimates that it will take approximately 6 months of an existing Policy Analyst's time to coordinate the preemption process and complete required paperwork. Staffing costs for Personal Services are estimated to be \$49,377. The Department also expects to incur additional legal fees estimated to be 160 hours or \$20,800 to review materials prior to submission; ODE expects there to be several iterations prior to completing the final documents. ODE states that the other products identified in the bill do not require pursuing the Federal preemption process; hence, the additional work associated with establishing energy efficiency standards on these products can be absorbed with existing resources.