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

MEASURE NUMBER: HB 2620 **STATUS:** B-Engrossed
SUBJECT: Incorporation of solar energy technology in public improvement contracts
GOVERNMENT UNIT AFFECTED: State Department of Energy, state and local governments
PREPARED BY: Adrienne Sexton
REVIEWED BY: Dallas Weyand, Michelle Deister
DATE: May 22, 2007

	2007-2009	2009-2011
EXPENDITURES:		
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 measure would add to the public contracting statutes a requirement that at least 1.5 percent of the total contract price of public improvement contracts for construction, reconstruction or major renovation includes solar energy technology. The measure describes what solar energy technology may be included. The measure applies to contracts of all public bodies, including certain intergovernmental entities, first advertised, or if not advertised then entered into, on or after January 1, 2008. The Legislative Fiscal Office notes two efforts are in place related to energy efficiency design and construction for state buildings. One is the State Energy Efficiency Design ("SEED") program (ORS 276.900-276.915) and the building policy requiring all new state buildings and major renovations to meet, at a minimum, the U.S. Green Building Council's Leadership in Energy and Environmental Design ("LEED") program's silver equivalency status.

Under this measure, before entering into a contract, a contracting agency must make a determination of whether the solar energy technology is appropriate for the project. If it is determined to be appropriate, the agency will report to the State Department of Energy (OED) the total contract price and the amount the agency intends to spend on the solar energy technology.

If it is determined to be inappropriate, the solar energy technology need not be included in the project, but the unused 1.5 percent of that total contract price would be reported to OED, and the amount would carry forward to another project and be added to the 1.5 percent of the future contract price.

For purposes of this fiscal impact statement, it is not possible to determine whether there would be an effect on a public improvement contract total price, for an agency contracting on projects planned in the next two biennia. It is also not possible to determine the impact of carrying forward the value ascribed to the 1.5 percent of a project when it is determined that inclusion of solar energy technology is inappropriate. With regard to the reporting requirement, OED currently has a form used by state agencies and some local jurisdictions that voluntarily use OED's fee-based services, and OED believes the reporting should have no impact on the subject jurisdictions.