

2008 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3610 **STATUS:** A-Engrossed
SUBJECT: Relating to green house gas emissions reporting
GOVERNMENT UNIT AFFECTED: Department of Environmental Quality and Department of Energy
PREPARED BY: Dawn Farr
REVIEWED BY: Paul Siebert and Michelle Deister
DATE: February 13, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
See Analysis Section.		

EFFECTIVE DATE: Upon passage.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee.

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.

ANALYSIS: The bill directs that select agencies shall identify existing programs and activities that could contribute to meeting greenhouse gas emission reduction goals specified in ORS 468A.205; to prepare a report that sets forth recommendations for changes to achieve greenhouse gas emission reduction goals; and to provide updated reports every two years on or before October 1 of each numbered year starting on October 1, 2008. The bill expands Environmental Quality Commission (EQC) authority to develop rules to require registration and reporting entities that imports, sells and distributes for use in the state electricity or fossil fuels; and, to allow consumer-owned utilities to submit reports prepared by a third party. The Oregon Global Warming Commission is expanded from 24 to 30 members, including 13 voting members and 17 ex officio members.

House Bill 3543 set reduction goals for greenhouse gas emissions and created the Oregon Global Warming Commission with the Department of Energy (DOE) providing clerical, technical and management personnel to the Commission. DOE anticipates that the bill may require additional work; however, the department assumes this work will not include conducting extensive research or analysis so they indicate that it can be absorbed within existing resources.

The Department of Environmental Quality indicates that they are currently working to prepare mandatory greenhouse gas reporting rules to be reviewed by the EQC in August 2008. Given this, the additional rule development activity required by the bill is anticipated to be small and can be absorbed with existing resources. The rules will require mandatory reporting beginning in 2010 for the 2009 calendar year. If the rules are adopted, DEQ anticipates that they will need additional resources to implement greenhouse gas reporting rules. At this time, DEQ indicates that the implementation costs are indeterminate as they will be dependent upon what is ultimately adopted by the EQC.

State agencies impacted by the bill's biennial reporting on greenhouse gas emissions indicate that based on testimony provided by the Governor's office about the expectations related to reporting, that this activity can be accomplished by redeploying existing resources. Information was not supplied by agencies on the activities that were funded in their 2007-09 legislative adopted budgets that will not get done or will be delayed as a result of this redeployment.

The Legislative Fiscal Office is concerned that the future demands placed on state agencies resulting from their participation and involvement with the Oregon Global Warming Commission may continue or increase over time. It is the responsibility of state agencies to proactively evaluate future budget needs and make adjustments biennially in their Agency Request Budgets.