

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2626-C

Carriers – House: Reps. C. Edwards, Read, Bailey

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – Senate: Sen. Walker

Action: Do Pass the B-Engrossed Measure as Amended and Be Printed C-Engrossed

Vote: 21 – 0 – 1

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

– Nays:

– Exc: Winters

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Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: June 22, 2009

Agency

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 0	\$ 0	\$ 300,000	\$ +300,000	+100%

Position Summary

Authorized Positions	0	0	1	+1
Full-time Equivalent (FTE) positions	0	0	1.00	+1.00

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The bill directs the Director of the Department of Energy (DOE) to establish and administer the Energy Efficiency and Sustainable Technology loan program (EEAST) to provide low cost loans to individuals for projects aimed at increasing energy efficiency in homes and small businesses. The department will have start-up costs associated with the program, for which this bill provides the funding. Ongoing implementation costs are also expected for DOE and the Construction Contractors Board (CCB), subject to the availability of funding for capitalization of the Loan Offset Grant Fund established by the bill. The DOE anticipates that start-up costs will be \$300,000 and this bill provides for a one-time increase in the Energy Supplier Assessment (ESA) to pay for those costs.

Summary of Natural Resources Subcommittee Action

House Bill 2626 directs the Director of the DOE to establish and administer the EEAST loan program to provide low cost loans to individuals for projects aimed at increasing energy efficiency in homes and small businesses. The bill provides the Director of DOE with the authority to delay or suspend the program if there is not a sufficient amount of loans requested by individuals to offset reasonable DOE costs. House Bill 2626 assigns certain responsibilities to the Public Utility Commission (PUC) and allows the PUC to adopt rules to carry out its duties under the bill, which the PUC assumes can be accommodated within existing resources. As part of the program, the bill directs DOE to establish a sustainability energy project manager certification program and to adopt rules establishing certification standards for contractors and a list of certified contractors for the construction of projects financed through the loan program. The CCB is required to issue the certification to qualifying contractors and is authorized to charge a fee for certification. Certification is expected to begin the second half of the 2009-11 biennium, and it's anticipated that the CCB will seek necessary expenditure limitation and position authority for this task from the Emergency Board or the February 2010 Legislative Session. The bill establishes the Energy Project Supplemental Fund, the Loan Offset Grant Fund, the Energy Project Bond Loan Fund, and the Energy Revenue Bond Fund, which will supplant the use of general obligation Small Scale Energy Loan Program bonds issued for the pilot phase of the program; and allows the State Treasurer to issue and sell revenue bonds that are payable solely from the revenues or assets of the DOE.

The remaining provisions of the bill establish the loan program provisions and fees that are payable to DOE for the loans; sets provisions related to on-bill financing; allows DOE to record liens for repayment of loans; allows DOE to establish loan offset grants; directs DOE to identify opportunities for apprenticeship and job training; directs DOE to implement the loan program in phases through a series of pilot programs; allows DOE to impose a one-time Energy Supplier Assessment (ESA) surcharge that may not total more than \$300,000; directs the Public Purpose Fund Administrator to pilot the program and report findings to PUC; stipulates that rulemaking costs may be paid from the funds established in the bill; includes provisions for local government to establish a program to make loans to property owners for cost-effective energy improvements; and allows DOE to lend money to local government to establish a program as described in the bill.

Department of Energy

The Subcommittee approved an increase of \$300,000 Other Funds expenditure limitation and established one position (1.00 FTE) for DOE to provide resources for the start-up costs associated with the EEAST program. The expenditures for the 2009-11 biennium include Personal Services costs and related Services and Supplies.