

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2182 **STATUS:** Original
SUBJECT: Small scale energy projects
GOVERNMENT UNIT AFFECTED: Department of Energy
PREPARED BY: Dawn Farr
REVIEWED BY: Michelle Deister
DATE: February 24, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See comments below.		

EFFECTIVE DATE: January 1, 2010.

GOVERNOR’S BUDGET: This bill is 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.

ANALYSIS: The bill expands eligibility of alternative fuel projects that use the Small Scale Energy Loan Program (SELP) and increases the term of service for members of the Small Scale Local Energy Project Advisory Committee from two to four years.

SELP is limited each biennium by how much it can issue in bonds. The limit for the 2007-09 biennium was \$150 million, of which \$57 million has been issued to date. At this time, the total allowable for SELP bonds is \$2.5 billion, and the total outstanding bonds to date are \$160 million.

The Oregon Department of Energy (ODE) estimates that expanding the authority of the SELP program would increase the loan program requirements by \$10 million Non-limited Other Funds per biennium based on experiences with similar projects in the past. A \$10 million bond issuance would include Personal Services expenditures of \$50,000 and Debt Service of \$1,000,000. The Non-limited Other Fund requirement would be less, \$7.5 million, for 2009-11 biennium given the January 1, 2010 effective date.

ODE’s agency costs to implement the bill will be impacted by the number of projects; however, they are expected it to be minimal for the 2009-11 biennium and can be absorbed with existing resources.