

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

MEASURE NUMBER: HB 2626 **STATUS:** B Engrossed
SUBJECT: Energy efficiency and sustainable technology loan program
GOVERNMENT UNIT AFFECTED: Department of Energy, Public Utility Commission, State Treasurer, and Construction Contractor's Board
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REVIEWED BY: Michelle Deister, Daron Hill and Steve Bender
DATE: May 11, 2009

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

REVENUES:
See Comments.

EFFECTIVE DATE: On passage.

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 directs the Director of the Department of Energy (DOE) to establish and administer the energy efficiency and sustainable technology loan program; allows the Public Utility Commission (PUC) to adopt rules to carry out duties under the bill; established provisions for selection project managers; directs DOE to establish a sustainability energy project manager certification program; establishes an certification appeal process and \$2,000 appeal fee; directs DOE to adopt rules establishing certification standards for contractors and a list of certified contractors for the construction of projects financed through the loan program; directs Construction Contractors Board (CCB) to issue a qualifying contractor certification system; allows CCB to charge a fee for certification; requires that CCB evaluate related contractor complaints; establishes the Energy Project Supplemental Fund, the Loan Offset Grant Fund, the Energy Project Bond Loan Fund, and the Energy Revenue Bond Fund; allows the State Treasurer to issue and sell revenue bonds that are payable solely from the revenues or assets of the DOE; establishes loan program provisions and loan fee payable to DOE; 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 apprenticeship and job training; directs DOE to implement the loan program in phases through a series of pilot programs; directs the Public Purpose Fund Administrator to pilot the program and report findings to PUC; and, establishes that rulemaking costs may be paid from the funds established in the bill.

This fiscal impact statement is for the purpose of transmitting the measure from the House Revenue Committee to the Joint Committee on Ways and Means.

DOE anticipates having an Other Funds fiscal impact associated with this bill that includes bond revenues, loans, debt service, and program administration. The amount of this fiscal impact is still being evaluated.

PUC indicates a minimal fiscal impact associated with adoption of rules, review of reports and establishment of the rate of return for any utility investment in the loan program.

The State Treasurer indicates that a significant amount of time and effort will be required to set up the energy revenue bond program as it is distinct from the general obligation bond program. If more than one new bonding program goes forward this legislative session the State Treasurer anticipates needing additional Other Fund limitation and position authority to implement this bill. More analysis is needed to determine the implications of adding the new bond program on other state bonding processes.

CCB indicates that the Board plans to charge a fee for certification, and the fee will be established at a rate to cover anticipated expenditures associated with creating the certification system and related enforcement activities. More analysis is needed to determine estimated expenditures and related fee.

A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.