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

MEASURE NUMBER: SB 101 STATUS: A Engrossed

SUBJECT: Greenhouse gas emission standards

GOVERNMENT UNIT AFFECTED: Department of Energy and Public Utility Commission

PREPARED BY: Dawn Farr **REVIEWED BY:** Michelle Deister

DATE: April 29, 2009

	<u>2009-2011</u>		2011-2013	
EXPENDITURES:				
Department of Energy				
Personal Services – Other Funds	\$	115,098	\$ 153,464	
Services and Supplies – Other Funds	\$	221,131	\$ 96,175	
Total Other Funds Expenditures	\$	337,229	\$ 249,639	
Public Utility Commission				
Personal Services – Other Funds	\$	113,089	\$ 150,785	
Services and Supplies – Other Funds	\$	28,272	\$ 37,696	
Total Other Funds Expenditures	\$	141,361	\$ 188,481	
POSITIONS / FTE:				
Department of Energy		1/0.75	1/1.00	
Public Utility Commission		1/0.75	1/1.00	

EFFECTIVE DATE: January 1, 2010, operative date of July 1, 2010

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.

COMEMNTS: The bill establishes greenhouse gas emissions standard of 1,100 pounds of carbon dioxide per megawatt-hour for electric companies and electricity service suppliers, and consumer—owned utilities; directs Public Utility Commission (PUC) to establish an out-put based methodology to ensure calculation of greenhouse gas (GHG) emissions for cogeneration facilities recognizes total usable energy outputs of the process for electrical companies and the Department of Energy (DOE) to do the same for consumer-owned utilities; directs PUC and DOE to review standards no more than once every three years; specifies provisions for modifying standards; prohibits electricity supplier from entering into long-term financial commitment unless electricity acquired meets standard; allows PUC to revoke certification of energy service suppliers not complying with established GHG performance standards; and, directs PUC to develop estimates of the rate impacts for electric companies and natural gas companies to meet the GHG emission reduction goals for 2020 and report to an interim legislative committee prior to November 1 of each even-numbered year.

DOE indicates that they will need an additional permanent Policy Analyst 3 to coordinate rulemaking activity, implementation of the standards and reporting. Total expenditures for the 2009-11 biennium include personal services costs, related services and supplies, and one-time Attorney General fees of

\$150,000 due to the anticipated complexity of the rulemaking process. DOE anticipates funding this work with Energy Supplier Assessments which will result in a small increase in the assessments.

PUC indicates that they will need an additional permanent senior policy analyst to coordinate rulemaking activity, implementation of the standards, estimates for rate impacts, and reporting. Total expenditures for the 2009-11 biennium include personal services costs and related services and supplies. PUC anticipates funding this work with Other Funds from the Commission's ending balance.