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

MEASURE NUMBER: SB 977 STATUS: A-Engrossed

SUBJECT: State agency cost recovery for energy facility siting and construction application review

GOVERNMENT UNIT AFFECTED: Department of Energy

PREPARED BY: Dawn Farr **REVIEWED BY:** Susie Jordan

DATE: June 16, 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 requires permit applicants seeking to construct an energy facility to compensate the state agency for cost associated with review and evaluation of the permit, authorization or certification needed to site or construct the facility; defines what are included as compensable costs; establishes payment and dispute resolution provisions; and, allows Director of Department of Energy to adopt rules to implement bill provisions.

The Department of Energy (DOE) indicates that the bill will require the Department to establish rules and that DOE will likely enter into contracts under these rules. DOE anticipates that rulemaking activities can be assumed with existing resources. At this time it is not known how many applications and related contracts will be established in the 2009-11 biennium, and what additional Other Funds revenues might be realized as a result of the cost recovery provisions of the bill. If the number of applications exceeds existing staff capacity for state agencies subject to the provisions of the bill or if additional expenditure limitation is required, the state agencies may need to return to the Legislature or Emergency Board during the interim for expenditure authority.