

2010 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3675 **STATUS:** B-Engrossed
SUBJECT: Energy efficiency and sustainable technology loan program
GOVERNMENT UNIT AFFECTED: Department of Energy, State Treasurer
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REVIEWED BY: John Borden and Steve Bender
DATE: February 17, 2010

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See analysis		

REVENUES:
See analysis

EFFECTIVE DATE: On Passage

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

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: HB 3675 amends the Energy Efficiency and Sustainable Technology loan program enacted during the 2009 legislative session (HB 2626). This measure specifies that the Director of the Department of Energy (DOE) may not delay or suspend the Energy Efficiency and Sustainable Technology Loan "pilot" phase of program implementation due to insufficient loan activity; DOE may suspend pilot programs if funds in the Loan Offset Grant Fund are insufficient to allow operation of the pilot programs. The measure also includes allowable fees in the list of costs that must be considered in the evaluation of whether to issue program loan and specifies that the \$40,000 limit on program loans applies only to a dwelling served by a single meter. Municipalities are added to the list of local governments and not-for-profits to the permissible list of project managers. The measure requires utilities that have customers who have enrolled in energy efficiency and sustainable technology loan programs to report to DOE.

This measure also allows a fee to be assessed on energy efficiency projects which are not financed with Loan Offset Grant funds, and requires the fee to be deposited in the Loan Offset Grant fund. DOE is required to anticipate the demands for loans and requires a written declaration to the State Treasurer. Investor-owned utilities who consent to participate in the loan program are required to provide for financing loans on utility bills. DOE is required to initiate the program on a statewide basis by June 30, 2011. The bill specifies various operative dates for certain sections of the bill.

According to DOE, the Department will have a minimal fiscal impact. DOE rulemaking, assessment and collection of the base efficiency package fee, producing regular estimates of anticipated demand for

loans, and the collection and compilation of loan data will result in a minimal increase in workload. The amount of the fee and the fee revenue to be collected by the Department is indeterminate at this time.

The Public Utility Commission, and local government have stated they will not have a fiscal impact, while the impact of the measure to the State Treasurer is anticipated to be minimal.