

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5511-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. G. Smith
Carrier – Senate: Sen. Edwards**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 20 – 5 – 0

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant
– Nays: Freeman, Thatcher
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Verger, Winters
– Nays: Girod, Thomsen, Whitsett
– Exc:

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: June 20, 2011

Agency
Oregon Department of Energy

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Biennium
2011-13

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
Lottery Funds Debt Svc Ltd	590,347	2,164,185	2,164,185	2,088,439	1,498,092	+253.8%
Other Funds Ltd	33,307,287	30,163,827	30,531,027	30,991,956	(2,315,331)	-7.0%
Other Funds Non-Ltd	141,209,200	103,606,641	103,606,641	103,606,641	(37,602,559)	-26.6%
Other Funds Debt Service Non-Ltd	76,707,615	68,308,598	68,308,598	68,308,598	(8,399,017)	-10.9%
Federal Funds Debt Svc Non-Ltd	1	1	1	1	0	0.0%
Federal Funds Ltd	57,739,196	3,156,827	30,830,849	36,736,851	(21,002,345)	-36.4%
	\$ 309,553,646	\$ 207,400,079	\$ 235,441,301	\$ 241,732,486	\$ (67,821,160)	\$ -21.9%

Position Summary

Authorized Positions	122	104	120	125	+3
Full-time Equivalent (FTE) Positions	117.44	99.00	108.23	111.23	-6.21

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Energy (DOE) has several sources of Other Funds revenues. They include the following: the Small-Scale Energy Loan Program (SELP) which includes general obligation bond sales, loan repayments, interest income, energy supplier assessments, settlement funds, application fees related to Business Energy Tax Credits (BETC), energy siting fees, and fees for services related to the program for schools and self-directed efficiency projects stemming from electric marketing restructuring [Senate Bill 1149 (1999)].

Federal Funds received from the U.S. Department of Energy support various activities including oversight at the Hanford Nuclear site, deployment of technologies and energy sources that improve energy efficiencies in new building construction, promotion and utilization of alternative fuels, infrastructure development, and renewable resource projects. Federal Funds are also received for work related to tracking, monitoring and emergency planning for the shipment of low-level radioactive waste materials, and testing for contamination related to the Lakeview uranium mediation site. The Department is also a recipient of funds under the American Recovery and Reinvestment Act of 2009 (ARRA) for the State Energy Program (SEP) and the Energy Efficiency and Conservation Block Grant Program (EECBG). Additionally, the U.S. Department of Agriculture and the Environmental Protection Agency provide funds that support both conservation and renewable energy programs.

In 2009-11, the department added fees for BETC applications to reflect new evaluation procedures established by HB 3680 (2010 Session) and established fees for applications for a biomass tax credit enacted via HB 2078 (2009 Session). The Subcommittee, through Senate Bill 5512 (the agency's fee bill), ratified the establishment of application fees for BETC (\$126,000 Other Funds). However, the Subcommittee amended the amount of the Biomass Tax Credit fee from \$0.007 per dollar of tax credit certified to \$0.006 per dollar of tax credit certified reducing the revenue to \$58,863 Other Funds from \$68,674 Other Funds, and directed the agency to apply the \$500 Step 1 Tier Fee toward the regular \$0.006 per dollar of tax credit certified fee for successful BETC applications on a going-forward basis.

Summary of Natural Resources Subcommittee Action

The Oregon Legislature created DOE in 1975. The Department was formed to promote energy conservation and development of renewable energy sources. The Department's mission is to ensure Oregon has an adequate supply of reliable and affordable energy and is safe from nuclear contamination. The Department accomplishes this mission by helping Oregonians:

- Save energy;
- Develop clean energy resources;
- Promote renewable energy; and
- Clean up nuclear waste.

The Department staffs several policy related commissions, task forces and work groups (some that meet very infrequently) which provide policy input to the Governor and the Department. Those entities are:

- **The Global Warming Commission** – recommends ways to coordinate state and local efforts to reduce Oregon's greenhouse gas emissions consistent with Oregon's goals and recommends efforts to help the state, local governments, businesses and residents prepare for the effects of global warming;
- **The Oregon Energy Planning Council** - issues an energy planning report to the Governor and the Legislative Assembly on a biennial basis;
- **The Energy Facility Siting Council** - oversees the development of large energy facilities;
- **The Small Scale Energy Loan Program Advisory Committee** – advises the Department on loans to individuals and businesses for the promotion of energy conservation and development of renewable energy resources;
- **The Oregon Hanford Cleanup Board** – serves as the focal point for all policy discussions concerning the disposal of high-level radioactive waste in the northwest region, recommends state policy to the Governor and Legislature, and makes policy recommendations on issues related to the Hanford Site in Richland, Washington;
- **The Carbon Dioxide Equivalent Advisory Group** - provides input in developing rules for allowing offset projects that reduce greenhouse gases other than carbon dioxide (e.g., methane and nitrous oxide) to help comply with the Oregon Carbon Dioxide Standard;
- **The Energy Performance Scores Task Force** - makes recommendations to the Department regarding the establishment of an energy performance scoring system for new and existing residential and nonresidential buildings;
- **The Renewable Energy Working Group** - guides implementation of the Oregon Renewable Energy Action Plan;
- **The Solar Energy Working Group** - brings together stakeholders to develop a strategic plan for solar energy;

- **The Small Scale Hydroelectric Working Group** – brings together stakeholders focused on small hydro advocacy and how to best achieve environmentally-sound hydroelectric development in Oregon;
- **The Oregon Wind Working Group** – brings together stakeholders to promote the development of wind energy in Oregon, with an emphasis on rural economic development aspects of small and medium sized wind energy projects;
- **The Oregon Geothermal Working Group** – brings together stakeholders to promote the use of Oregon’s geothermal resources for power generation and direct use; and
- **The Biomass Coordinating Group** – coordinates agency roles in biomass market development and electricity generation detailed in Oregon’s Renewable Energy Action Plan.

The recommended budget for this agency includes a reduction of Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and not to affect the agency in the first year. To reinforce that intent, the agency’s budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial Lottery Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

The committee recognized that several policy bills, which may have costs for the department, are outstanding and anticipate that adjustments to agency expenditure limitation and position authority will be made in an end of session adjustment or directly in some of the policy bills, if necessary.

The Subcommittee approved a budget of \$241,732,486 total funds and 125 positions (111.23 FTE). This is a decrease of 21.9 percent from the 2009-11 Legislatively Approved Budget.

Energy Policy Division:

The Energy Policy Division develops state policy and goals relating to energy conservation, the development of alternative fuel and renewable energy resources for energy independence, economic development and the reduction of greenhouse gas emissions. The division has six programs:

- **Renewable Portfolio Standard (RPS):** Staff implement the RPS, established in Senate Bill 838 (2007), which requires all utilities and electricity service suppliers in Oregon to meet a percentage of electricity needs with qualifying renewable energy resources. For example, Oregon’s three largest utilities must obtain 25 percent of their electricity needs from renewable resources by 2025.
- **Research and Technical Assistance:** Staff promote current and new technologies for energy efficiency and renewable energy resources including wind, solar, biomass, small-scale hydropower, geothermal and other renewable energy and alternative fuel sources.

- **Climate Change:** Staff within this program provide support to the Oregon Global Warming Commission (GWC), created by House Bill 3543 (2007) and participate in the Western Climate Initiative (WCI), which is a regional effort of seven western states and four Canadian provinces to combat global climate change.
- **State Energy Efficiency Design:** Staff participate in the design of state building projects to incorporate cost-effective energy efficiency measures with the goal of using at least 20 percent less energy in these facilities than state code requires.
- **Energy Efficient Schools:** Staff provide administration and oversight of the Energy Efficient Schools Program, established by Senate Bill 1149 (1999). This program took effect in 2002 and provides for the collection of a public-purpose charge from Portland General Electric and PacifiCorp customers. Ten percent of the funds collected go towards energy efficiency upgrades in K-12 public schools.
- **Building Technology:** Staff works with stakeholders and state agencies to improve energy savings in the built environment through updated and improved state energy codes for commercial and residential construction.

The Subcommittee approved the following packages:

- **Package 086, Eliminate Inflation,** reduces \$88,877 Other Funds and \$25,387 Federal Funds by eliminating standard inflation in certain accounts from the Current Service Level budget.
- **Package 087, Personal Services Adjustments,** eliminates \$299,088 Other Funds and \$23,511 Federal Funds for a 5.5 percent across-the-board reduction in Personal Services from the Current Service Level budget.

Energy Development Services:

This division was formed to integrate the department's various financing and incentive programs that promote energy conservation and renewable energy. The division has five main programs:

- **Business Energy Tax Credit (BETC):** a program designed to encourage businesses to invest in energy conservation, renewable energy resources, renewable energy resource manufacturing facilities, recycling and alternative fuel vehicles. From 1979 through 2009 the Department awarded more than 19,000 tax credits to Oregon businesses, agri-businesses, landlords and manufacturers. The program (with the exception of the manufacturing credit) sunsets on January 1, 2012.
- **Residential Energy Tax Credit (RETC):** a program designed to encourage consumers to invest in energy efficient products for their homes. The total volume of applications for RETCs increased significantly in 2009 and the Department anticipates that the volume of applications processed in its remaining years may approach and/or exceed at least 50,000 per year. The program is set to sunset on January 1, 2012.

- SELP: a program designed to provide loan financing for energy-saving and renewable energy investments that support regional, local community and tribal energy needs. Since the program began in 1980 it has made more than 800 loans totaling approximately \$520 million. The loans are funded through the sale of tax-exempt, taxable and private equity general obligation bonds issued under Article XI-J of the Oregon Constitution.
- Energy Efficiency and Sustainable Technology Program (EEAST): a loan/grant program established by House Bill 2626 (2009) to provide property owners with long-term financing for residential and commercial energy efficiency and renewable energy projects. The program was designed to allow the loans to be repaid through the borrower's utility bills, a method commonly known as "on-bill" financing, or through the borrower's property tax bill.
- American Recovery and Reinvestment Act (ARRA): a program that provides funding through one-time Federal grant funds for a wide range of energy-related investments designed to generate activities that create sustained energy savings and jobs in Oregon.

Also included in this division is the Biomass Tax Credits program, which provides tax credits for agricultural producers or collectors of biomass that is used in Oregon as biofuel or to produce biofuel

The Subcommittee approved the following packages:

- Package 070, Revenue Shortfalls, reduces \$445,386 Other Funds and two positions (2.00 full-time equivalent) related to the administration of EEAST. The 2009 Legislature, in House Bill 2626, provided the Department with the authority to use the ESA as a one-time revenue source (\$300,000) in the 2009-11 biennium for the administration of the program. The assumption was that the program would become self-sustaining generating revenue through loan origination and application fees; at this time there is not sufficient revenue to maintain the positions associated with EEAST program in the DOE.
- Package 086, Eliminate Inflation, reduces \$57,141 Other Funds and \$3,793 Federal Funds by eliminating standard inflation in certain accounts from the Current Service Level budget.
- Package 087, Personal Services Adjustments, eliminates \$221,003 Other Funds for a 5.5 percent across-the-board reduction in Personal Services from the Current Service Level budget.
- Package 201 ARRA Continuation, adds \$33,703,939 Federal Funds and eleven limited duration positions (5.67 full-time equivalent) to provide the department with the necessary infrastructure to carry out work related to the American Recovery and Reinvestment Act (ARRA), for which the Department received federal grant funds in the 2009-11 biennium. In total the department received approximately \$55.75 million dollars for ARRA grants under SEP, Energy Block Grant Program, Appliance Rebate Program, and the Energy Assurance Program. The deadlines related to these programs range from February 17, 2012 to September 27, 2012. The package allows for adequate staff to ensure that ARRA projects are completed on time and in compliance with federal regulations.

- Package 810, LFO Analyst Adjustments, provides \$336,110 Other Funds and four limited duration positions (2.00 full-time equivalent) to address an unanticipated increase in BETC applications for tax credits since the passage of House Bill 3680 (which capped BETC renewable credits) in February 2010. The increase is due to the number of applicants looking to complete their projects before the program is scheduled to sunset. These positions are currently in the Department's budget for the 2009-11 biennium as limited duration positions, and this package continues them for an additional year, to complete certifications and evaluations of projects.
- Package 819, Supplemental Statewide Ending Balance, reduces \$75,746 Lottery Funds per the Co-Chairs' budget plan for a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency's total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget.

Nuclear Safety:

The Nuclear Safety and Energy Emergency Preparedness Division works to provide safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure that decisions regarding cleanup protect the Columbia River. The division also provides emergency preparedness for potential hazards including a nuclear reactor accident, transporting radioactive materials through Oregon.

The Subcommittee approved the following packages:

- Package 086, Eliminate Inflation, reduces \$7,554 Other Funds and \$12,785 Federal Funds by eliminating standard inflation in certain accounts from the Current Service Level budget.
- Package 087, Personal Services Adjustments, eliminates \$18,458 Other Funds and \$58,129 Federal Funds for a 5.5 percent across-the-board reduction in Personal Services from the Current Service Level budget.

Siting Energy Facilities:

The Energy Facility Siting Division (Facility Siting) works with energy facility developers and operating energy facilities to meet the state's energy needs by ensuring that large power plants, transmission lines and natural gas pipelines are built to meet Oregon siting requirements. Facility Siting provides staff to the Energy Facility Siting Council (EFSC), coordinates the energy facility siting process, oversees compliance with existing site certificates and coordinates federal energy siting projects for the state.

The Subcommittee approved the following packages:

- Package 086, Eliminate Inflation, reduces \$45,689 Other Funds by eliminating standard inflation in certain accounts from the Current Service Level budget.
- Package 087, Personal Services Adjustments, eliminates \$58,018 Other Funds for a 5.5 percent across-the-board reduction in Personal Services from the Current Service Level budget.

Package 401, Facility Siting Demand, adds \$1,889,981 Other Funds and five permanent positions (5.00 full-time equivalent) to provide the department with resources to address an increase in energy facility and transmission line siting applications over the last several biennia in Oregon. This increase stems from population growth and Renewable Portfolio Standard requirements. Siting an energy project is a multi-year endeavor involving multiple stakeholders, site visits, engineering studies, and a public hearings process. The department is responsible for ensuring that what is being developed and built conforms to the plans that have been submitted to the state. Consistency and institutional memory may be better served by permanent positions.

Administrative Services:

The Administrative Services program area consists of the Director's Office and the Central Services Division. The Director and Deputy Director provide operational and policy leadership and direction for the agency. The Director's Office functions include internal audits, communications and outreach, human resources management and government relations.

The Central Services Division provides shared administrative services to the Department. Its functions include budgeting, accounting, contracting, information technology (IT) management, database development and management, facilities, records management, employee safety and office reception.

The Subcommittee approved the following packages:

- Package 086, Eliminate Inflation, reduces \$108,463 Other Funds and \$310 Federal Funds by eliminating standard inflation in certain accounts from the Current Service Level budget.
- Package 087, Personal Services Adjustments, eliminates \$400,432 Other Funds for a 5.5 percent across-the-board reduction in Personal Services from the Current Service Level budget.
- Package 201, ARRA Continuation, adds \$352,327 Other Funds and three limited duration positions (1.56 full-time equivalent) to provide the department with the necessary infrastructure to carry out work related to ARRA, for which the Department received federal grant funds in the 2009-11 biennium. In total the department received approximately \$55.75 million dollars for ARRA grants under the State Energy Program, the Energy Block Grant Program, the Appliance Rebate Program, and the Energy Assurance Program. The deadlines related to these programs range from February 17, 2012 to September 27, 2012. The package allows for adequate staff to ensure that ARRA projects are completed on time and in compliance with federal regulations.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5511-A

**Oregon Department of Energy
Tamara Brickman -- (503) 378-4709**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011	\$ 0	\$ 590,347	\$ 33,307,287	\$ 217,916,815	\$ 57,739,196	\$ 1	\$ 309,553,646	122	117.44
2011-13 ORBITS printed Current Service Level (CSL)	\$ 0	\$ 2,164,185	\$ 30,163,827	\$ 171,915,239	\$ 3,156,827	\$ 1	\$ 207,400,079	104	99.00
2011-13 Governor's Recommended Budget	\$ 0	\$ 2,164,185	\$ 30,531,027	\$ 171,915,239	\$ 30,830,849	\$ 1	\$ 235,441,301	120	108.23
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Energy Development Services</u>									
Package 201: ARRA Continuation									
Special Payments	0	0	0	0	5,906,002	0	5,906,002		
Package 810: LFO Analyst Adjustments									
Personal Services	0	0	289,609	0	0	0	289,609	4	2.00
Services & Supplies	0	0	46,501	0	0	0	46,501		
Package 819: Supplemental Statewide Ending Balance									
Debt Service	0	(75,746)	0	0	0	0	(75,746)		
<u>Siting Energy Facilities</u>									
Package 401: Facility Siting Demand									
Personal Services	0	0	94,773	0	0	0	94,773	1	1.00
Services & Supplies	0	0	30,046	0	0	0	30,046		
							0		
TOTAL ADJUSTMENTS	\$ 0	\$ (75,746)	\$ 460,929	\$ 0	\$ 5,906,002	\$ 0	\$ 6,291,185	5	3.00
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 2,088,439	\$ 30,991,956	\$ 171,915,239	\$ 36,736,851	\$ 1	\$ 241,732,486	125	111.23
% Change from 2009-11 Leg Approved Budget	0.0%	253.8%	-7.0%	-21.1%	-36.4%	0.0%	-21.9%	2.5%	-5.3%
% Change from 2011-13 Current Service Level	0.0%	-3.5%	2.7%	0.0%	1063.7%	0.0%	16.6%	20.2%	12.4%
% Change from 2011-13 Gov's Recommended Budget	0.0%	-3.5%	1.5%	0.0%	19.2%	0.0%	2.7%	4.2%	2.8%

Legislatively Proposed 2011-2013 Key Performance Measures

Agency: ENERGY, DEPARTMENT of

Mission: The mission of the ODOE is to ensure Oregon has an adequate supply of reliable and affordable energy and is safe from nuclear contamination, by helping Oregonians save energy, develop clean energy resources, promote renewable energy and clean up nuclear waste.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
2 a - CARBON DIOXIDE EMISSIONS - Annual carbon dioxide emissions in tons per capita from homes, businesses and public buildings.		Proposed Delete KPM	9.40	10.50	10.40
2 b - CARBON DIOXIDE EMISSIONS - Annual CO2 savings in million tons from individual programs: Business Energy Tax Credits.		Proposed Delete KPM	7.30		
2 c - CARBON DIOXIDE EMISSIONS - Annual CO2 savings in million tons from individual programs: Residential Energy Tax Credits.		Proposed Delete KPM	0.14		
2 d - CARBON DIOXIDE EMISSIONS - Annual CO2 savings in million tons from individual programs: Small-Scale Energy Loans.		Proposed Delete KPM	0.78		
2 e - CARBON DIOXIDE EMISSIONS - Annual CO2 savings in million tons from individual programs: Energy Efficient Design.		Proposed Delete KPM	0.03		
4 - NUCLEAR EMERGENCY DRILLS - Number of jurisdictions participating in preparedness drills and exercises for a nuclear emergency needing corrective action, based on Federal Emergency Management Agency evaluations.		Proposed Delete KPM	1.00		
1 a - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings; Total Savings.		Approved KPM	214,951.00	200,000.00	200,000.00
1 b - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Business Energy Tax Credits.		Approved KPM	200,981.00	167,000.00	167,000.00
1 c - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Residential Energy Tax Credits.		Approved KPM	2,445.00	2,300.00	2,300.00

Agency: ENERGY, DEPARTMENT of

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 d - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Small-Scale Energy Loan Program.		Approved KPM	648.00	15,500.00	15,500.00
1 e - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: State Energy Efficiency Design.		Approved KPM	427.00	300.00	300.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	84.00	95.00	95.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	76.90	95.00	95.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	87.60	95.00	95.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	85.20	95.00	95.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	80.80	95.00	95.00
3 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	74.20	95.00	95.00

Agency: ENERGY, DEPARTMENT of

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
5 a - APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for Energy Facility Siting.		Approved KPM	100.00	100.00	100.00
5 b - APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for Business Energy Tax Credits.		Approved KPM	87.90	100.00	100.00
5 c - APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for Residential Energy Tax Credits.		Approved KPM	91.20	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends the deletion of Key Performance Measure #2 related to carbon dioxide emissions. The agency can report against the existing benchmark (Oregon Benchmark 77: Carbon dioxide emissions as a percent of 1990 emissions) but retention as a KPM is problematic because other states methodologies include transportation emissions, making valid comparisons difficult. In addition, since CO2 estimates are merely a recalculation of the energy savings number is Measure 1, the measure is redundant. Also recommended for deletion is KPM 4 related to Nuclear Emergency drills. This measure is a reporting measure of outside party drills and results, not a direct reflection of the Department's performance.

In looking at the timeliness KPM, it appears that siting is 100% timely despite the agency's having increased siting activity. The Legislative Fiscal Office recommends that the Department 1) better explain the criteria by which it judges timeliness in the APPR report; and 2) adjust its processes, administrative deadlines and criteria for determining timeliness, so that this measure provides relevant feedback to the agency and stakeholders about whether siting applications are approved and site certificates are being issued in a timely manner.

Sub-Committee Action:

Approved the LFO recommendation.