

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2006

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Allows electric utility that is member of Boardman impacted utility to remain small electric utility for purposes of meeting renewable portfolio standard if utility serves no more than 25,000 retail electricity consumers and is located in Umatilla, Morrow or Union County.

Government Unit(s) Affected:

Public Utility Commission, State Treasurer, Water Resources Department

Summary of Fiscal Impact:

Please see analysis

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:

The measure has no fiscal impact to the Public Utilities Commission or the State Treasurer. In the event that the Boardman facility closes by 2019, the Water Resources Department (WRD) assumed Lottery backed bonds would be issued to finance the grant program. WRD estimates a Lottery Funds and Other Funds cost totaling \$4,790,000 in the biennium following the plant closure. Other Funds expenditures include \$4 million for grants and administrative expenses and an additional \$175,000 in bond related costs. Assuming a 20-year repayment schedule, Lottery Funds expenditures for debt service on the bonds are anticipated to be \$615,000 per biennium. Total debt service for the period is estimated to be \$8.1 million. A shorter repayment period of five years would cost \$5.3 million over the life of the bond. Bond and debt costs would be avoided if the grant program was financed with General Fund.