
MEMORANDUM

Legislative Fiscal Office
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To: Natural Resources Subcommittee

From: Julie Neburka, Legislative Fiscal Office
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Date: June 11, 2015

Subject: Oregon Department of Energy
SB 5510 Work Session Recommendations

Department of Energy

	2011-13 Actuals	2013-15 Legislatively Approved*	2015-17 CSL LFO	2015-17 LFO Recommended
Lottery Funds	2,164,181	2,166,050	3,282,990	2,980,496
Other Funds	84,439,571	50,489,645	38,256,836	34,515,467
Non-limited Other Funds	52,438,426	176,018,807	140,840,333	140,853,963
Federal Funds	31,841,586	2,977,118	3,129,106	3,129,106
Non-limited Federal Funds	-	40,000	104,000	104,000
Total Funds	170,883,764	231,691,620	185,613,265	181,583,032
Positions	130	114	110	105
FTE	118.60	112.81	108.92	104.50

*includes Emergency Board and administrative actions through December 2014

Attached are the recommendations from the Legislative Fiscal Office for the Department of Energy. Recommended expenditure limitations allow the agency to operate its current programs at the anticipated levels of service. Specific recommendations include:

- Expenditure reduction packages totaling \$4.36 million and eight positions, reflecting the end of the Business Energy Tax Credit program, closure of an un-needed field office in Hermiston, reduced support from the Energy Supplier Assessment, and reduced demand and fee support for the agency's State Energy Efficient Design (SEED) program.
- \$461,000 and 2.00 FTE in continued support for Oregon's Ten-Year Energy Plan outcomes, including support for the Governor's Energy Policy Advisor and for alternative fuel use in the state's transportation fleets.
- \$172,577 and 1.00 FTE to continue limited-duration fiscal support for the increasing complexity of energy facility siting applications; and technical adjustments to move three positions between divisions and reduce Lottery debt service requirements.

Adjustments to Current Service Level:

See attached “Work Session Presentation Report” dated 5/26/2015.

Accept LFO Recommendation

Move the LFO recommendation to SB 5510.

OR

Change LFO recommendation

Move the LFO recommendation to SB 5510, with modifications.

Performance Measures

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures

OR

Change LFO recommendation

Move the LFO recommendation on Key Performance Measures, with modifications.

Budget Notes

There is one proposed budget note:

“The Oregon Department of Energy is instructed to limit the amount assessed under the Energy Supplier Assessment to a total of \$13.1 million for the 2015 – 17 biennium and is instructed to prepare its 2017-19 agency budget request to reflect a total assessment from the Energy Supplier Assessment to not exceed \$13.1 million.”

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$2,980,496 Lottery Funds, \$34,515,467 Other Funds, \$140,853,963 Non-limited Other Funds, \$3,129,106 Federal Funds, and 105 positions (104.50 FTE) and that Senate Bill 5510 be amended accordingly.

Following is the content of the -1 amendment:

Section 1

Line 6 – Delete [\$47,888,133] and insert \$34,515,467.

Section 2

Line 11 – Delete [\$3,833,330] and insert \$2,980,496.

Section 3

Line 17 – Delete [\$3,091,351] and insert \$3,129,106.

Move to adopt the -1 amendment to SB 5510.

HB SB 5510 Final Subcommittee Action:

Final Motion:

Move SB 5510, as amended, to the full committee with a “do pass” recommendation.

Carriers:

Full: _____

House: _____

Senate: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	2,166,050	49,447,398	2,939,208	176,018,807	1	230,571,464	115	114.02
2013-15 Ebds, SS & Admin Act	-	-	1,042,247	37,910	-	39,999	1,120,156	(1)	(1.21)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	2,166,050	50,489,645	2,977,118	176,018,807	40,000	231,691,620	114	112.81
2013-15 Leg Approved Budget (Base)	-	2,166,050	50,489,645	2,977,118	176,018,807	1	231,651,621	114	112.81
Summary of Base Adjustments	-	1,116,940	205,882	113,696	(35,178,474)	103,999	(33,637,957)	(4)	(3.89)
2015-17 Base Budget	-	3,282,990	50,695,527	3,090,814	140,840,333	104,000	198,013,664	110	108.92
010: Non-PICS Pers Svc/Vacancy Factor	-	-	7,522	26,728	-	-	34,250	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(13,257,861)	(203,597)	-	-	(13,461,458)	-	-
030: Inflation & Price List Adjustments	-	-	986,116	40,694	-	-	1,026,810	-	-
050: Fundshifts and Revenue Reductions	-	-	(174,467)	174,467	-	-	-	-	-
060: Technical Adjustments	-	-	(1)	-	-	-	(1)	-	-
2015-17 Current Service Level	-	3,282,990	38,256,836	3,129,106	140,840,333	104,000	185,613,265	110	108.92
070: Revenue Reductions/Shortfall	-	-	(4,361,188)	-	-	-	(4,361,188)	(8)	(7.42)
Adjusted 2015-17 Current Service Level	-	3,282,990	33,895,648	3,129,106	140,840,333	104,000	181,252,077	102	101.50
Total LFO Recommended Packages	-	(302,494)	619,819	-	13,630	-	330,955	3	3.00
2015-17 Legislative Actions	-	2,980,496	34,515,467	3,129,106	140,853,963	104,000	181,583,032	105	104.50
Net change from 2013-15 Leg Approved Budget	-	814,446	(15,974,178)	151,988	(35,164,844)	64,000	(50,108,588)	(9)	(8.31)
Percent change from 2013-15 Leg Approved Budget	0.0%	37.6%	(31.6%)	5.1%	(20.0%)	160.0%	(21.6%)	(7.9%)	(7.4%)
Net change from 2015-17 Current Service Level	-	(302,494)	619,819	-	13,630	-	330,955	3	3.00
Percent change from 2015-17 Current Service Level	0.0%	(9.2%)	1.8%	0.0%	0.0%	0.0%	0.2%	2.9%	3.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	6,801,750	918,913	-	-	7,720,663	25	25.00
2013-15 Ebds, SS & Admin Act	-	-	192,396	(7,915)	-	-	184,481	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	6,994,146	910,998	-	-	7,905,144	25	25.00
2013-15 Leg Approved Budget (Base)	-	-	6,994,146	910,998	-	-	7,905,144	25	25.00
Summary of Base Adjustments	-	-	156,991	(4,145)	-	-	152,846	-	-
2015-17 Base Budget	-	-	7,151,137	906,853	-	-	8,057,990	25	25.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	26,290	13,362	-	-	39,652	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(300,000)	(200,000)	-	-	(500,000)	-	-
030: Inflation & Price List Adjustments	-	-	66,873	22,767	-	-	89,640	-	-
050: Fundshifts and Revenue Reductions	-	-	(143,678)	143,678	-	-	-	-	-
060: Technical Adjustments	-	-	(209,518)	166,059	-	-	(43,459)	-	-
2015-17 Current Service Level	-	-	6,591,104	1,052,719	-	-	7,643,823	25	25.00
070: Revenue Reductions/Shortfall	-	-	(1,040,363)	-	-	-	(1,040,363)	(3)	(3.00)
Adjusted 2015-17 Current Service Level	-	-	5,550,741	1,052,719	-	-	6,603,460	22	22.00
Total LFO Recommended Packages	-	-	193,703	-	-	-	193,703	1	1.00
2015-17 Legislative Actions	-	-	5,744,444	1,052,719	-	-	6,797,163	23	23.00
Net change from 2013-15 Leg Approved Budget	-	-	(1,249,702)	141,721	-	-	(1,107,981)	(2)	(2.00)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(17.9%)	15.6%	0.0%	0.0%	(14.0%)	(8.0%)	(8.0%)
Net change from 2015-17 Current Service Level	-	-	193,703	-	-	-	193,703	1	1.00
Percent change from 2015-17 Current Service Level	0.0%	0.0%	3.5%	0.0%	0.0%	0.0%	2.9%	4.6%	4.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package reduces Other Funds limitation in the amount of \$1.0 million and three full-time equivalent positions. A Program Analyst 3 in the State Energy Efficient Design (SEED) Program is eliminated because the university system is no longer required to use SEED services so demand has dropped. A Program Analyst 3 assigned to the Cool Schools Program and supported with ESA funds is being eliminated. An Administrative Specialist 1 position assigned to support energy conservation services, which has been held vacant for most of the 2013-15 biennium in order to accumulate savings, is being eliminated. Finally, \$400,000 in Special Payments limitation associated with the Community Renewable Energy Feasibility Fund is removed, as all grants in the program have been awarded.

LFO Recommendation Approve the revenue shortfall and associated expenditure reductions.

LFO Recommended	-	-	(1,040,363)	-	-	-	(1,040,363)	(3)	(3.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Achieving Oregon’s 10 Year Energy Plan Outcomes

Package Description The Department is requesting \$461,000 and two full-time equivalent positions to continue to implement the Governor's 10 Year Energy Plan. In this division the Department would like to convert a limited duration position assigned to the alternative fuels program to a permanent position. The position would determine baseline use of alternative fuels and assist Oregon’s transportation fleets in making cost-effective shifts to alternative fuels. This package is funded with the Energy Supplier Assessment revenue.

In the Administrative Services Division the Department is requesting to re-establish the limited duration position that serves as the Governor’s Energy Policy Advisor.

LFO Recommendation Approve converting the existing limited-duration position to an ongoing position.

LFO Recommended	-	-	166,059	-	-	-	166,059	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This technical adjustment moves one position into Energy Planning and Innovation from the Energy Development Services Division, and moves one position out of Energy Planning and Innovation into the Administrative Services Division. There is no net change in expenditures in the department. These position changes better align staff with workload and reporting structures in the department, and reflect a realignment of resources in light of the sunset of the Business Energy Tax Credit program.

LFO Recommendation Approve the technical adjustment.

LFO Recommended	-	-	27,644	-	-	-	27,644	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	2,166,050	24,778,287	443,749	176,018,807	1	203,406,894	29	28.02
2013-15 Ebds, SS & Admin Act	-	-	457,155	15,000	-	39,999	512,154	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	2,166,050	25,235,442	458,749	176,018,807	40,000	203,919,048	29	28.02
2013-15 Leg Approved Budget (Base)	-	2,166,050	25,235,442	458,749	176,018,807	1	203,879,049	29	28.02
Summary of Base Adjustments	-	1,116,940	(122,609)	31,781	(35,178,474)	103,999	(34,048,363)	(2)	(1.02)
2015-17 Base Budget	-	3,282,990	25,112,833	490,530	140,840,333	104,000	169,830,686	27	27.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(32,910)	1,703	-	-	(31,207)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(13,107,861)	(3,597)	-	-	(13,111,458)	-	-
030: Inflation & Price List Adjustments	-	-	330,984	343	-	-	331,327	-	-
050: Fundshifts and Revenue Reductions	-	-	(30,789)	30,789	-	-	-	-	-
060: Technical Adjustments	-	-	270,224	(166,059)	-	-	104,165	-	-
2015-17 Current Service Level	-	3,282,990	12,542,481	353,709	140,840,333	104,000	157,123,513	27	27.00
070: Revenue Reductions/Shortfall	-	-	(700,000)	-	-	-	(700,000)	-	-
Adjusted 2015-17 Current Service Level	-	3,282,990	11,842,481	353,709	140,840,333	104,000	156,423,513	27	27.00
Total LFO Recommended Packages	-	(302,494)	(287,293)	-	13,630	-	(576,157)	(1)	(1.00)
2015-17 Legislative Actions	-	2,980,496	11,555,188	353,709	140,853,963	104,000	155,847,356	26	26.00
Net change from 2013-15 Leg Approved Budget	-	814,446	(13,680,254)	(105,040)	(35,164,844)	64,000	(48,071,692)	(3)	(2.02)
Percent change from 2013-15 Leg Approved Budget	0.0%	37.6%	(54.2%)	(22.9%)	(20.0%)	160.0%	(23.6%)	(10.3%)	(7.2%)
Net change from 2015-17 Current Service Level	-	(302,494)	(287,293)	-	13,630	-	(576,157)	(1)	(1.00)
Percent change from 2015-17 Current Service Level	0.0%	(9.2%)	(2.4%)	0.0%	0.0%	0.0%	(0.4%)	(3.7%)	(3.7%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description Reductions of limitation in this division are associated with the end of the Business Energy Tax Credit program, including \$300,000 for Professional Services, \$300,000 for Attorney General services, and \$100,000 in Services and Supplies.

LFO Recommendation Approve the revenue shortfall and associated expenditure reductions.

LFO Recommended	-	-	(700,000)	-	-	-	(700,000)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 201 Biomass Producer & Collector Tax Credit

Package Description This revenue only package modifies fees that the Department collects for the Biomass Producer or Collector Tax Credit Program, and is recommended in order to support full cost recovery for the program. Current fees of \$100 per application plus 2.5% of the requested tax credit were approved by the Legislature in 2013, and support just under two-thirds of the program's current cost for reviewing and certifying biomass producer or collector tax credits. The deficit in the current biennium was covered with one-time tax credit reserve funds which will be exhausted at the end of June, 2015. Restructuring the fee to consist of \$100 per application plus 3.8% of the requested tax credit will allow this program to fully recover its costs. The Department estimates that the restructured fee will raise \$270,600 in additional revenues over the biennium.

Additionally this package will support the changes to the Biomass Producer or Collector Tax Credit Program contained in HB 2449, which redirects the current incentive, creates a new pilot program, and directs the agency to engage in rulemaking that addresses the program and fee schedule.

LFO Recommendation Approve the fee increase.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This technical adjustment moves one position from the Energy Development Services Division into the Energy Planning and Innovation Division. This position change moves one management position to better align staff with workload and reporting structures in the department, and reflects a realignment of resources in light of the sunset of the Business Energy Tax Credit program.

Additionally, \$13,630 in Services and Supplies is shifted from Other Funds to Other Funds non-limited, to reflect bond costs associated with the Small Scale Energy Loan Program (SELP).

LFO Recommendation Approve the technical adjustment.

LFO Recommended	-	-	(287,293)	-	13,630	-	(273,663)	(1)	(1.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 811 Updated Base Debt Service Adjustment

Package Description This package adjusts Lottery Fund debt service limitation to reflect an updated Lottery Funds forecast and a revised bond sale calendar.

LFO Recommendation Approve the Lottery Funds debt service adjustment.

LFO Recommended	-	(302,494)	-	-	-	-	(302,494)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	628,654	1,507,902	-	-	2,136,556	6	6.00
2013-15 Ebds, SS & Admin Act	-	-	7,820	29,259	-	-	37,079	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	636,474	1,537,161	-	-	2,173,635	6	6.00
2013-15 Leg Approved Budget (Base)	-	-	636,474	1,537,161	-	-	2,173,635	6	6.00
Summary of Base Adjustments	-	-	(29,763)	93,087	-	-	63,324	-	-
2015-17 Base Budget	-	-	606,711	1,630,248	-	-	2,236,959	6	6.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,192	4,865	-	-	6,057	-	-
030: Inflation & Price List Adjustments	-	-	11,479	16,434	-	-	27,913	-	-
2015-17 Current Service Level	-	-	619,382	1,651,547	-	-	2,270,929	6	6.00
Adjusted 2015-17 Current Service Level	-	-	619,382	1,651,547	-	-	2,270,929	6	6.00
2015-17 Legislative Actions	-	-	619,382	1,651,547	-	-	2,270,929	6	6.00
Net change from 2013-15 Leg Approved Budget	-	-	(17,092)	114,386	-	-	97,294	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(2.7%)	7.4%	0.0%	0.0%	4.5%	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	5,707,026	-	-	-	5,707,026	14	14.00
2013-15 Ebds, SS & Admin Act	-	-	118,880	-	-	-	118,880	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	5,825,906	-	-	-	5,825,906	14	14.00
2013-15 Leg Approved Budget (Base)	-	-	5,825,906	-	-	-	5,825,906	14	14.00
Summary of Base Adjustments	-	-	94,647	-	-	-	94,647	(1)	(1.00)
2015-17 Base Budget	-	-	5,920,553	-	-	-	5,920,553	13	13.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	11,259	-	-	-	11,259	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(100,000)	-	-	-	(100,000)	-	-
030: Inflation & Price List Adjustments	-	-	174,177	-	-	-	174,177	-	-
2015-17 Current Service Level	-	-	6,005,989	-	-	-	6,005,989	13	13.00
070: Revenue Reductions/Shortfall	-	-	(1,625,998)	-	-	-	(1,625,998)	(2)	(2.00)
Adjusted 2015-17 Current Service Level	-	-	4,379,991	-	-	-	4,379,991	11	11.00
Total LFO Recommended Packages	-	-	172,577	-	-	-	172,577	1	1.00
2015-17 Legislative Actions	-	-	4,552,568	-	-	-	4,552,568	12	12.00
Net change from 2013-15 Leg Approved Budget	-	-	(1,273,338)	-	-	-	(1,273,338)	(2)	(2.00)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(21.9%)	0.0%	0.0%	0.0%	(21.9%)	(14.3%)	(14.3%)
Net change from 2015-17 Current Service Level	-	-	172,577	-	-	-	172,577	1	1.00
Percent change from 2015-17 Current Service Level	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	3.9%	9.1%	9.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package reflects the Department's decision to close the Hermiston office, which no longer has the workload to justify the local staffing. The office had five positions; two will be eliminated and three will be moved to the Salem office. General Services and Supplies will be reduced by the closure. In addition, the legislature requested the Division review its business processes. The Division received feedback from its applicants that they preferred ODOE staff to review their applications over consultants. The Department has decided to have staff perform more of the work, and has reduced its limitation for Professional Services, used to purchase consultant services, by \$1.2 million Other Funds.

LFO Recommendation Approve the reduction.

LFO Recommended	-	-	(1,625,998)	-	-	-	(1,625,998)	(2)	(2.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 401 Energy Facility Siting Cost Recovery

Package Description The Department is requesting one full-time equivalent position and \$172,577 Other Funds expenditure limitation in the Energy Facility Siting Program in response to workload changes. New siting applications have declined, however more contested and complex applications have increased. In the 2013-15 biennium the Department added a limited duration Fiscal Analyst 2 position that has been used to reduce ODOE's financial risk and ensure timely cost recovery for the Department and its state and local partners that are entitled to be reimbursed for their costs associated with reviewing siting applications. The Department wishes to continue this limited duration position in the 2015-17 biennium to continue to develop new controls and processes in this area.

LFO Recommendation Approve the request.

LFO Recommended	-	-	172,577	-	-	-	172,577	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	11,531,681	68,644	-	-	11,600,325	41	41.00
2013-15 Ebds, SS & Admin Act	-	-	265,996	1,566	-	-	267,562	(1)	(1.21)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	11,797,677	70,210	-	-	11,867,887	40	39.79
2013-15 Leg Approved Budget (Base)	-	-	11,797,677	70,210	-	-	11,867,887	40	39.79
Summary of Base Adjustments	-	-	106,616	(7,027)	-	-	99,589	(1)	(1.87)
2015-17 Base Budget	-	-	11,904,293	63,183	-	-	11,967,476	39	37.92
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,691	6,798	-	-	8,489	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	250,000	-	-	-	250,000	-	-
030: Inflation & Price List Adjustments	-	-	402,603	1,150	-	-	403,753	-	-
060: Technical Adjustments	-	-	(60,707)	-	-	-	(60,707)	-	-
2015-17 Current Service Level	-	-	12,497,880	71,131	-	-	12,569,011	39	37.92
070: Revenue Reductions/Shortfall	-	-	(994,827)	-	-	-	(994,827)	(3)	(2.42)
Adjusted 2015-17 Current Service Level	-	-	11,503,053	71,131	-	-	11,574,184	36	35.50
Total LFO Recommended Packages	-	-	540,832	-	-	-	540,832	2	2.00
2015-17 Legislative Actions	-	-	12,043,885	71,131	-	-	12,115,016	38	37.50
Net change from 2013-15 Leg Approved Budget	-	-	246,208	921	-	-	247,129	(2)	(2.29)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	2.1%	1.3%	0.0%	0.0%	2.1%	(5.0%)	(5.8%)
Net change from 2015-17 Current Service Level	-	-	540,832	-	-	-	540,832	2	2.00
Percent change from 2015-17 Current Service Level	0.0%	0.0%	4.7%	0.0%	0.0%	0.0%	4.7%	5.6%	5.6%

Administrative Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package makes permanent reductions taken during the 2013-15 biennium as a result of reduced Energy Supplier Assessment revenue. Three positions are eliminated: the Deputy Director, an Executive Assistant position in the Director's Office and an Accounting Technician in the Central Services Division.

LFO Recommendation Approve the reduction.

LFO Recommended	-	-	(994,827)	-	-	-	(994,827)	(3)	(2.42)
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Administrative Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Achieving Oregon’s 10 Year Energy Plan Outcomes

Package Description The Department is requesting \$461,000 and two full-time equivalent positions to continue to implement the Governor’s 10 Year Energy Plan. In this division the Department is requesting to re-establish the limited duration position that serves as the Governor’s Energy Policy Advisor. The Department will continue to lead several initiatives including determining the baseline energy use of state buildings and designing a process to retrofit the buildings with cost-effective energy efficiency measures working with other agency, West Coast states and stakeholders to develop policy to advance energy efficiency and a clean energy mix that support the economic development of Oregon.

LFO Recommendation Approve the re-establishment of the existing limited-duration position.

LFO Recommended	-	-	294,813	-	-	-	294,813	1	1.00
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Administrative Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This technical adjustment moves one Operations & Policy Analyst 4 position and associated expenditure limitation into the Administrative Services Division from the Energy Planning and Innovation Division. This action better aligns staff in the agency's reporting structure. This position primarily provides analytic and research services at the direction of the agency Director.

LFO Recommendation Approve the technical adjustment.

LFO Recommended	-	-	246,019	-	-	-	246,019	1	1.00
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Legislatively Proposed 2015-2017 Key Performance Measures

Agency: ENERGY, DEPARTMENT of

Mission: The Oregon Department of Energy reduces the long-term costs of energy for Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
4 - Energy Use by State Buildings		Proposed New KPM			
5 a - Carbon content of Oregon's Energy Mix: Electricity		Proposed New KPM			
5 b - Carbon content of Oregon's Energy Mix: Thermal Energy		Proposed New KPM			
6 - Percentage of alternative fuels used in Oregon large fleets.		Proposed New KPM			
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	250,500.00	143,200.00	143,200.00
1 b - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Energy Incentive Programs.		Approved KPM	246,461.00	121,000.00	121,000.00
1 c - 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	961.00	100.00	100.00
1 d - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Public Buildings.		Approved KPM	1,015.00	250.00	250.00
1 e - ENERGY SAVINGS - Annual energy savings in number of households that could be powered as a result of energy savings: Residential Programs.		Approved KPM	1,256.00	1,200.00	1,200.00
2 - 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	87.00	95.00	95.00

Agency: ENERGY, DEPARTMENT of

Mission: The Oregon Department of Energy reduces the long-term costs of energy for Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
2 - 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	83.00	95.00	95.00
2 - 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	86.00	95.00	95.00
2 - 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	84.00	95.00	95.00
2 - 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	86.00	95.00	95.00
2 - 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	85.00	95.00	95.00
3 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
3 b - APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for Energy Incentive Programs.		Approved KPM	42.70	100.00	100.00
3 c - APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for Residential Energy Tax Credits.		Approved KPM	89.70	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends four new Key Performance Measures for the Department of Energy. These four new measures are in response to legislative direction in 2013-15 to develop performance measures specific to the Energy Planning and Innovation Division. The proposed measures are:

#4: Energy Use by State Buildings

Rationale: Measures progress in meeting the state's goal to reduce energy consumption in state-owned buildings by 20% over the next 10 years. The Department provides technical and financing support for state agencies to reduce their energy use and related operating costs, and communicates replicable strategies to reduce energy use in other sectors. We would expect to see a downward trend in this measure.

#5a: Carbon content of Oregon's Energy Mix: Electricity

Rationale: Measures progress in expanding the mix of renewable energy used to generate electricity and produce space and process heat. The Department conducts research into the barriers and opportunities for renewable energy to meet Oregon's energy needs and to support community and economic opportunities for development of Oregon's renewable resources. We would expect to see a downward trend in this measure.

#5b: Carbon content of Oregon's Energy Mix: Thermal Energy

Rationale: Measures progress in expanding the mix of renewable energy used to generate electricity and produce space and process heat. The Department conducts research into the barriers and opportunities for renewable energy to meet Oregon's energy needs and to support community and economic opportunities for development of Oregon's renewable resources. We would expect to see a downward trend in this measure.

#6: Percentage of alternative fuels used in Oregon large fleets.

Rationale: Measures progress in diversifying the transportation fuel mix. Expanding alternate fuel use in large fleets can help transform the market. The Department works with fleets and partners to convert vehicles and expand fueling infrastructure. We would expect to see an upward trend in this measure.

The Department is currently developing baseline data for each of these measures and expects targets to be established for data collection beginning in 2016. LFO recommends approval of the remainder of the agency's key performance measures as presented.

Sub-Committee Action:

SB 5510-1
(LC 9510)
5/20/15 (TR/ps)

**PROPOSED AMENDMENTS TO
SENATE BILL 5510**

1 In line 6 of the printed bill, delete "\$47,888,133" and insert "\$34,515,467".

2 In line 11, delete "\$3,833,330" and insert "\$2,980,496".

3 In line 17, delete "\$3,091,351" and insert "\$3,129,106".

4
