

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
Seventy-Eighth Oregon Legislative  
Assembly  
2015 Regular Session  
Legislative Revenue Office**

**Bill Number: SB 324 - MRB  
Revenue Area: Utilities charges  
Economist: Mazen Malik  
Date: 03-03-2015**

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

**Measure Description:**

Encourages research into low carbon transportation fuel alternatives and conversion of vehicles to low emission types. It also changes the use of a portion of the public purpose charge to a research and development program. This redirects the charge from a rate payer pay and use to a rate payer pay and general state program use.

**Revenue Impact:** Increase to other funds.

	FY 17	FY 18	FY 19	FY 20
Carbon Reduction				
Technology Research	\$35,147,128	\$35,850,071	\$36,567,072	\$37,298,414

This increase results in a mirror decrease in the Energy Trust PPC revenues.

**Impact Explanation:**

The measure changes the distribution amounts of current Public Purpose Charge (PPC) revenues. The new use of funds is going 50% to the Energy Trust of Oregon and the other 50% to the Carbon Reduction Technology Research and Development Fund. This action changes the charge into a general purpose use by government and thus tax revenue. The Carbon Reduction Technology Research and Development Fund is to be directed and managed by the Higher Education Commission and to form a consortium of the different state universities. The current distribution of the 3% of electric bill PPC is as follows: 10% to schools for weatherization and efficiency programs. The nongovernmental entity (Energy Trust) receives half (under this measure) of the current 73.8 percent of the available PPC funds (56.7 percent dedicated to conservation programs and 17.1 percent for renewable energy projects). The other half (under this measure goes to the new research and development fund. Oregon Housing and Community Services (OHCS) receive and administer PPC funds for two low income housing programs. Four and one half percent of the PPC funds are dedicated to low income housing development and an additional 11.7 percent of the total PPC funds collected are allocated for the weatherization of dwellings of low income residents in the electric company territory.

It is worth mentioning that If 50% of the revenues are redirected to the Carbon Reduction Technology Research and Development Fund, then utilities would be required to spend a corresponding amount on integrated resource planning requirements.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No