

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1547 MRB**78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed Versions are Considered Official***Prepared by: Tim Walker
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Date: 02/29/2016**Measure Description:**

Requires each electric company providing electricity to retail electricity consumers located in this state to eliminate coal-fired resources from electric company's electricity supply.

Government Unit(s) Affected:

Public Utility Commission (PUC)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
Other Funds	170,226	269,025
Total Funds	\$170,226	\$269,025
Positions	1	1
FTE	0.63	1.00

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: This bill makes substantive changes to electrical utility regulation, including but not limited to; requires each electric company providing electricity to retail electricity consumers located in this state to eliminate coal-fired resources from electric company's electricity supply; changes compliance requirements for renewable portfolio standards; directs the Public Utility Commission (PUC) to establish stranded costs obligation associated with condemnation of, or transaction related to, service territory or property of electric company; directs commission to allow, in public bidding process for procurement of renewable energy generating facility, inclusion of value of long-term access to and use of facility beyond time at which facility is fully depreciated; directs commission to establish program for creation of community solar projects; and repeals minimum solar energy capacity standard for electric companies.

The MRB amendment delays applicability of RPS to consumer-owned utilities for three years after exemption terminates. Requires small-scale, community-based renewable energy projects that are included in eight percent standard to be (1) interconnected with a transmission or distribution system located in state or (2) biomass facilities that became operational before January 1, 1995. Authorizes PUC to adopt rules to implement eight percent requirement. Requires electric company subject to RPS to conduct annual study on cost per ton of carbon reduced due to RPS compliance and submit report to PUC. Requires PUC to post report on its website.

The PUC anticipates needing resources for performing analysis, reviewing analysis, drafting rules, conducting workshops, attending regional meetings, researching existing and phased federal and state tax laws, and completing numerous, complicated requirements as set forth in the bill. As a result, the Commission will need to establish a new Utility Analyst 3 position to perform this work. The position will be funded through Annual Gross Operating Fees from investor owned utilities. The position authority

and any necessary limitation can be added to SB 5701, the 2016 Session budget reconciliation bill, if SB 1547 passes.

The Oregon Department of Energy anticipates a minimal fiscal impact.