

## HB 3166 -2 STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 4/3

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#### WHAT THE MEASURE DOES:

Establishes Oregon Energy and Climate Board as oversight and advisory body for State Department of Energy. Modifies state energy policy. Modifies general duties of department. Requires department and board to develop statewide strategic energy plan. Requires department to adopt plan no later than January 1, 2020. Requires department to present draft plan to Legislative Assembly no later than September 15, 2019. Requires board to periodically review and recommend to department updates for plan. Requires board and department to provide biennial comprehensive energy report to Legislative Assembly. Adds Oregon Business Development Department to agencies represented by ex officio nonvoting members of Oregon Global Warming Commission. Requires nonlegislative ex officio nonvoting members of commission to regularly report and make certain recommendations to commission. Directs commission to make certain recommendations related to energy and climate to agencies, Governor and Legislative Assembly. Becomes operative July 1, 2018. Takes effect on 91st day following adjournment sine die.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-2 Replaces measure. Modifies cost recovery formula for **site certificate holders** by removing limitation that no more than 35 percent of annual fee be for recovery of general costs. Requires Oregon Department of Energy Director to adopt formula for apportioning general costs among holders of site certificates. Changes calculated share of annual **energy resource supplier assessment** below which energy resource supplier is exempt from payment of assessment from \$250 to \$2,500. Applies to annual fees due on and after July 1, 2018. Becomes operative January 1, 2018.

Establishes nine-member **Energy Facility Siting Task Force** (Task Force). Requires Task Force to review statutes and regulations that govern EFSC jurisdiction and develop recommendations in certain areas; and develop recommendations for clarifying single energy facility. Sunsets task force on December 31, 2018.

Transfers duties, functions and powers of Oregon Department of Energy (ODOE) related to issuance of loans for small scale local energy projects (**SELP**) to Oregon Business Development Department (OBDD), effective January 1, 2018. Transfers unexpended balances from revenues dedicated to SELP program to OBDD for biennium beginning July 1, 2017. Authorizes OBDD to undertake collection or enforcement of any liability, duty or obligation. Requires OBDD to conduct study to determine commercial needs for loans for small scale local energy projects for the purpose of identifying the highest and best uses of funds. Directs OBDD Director to utilize information developed through study to adopt rules. Requires OBDD report on findings of the study to Governor and Legislative Assembly no later than September 15, 2018. Abolishes the Energy Project Supplemental Fund, Energy Revenue Bond Repayment Fund, Energy Project Bond Loan Fund and Fuel Vehicle Revolving Fund and transfers remaining funds to Small Scale Local Energy Project Administration and Bond Sinking Fund (Fund). Abolishes Jobs, Energy and Schools Fund and transfers remaining balance to Clean Energy Development Fund. Appropriates 3 million from General Fund to OBDD for purposes of Act. Authorizes ODOE and OBDD to take any action necessary before operative date. Becomes operative January 1, 2018.

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Takes effect on 91st day after 2017 regular legislative session adjourns sine die

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### **BACKGROUND:**

The Department of Energy was first established in 1975 in response to the national energy crisis. Its statutory mission is to promote the efficient use of energy and advocate for the use and development of new renewable energy. In the 41 years since its creation, it has been assigned a variety of energy-related responsibilities, including some regulatory functions. In January, 2016 the Joint Interim Committee on Department of Energy Oversight (Committee) was appointed to conduct a thorough review of the Oregon Department of Energy (ODOE) and to make recommendations to the 2017 session. The Committee was directed by the Senate President and the Speaker of the House to focus its work on the following elements: review of the agency's charge, mission, and statutory responsibilities; review of the agency's organizational structure and funding streams; assessment of the current gaps and deficiencies in the agency's operational structure and personnel capacity to fulfill its mission and programs; and assessment of the agency's capacity to facilitate stakeholder relationships, both public and private, to fulfill its mission.