

## HB 2756 -1 STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 4/3

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#### WHAT THE MEASURE DOES:

Transfers duties, functions and powers of State Department of Energy related to issuance of loans for small scale local energy projects to Oregon Business Development Department. Becomes operative on January 1, 2018. Requires loan contracts to make loans payable in full in event that Director of Oregon Business Development Department declares default of payment of loan or project that is subject of loan fails to meet standards and criteria for projects. Becomes operative on January 1, 2018. Transfers moneys from Alternative Fuel Vehicle Revolving Fund to Small Scale Local Energy Project Loan Fund. Appropriates moneys from General Fund to Oregon Business Development Department for purposes of Act. Repeals energy efficiency and sustainable technology loan program. Takes effect on 91st day following adjournment.

*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:

-1 Replaces measure. 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, and Energy Project Bond Loan Fund and transfers remaining funds to Small Scale Local Energy Project Administration and Bond Sinking Fund (Fund). In addition, transfers Fuel Vehicle Revolving Fund to the 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. Takes effect on 91st day following adjournment.

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

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

##### BACKGROUND:

The Small Scale Energy Loan Program (SELP) was created in 1979, and in 1980, voters amended the Oregon Constitution to authorize the sale of general obligation bonds to finance low interest energy loans. SELP is a revolving loan fund that derives revenue from interest margins, loan fees, reimbursed expenses, and loan payments received on outstanding obligations. The loan fund is protected by the full faith and credit of the State of Oregon, requiring the General Fund to support the SELP fund in the event of a revenue shortfall that prevents the agency from paying its bond debt service. SELP loans money to individuals, businesses, schools, state and local governments, tribes, public cooperatives, and non-profits. The program may provide loans for projects that: save energy, produce energy

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from renewable resources, use recycled material to create products, or use alternative fuels.

House Bill 2756 transfers the 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.

The legislature established EFSC in 1975, and charged the council with overseeing energy facility siting in Oregon. The seven-member independent citizen body is appointed by the Governor and confirmed by the Senate.