

HB 2020 B STAFF MEASURE SUMMARY

House Committee On Rules

Action Date: 06/27/17

Action: Do pass with amendments to the A-Eng bill, and be referred to Ways and Means. (Printed B-Eng).

Vote: 5-4-0-0

Yeas: 5 - Holvey, Nosse, Rayfield, Smith Warner, Williamson

Nays: 4 - Barreto, Hack, Kennemer, McLane

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Erin Seiler, LPRO Analyst

WHAT THE MEASURE DOES:

Renames State Department of Energy the Oregon Department of Energy and Climate (ODEC) and modifies duties to include: collect, compile and analyze energy data and serve as central repository for energy and climate information, to which all agencies shall send energy and climate-related research; monitor energy industry research and developments; track and evaluate information that will aid in achievement of Oregon's greenhouse gas emissions reduction goals; and provide staff support to certain Boards and Commissions. Requires ODEC Director be confirmed by Senate.

Establishes Oregon Energy and Climate Board (Board) as oversight and advisory body for ODEC. Requires ODEC Director and Oregon member of Pacific Northwest Electric Power and Conservation Planning Council (PNEPCPC) to serve as ex officio, nonvoting members on Board. Requires Governor to appoint seven members to Board to serve four-year terms, requires that members are to be well informed in energy and climate issues and include: economist; member from Oregon higher education institution; representative of residential energy users; representative of commercial or industrial energy users; member with transportation expertise; and two at-large members. Requires Board elect voting member to serve as chair and vice chairperson. Stipulates Board member may not have financial interest with any business entity subject to energy resource supplier assessment and cannot serve more than two consecutive terms. Requires Board advise ODEC on implementation, administration, and enforcement of ODEC programs and activities, and development of policies and budget-preparation forms. Requires Energy Facility Siting Council and Oregon Hanford Cleanup Board provide regular reports to Board. Directs Board to hold public hearings and provide an opportunity for public comment.

Establishes nine-member Energy Industry Advisory Committee (EIAC) appointed by Board and supported by ODEC. Requires EIAC consist of: two representatives of electric investor-owned utilities; one representative of natural gas investor-owned utility; two representatives of consumer-owned utilities; one member representing interests of renewable energy developers; one member representing interests of energy efficiency contractors; and two at-large members. Charges EIAC with providing information and recommendations to Board on: energy production, distribution and utilization, including energy industry trends; energy portfolio resources and energy infrastructure resiliency; and proposals by ODEC related to planning, policy, and technical analysis.

Establishes Interagency Climate Coordinating Committee (Committee), comprised of the following ex officio members: directors of Oregon Department of Transportation; Oregon Department of Agriculture; Water Resources Department; Oregon Business Development Department; Oregon Department and Fish and Wildlife; ODEC; Department of Land Conservation and Development; Oregon Housing and Community Services Department; Department of Consumer and Business Services; Oregon Health Authority; Chair of Public Utility Commission; State Forester; and any other agency representative necessary to administer policies or programs related to energy and climate. Requires Committee to identify, evaluate, and make recommendations to Board on ways to coordinate state
This Summary has not been adopted or officially endorsed by action of the committee.

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policies and programs related to energy and climate and develop recommendations, strategies, and funding resources for programs, activities, and projects that may mitigate and adapt to impacts of climate change in state.

Requires ODEC, in coordination with Board, to develop and submit proposal to Legislative Assembly no later than September 15, 2018, with recommendations for legislation to restructure state's policies and programs related to greenhouse gas emissions or climate change. Abolishes Oregon Global Warming Commission (GWC) and requires all records, property, and work product within jurisdiction of GWC Chair be delivered to ODEC.

Becomes operative January 1, 2018, but authorizes actions to be taken before operative date. Takes effect on 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Process, deliberations, and recommendations of Joint Interim Committee on Department of Energy Oversight
- Duties, functions, and authority of Global Warming Commission
- Economic impact of climate change and energy policy
- Intersection of climate and energy programs
- Interagency coordination on energy and climate policy
- Existing governance structures

EFFECT OF AMENDMENT:

Clarifies that ODEC and PNEPCPC members of Board are nonvoting. Increases size of Board to seven members with addition of two at-large members. Specifies that only voting member may be chair or vice chair and majority of voting members constitutes quorum. Establishes nine-member EIAC appointed by Board and supported of ODEC. Requires EIAC consist of: two representatives of electric investor-owned utilities; one representative of natural gas investor-owned utility; two representatives of consumer-owned utilities; one member representing interests of renewable energy developers; one member representing interests of energy efficiency contractors; and two at-large members. Charges EIAC with providing information and recommendations to Board on: energy production, distribution, and utilization including energy industry trends; energy portfolio resources and energy infrastructure resiliency; and proposals by ODEC related to planning, policy, and technical analysis. Specifies requirements for selecting chair and vice chairperson, quorum, and meeting frequency. Adds Director of Oregon Health Authority to Committee. Amends charge of Committee to include development of recommendations, strategies, and funding resources for programs, activities, and projects that may mitigate and adapt to impacts of climate change in state.

BACKGROUND:

The State 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 (Oversight Committee) was appointed to conduct a thorough review of the Oregon Department of Energy (ODOE) and to make recommendations to the 2017 Legislative Assembly. The Oversight Committee was directed to focus 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 its operational structure and personnel capacity to fulfill its mission and programs; and assessment of its capacity to facilitate stakeholder relationships, both public and private, to fulfill its mission.

House Bill 2020-B incorporates recommendations developed by the Co-Chairs during the Oversight Committee's tenure including changing the name of ODOE to the Oregon Department of Energy and Climate (ODEC) and broadening its duties to include both energy and climate-related responsibilities. In addition, the measure establishes the Oregon Energy and Climate Board (Board) as an advisory body for ODEC. In addition, HB 2020-B creates the Interagency Climate Coordinating Committee to make recommendations to the Board on ways to coordinate state policies and programs related to energy and climate, and abolishes the Oregon Global Warming Commission.