

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 2618 - A4

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

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Measure Description:

Requires State Department of Energy to adopt by rule a program for providing rebates for purchase, construction or installation of residential and nonresidential solar electric systems and paired solar and storage systems.

Government Unit(s) Affected:

Department of Energy (DOE)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

HB 2618 provides for rebates for solar programs in Oregon. The Oregon Department of Energy (ODOE) is directed to adopt a program to provide rebates for purchase, construction or installation of systems that produce electricity using solar energy; or connected systems that store solar energy. This program will provide rebates to contractors who construct or install solar energy systems for residential customers, or to organizations that provide certain services to low- or moderate-income households. Residential customers can receive rebates of up to \$7,500 per system, based on household income, the cost of the system, and if the system installed includes energy storage. Low-income service providers can receive rebates of up to \$45,000 based on the cost of the system, and if the system installed includes energy storage. Contractors must reserve rebates with ODOE and submit proof to the department that the solar system was purchased, constructed or installed. ODOE is directed to report and make program recommendations each year to the Legislative Assembly on rebates provided in the previous calendar year. The program sunsets on January 2, 2024.

This fiscal assumes an appropriation of \$2.0 million General Fund to the newly created Rooftop Solar Incentive Fund that will be included in SB 5507. ODOE will provide approximately \$1.5 million of these funds as rebates in 2019-21 and use the remaining funds for program administration. Administration of this program will require ODOE to:

- Conduct rulemaking;
- Create application forms;
- Review rebate applications;
- Coordinate with other state agencies to confirm contractor eligibility for rebates and verify residential customer income;
- Verify project statuses; and
- Provide a report to the Legislature each year.

ODOE anticipates that administration of rebates in 2019-21 will require hiring three positions (1.25 FTE), which includes a limited duration Project Manager 3 (0.25 FTE) and two limited duration Program Analyst 2 positions (0.50 FTE each). In addition, an existing Principal Executive Manager E and other administrative staff will charge a portion of their time to assist with program establishment and oversight. Total personal services costs for the new positions are estimated to be \$255,258, including portions of existing positions, with an additional \$161,604 for indirect costs associated with administering the program.

Additionally, ODOE anticipates \$83,138 will be spent in Services and Supplies. This include increased costs for legal services related to rulemaking; IT costs for program administration software; and costs related to new staff training, supplies, etc.