

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2242 - A

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Michael Graham
Reviewed by: John Borden, Gregory Jolivet
Date: 3/1/2019**Measure Description:**

Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.

Government Unit(s) Affected:

Department of Justice (DOJ), Public Utility Commission (PUC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:**Public Utility Commission**

Other Funds	2019-21 Biennium	2021-23 Biennium
Personal Services	\$220,868	\$294,488
Services and Supplies	10,990	6,692
S&S: AG Costs (DOJ)	353,034	233,361
Capital Outlay	11,000	
Total Other Funds	\$595,892	\$534,541
Positions	2	2
FTE	1.13	1.50

Department of Justice

Other Funds	2019-21 Biennium	2021-23 Biennium
Personal Services	\$272,880	\$176,057
Services and Supplies	80,154	57,304
Capital Outlay		
Total Other Funds	\$353,034	\$233,361
Positions	2	2
FTE	1.13	0.75

Analysis:

The measure would create the Office of the Low-Income and Environmental Justice Advocate within the Public Utility Commission (PUC). The PUC would be required to appoint the Low-Income and Environmental Justice Advocate to head the Office, which would be independent and separately budgeted from the rest of the PUC. The Justice Advocate would have the right to intervene in rate cases and to carry out the duties, functions and powers of the Office. The measure would permit the PUC to consider differential energy burdens and customer income when setting rates. It would also make changes to intervenor funding, allowing a broader group of organizations to negotiate with public utilities and appear in rate cases. The measure would also require the Attorney General (Department of Justice) to furnish attorneys to the Office of the Low-Income and Environmental Justice Advocate as the Office deems necessary.

Public Utility Commission

The PUC would need to appoint an executive director of the Office of Low-Income and Environmental Justice Advocate. The executive director would be budgeted as a permanent, full-time Operations and Policy Analyst 4 position (0.75 FTE in 2019-21 biennium, 1.00 FTE in 2021-23 biennium). The Office would also need a permanent, part-time Administrative Specialist 1 position (0.38 FTE in 2019-21 biennium, 0.50 FTE in 2021-23 biennium) to assist the executive director. The PUC would also need legal services from the Department of Justice (DOJ), discussed below in the next section. In total, the PUC's costs would be \$595,892 in the 2019-21 biennium and \$534,541 in the 2021-23 biennium.

There is no identified revenue source to cover the costs of creating the new office and staff positions. However, the PUC has indicated that these costs would be paid for from fees generated from investor-owned utilities.

Department of Justice

DOJ would be required to furnish attorneys to the Office of Low-Income and Environmental Justice Advocate as requested by the Office. While the exact services that the Office would need are unknown at this time, DOJ anticipates that it would provide one permanent, part-time attorney (0.75 FTE in 2019-21 biennium, 0.50 FTE in 2021-23 biennium) and one permanent, part-time legal secretary (0.50 FTE in 2019-21 biennium, 0.25 FTE in 2021-23 biennium) to set up the Office and provide legal services. DOJ anticipates that its workload would decrease after the 2019-21 biennium, once the new differential rates for low-income customers have been established in the PUC's utility rate classifications. In total, DOJ's costs would be \$353,034 in the 2019-21 biennium and \$233,361 in the 2021-23 biennium, which it would charge to the PUC.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the PUC and DOJ, including position authority.