



OREGON
DEPARTMENT OF
ENERGY

Joint Ways and Means Subcommittee on Natural Resources

Written Reference Materials
2021-2023 Agency Budget
2021 Legislative Session

Agency Mission, Goals and Historical Perspective

Our Mission: ODOE helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- **A Central Repository of Energy Data, Information, and Analysis:** We research, collect, and analyze data and information to inform state energy planning, regulation, program administration, and policy development.
- **A Venue for Problem-Solving Oregon's Energy Challenges:** We convene constructive conversations about Oregon's energy challenges and opportunities that consider a diverse range of perspectives, foster collaboration and innovative solutions, and facilitate the sharing of best practices with consumers and stakeholders.
- **Energy Education and Technical Assistance:** We provide technical assistance, educational resources, and advice to support policy makers, local governments, industry, energy stakeholders, and the general public in solving energy challenges and meeting Oregon's energy, economic, and climate goals.
- **Regulation and Oversight:** We manage the responsible siting of energy facilities in the State, regulate the transport and disposal of radioactive materials, and represent Oregon's interests at the Hanford Nuclear Site.
- **Energy Programs and Activities:** We manage and administer statutorily authorized energy programs to save energy, support the State's decarbonization efforts, make communities more resilient, and position Oregon to lead by example.

The agency's 2021-23 Governor's Budget is driven by the priorities ODOE is responsible for fulfilling. This budget:

- Reinforces the agency's commitment to meeting the state's energy and climate goals using resources as efficiently as possible.
- Supports the agency's ongoing leadership in implementing the Governor's energy-related Executive Orders, and responsibilities related to energy facility siting and energy policy development.
- Provide resources for the agency to gather data and serve as a central repository of energy information.
- Continues to ensure that Oregonians are safe from the risks associated with the Hanford Site cleanup and radioactive waste transport and disposal.

- Enables the agency to continue educating Oregonians – including individuals, businesses, tribes, nonprofits, schools, and others – about their energy use and how to save energy.

Overview of Agency Performance and Outcome Measures

The Oregon Department of Energy’s vision is to lead Oregon to a safe, equitable, clean, and sustainable future. To achieve our vision and mission the agency oversees diverse programs to meet the state’s energy goals and policies. The areas covered by this biennium’s key performance measures are important for meeting Oregon’s energy goals. Areas not included in the KPMs are also critical, such as ODOE’s Nuclear Safety and Emergency Preparedness division, which oversees Oregon’s interests in the Hanford Nuclear Site cleanup and ensures that the state is prepared to respond to nuclear- and energy-related emergencies. Further, the KPMs do not wholly capture ODOE’s work to support energy policy development and innovation – efforts such as promoting energy resilience, providing technical expertise on issues like home energy performance and residential energy codes, and tracking emerging issues like electric vehicles, energy storage, renewable natural gas, and more.

ODOE is seeking approval to update our KPMs for the 2021-23 biennium. The new KPMs were developed from an analysis of the agency’s current programs and informed by the ongoing development of its new strategic plan. The proposed changes delete measures that were evaluating programs that have sunset, moved to other state agencies, or, in the case the Small-Scale Energy Loan Program, are no longer actively expanding the program.

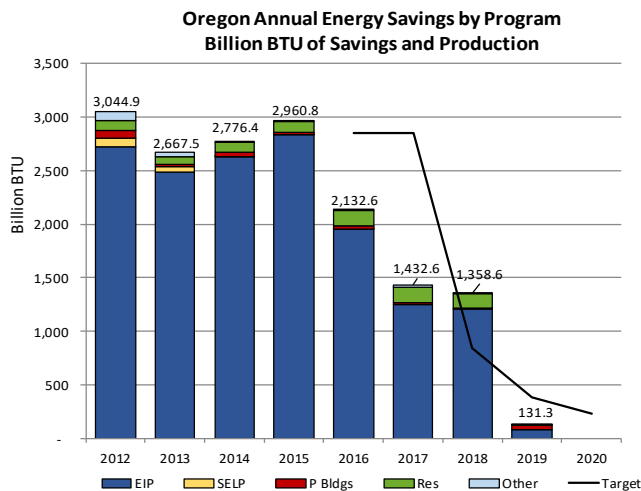
For the 2019-21 biennium, the agency is reporting on six key performance measures:

KPM #	2019-21 Key Performance Measures (KPMs)
1	ENERGY SAVINGS AND PRODUCTION - Annual energy savings and production from the agency's programs: a) Total Savings; b) Energy Incentive Programs; c) Small-Scale Energy Loan Program; d) Public Buildings and, e) Residential Programs.
2	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.
3	APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines for: a) Energy Facility Siting; b) Energy Incentive Programs; and c) Residential Energy Tax Credits.
4	ENERGY USE BY STATE BUILDINGS - Electrical and fossil fuel energy use in state owned buildings by use type and building area.
5	GREENHOUSE GAS CONTENT OF OREGON'S ELECTRICITY AND STATIONARY FUEL - Greenhouse gas emissions per unit: a) Electricity used in Oregon; b) Electricity generated in Oregon; c) The mix of other stationary fuels used in Oregon; d) The mix of other stationary fuels produced in Oregon.
6	TRANSPORTATION FUELS USED IN OREGON – Percentage of petroleum vs non-petroleum fuels used for transportation in Oregon: a) On Road Percentage Non-petroleum b) Non-Road Percentage Non-Petroleum

KPM1: Energy Savings & Productions

Goal: Increase energy savings through Department energy conservation and renewable energy programs

This KPM measures the energy savings and production in the year the project are completed.



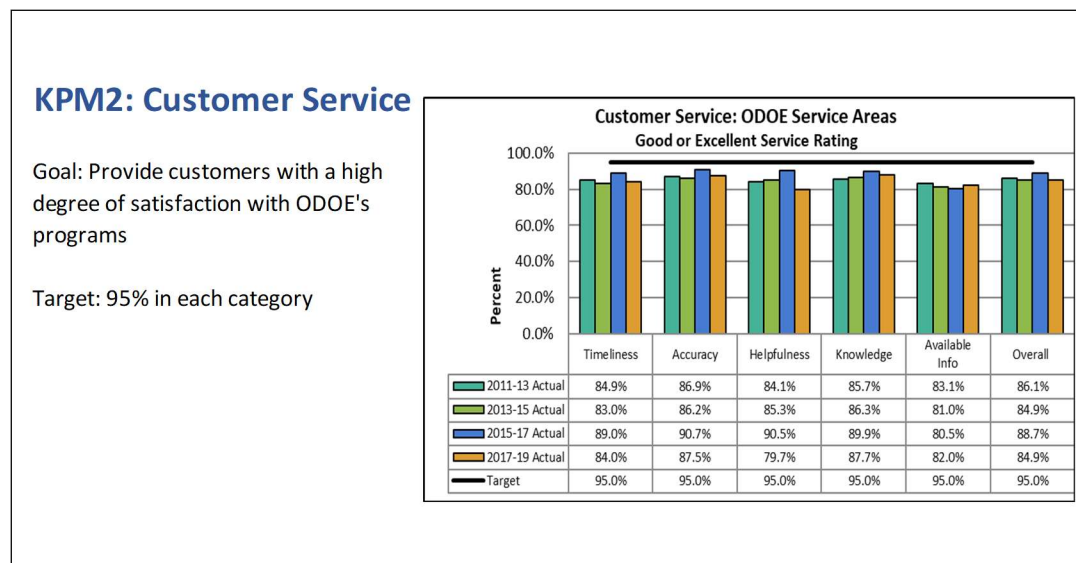
ODOE did not meet the overall target for this measure during this reporting period due to the sunset of most of the programs being measured.

Since 1978, the Residential Energy Tax Credit (RETC) helped drive market changes in appliance efficiency. As the market more fully adopted energy efficient appliances, state statute and the program were adjusted to provide support for newer and emerging technologies, resulting in an upswing in renewable energy projects, specifically solar photovoltaic. The RETC program sunset on December 31, 2017; ODOE still received some applications in 2018 for the 2017 tax year and reported the savings from those credits in the 2019 report. The other program targeting residential customers, the State Home Oil Weatherization Program (SHOW), transferred to the Oregon Housing & Community Services Department in 2018, and therefore no longer contributed to the energy savings KPM.

ODOE did meet the energy saving targets for public buildings through the Schools Program, which is supported by SB 1149 public purpose charge funds (1999 legislation sunseting January 2026). The Schools Program continues to be active, with 39.5 billion British thermal units (Btu) in energy savings reported through various measures, over three times more than the prior year. Reporting by the K-12 schools is often delayed, so changes in the energy savings for the prior year or two is reflected when the data becomes available.

ODOE's Energy Incentives Program (EIP) was authorized by HB 3672 (2011 legislation) and sunset in 2017. The program included tax credits for larger conservation and transportation projects and for "small premium projects," which were energy conservation projects under \$20,000 in total costs. The tax credit programs operated under a cap, and participation was limited by that cap. Also, part of the EIP program, Renewable Energy Development (RED) Grants were funded by tax credit auctions to provide grants for renewable energy generation. The last auction for this program was in September 2017. The grant program is active until the approved projects have been completed, inspected, and grant funds are awarded. The grantee has three years to complete their project. This is the only remaining program contributing to savings for

EIP. The Biomass Producer or Collector Tax Credit Program also sunset in tax year 2017, which contributed to the savings in this category in prior years. The Small-Scale Energy Loan Program is not currently making new loans, so no new energy savings can be reported; however, projects approved in previous years continue to save energy.



ODOE conducted an online customer service survey in September 2019. Results represent the sum of all customer feedback, with no weighting by category. All but one category showed a decline over the last biennium; “Available Info” showed a small improvement. The average satisfaction rate for all service categories slipped almost four basis points from the last survey and is below the target goal of 95 percent. There was no update to this measure in 2020. For the sake of this KPM, ODOE surveys external customers once a biennium using the standard customer service questions and process guidelines.

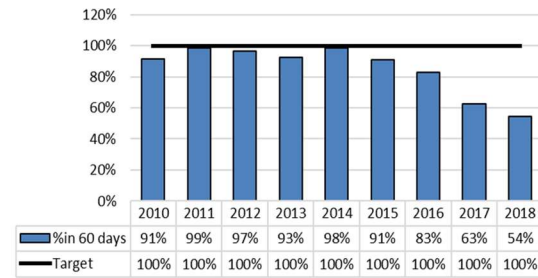
The target of 95 percent for all service categories was set in 2009 by the Legislature. Customer service is an integral part of ODOE’s work and an essential component of meeting the agency’s mission and division goals. For day-to-day operations, the agency defines “customer” broadly – from community stakeholders to industry representatives to internal team members. Additional questions outside of the KPM reporting requirement are included in the survey for ODOE to measure how it is meeting the needs of its customers in other more focused areas.

As part of its new strategic plan, ODOE will assess how to better capture customer service ratings, as the current survey method often reaches customers who do not realize ODOE provided them a service (such as rebate or tax credit on their solar installation) or who rate ODOE’s customer service based on programs run by other agencies (such as the Clean Vehicle Rebate Program).

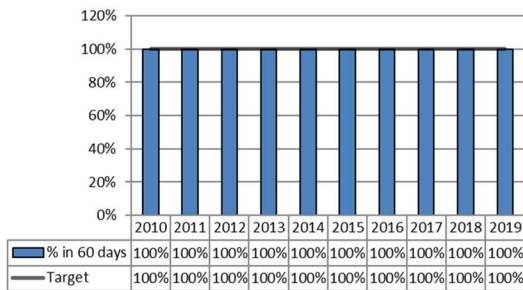
KPM3: Application Processing

Goal: Provide timely processing of site certificates and tax credit applications

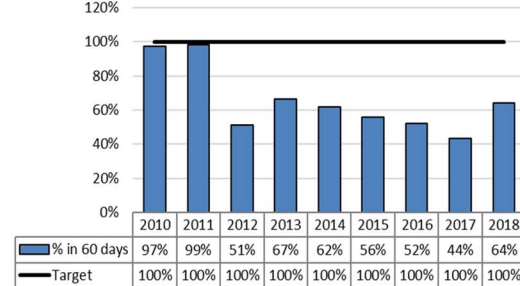
RETC - % of Applications Processed within 60 Days



Energy Facility Siting - % of applicants notified within 60 days of receipt of application whether it is complete



EIP: % of Final Applications Processed within 60 Days



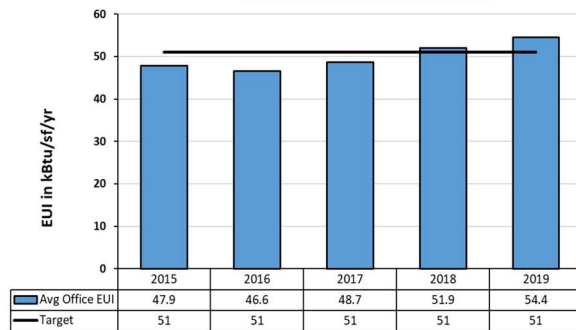
The Energy Facility Siting division met the application processing target at 100 percent. In the Energy Development Services division there were no RETC or EIP applications to process after 2019 reporting on this measure. ODOE has proposed that the measure be modified by deleting parts B and C due to the sunset of those programs.

KPM4: Energy Use by State Buildings

Goal: Establish a robust data set of building level energy use for state owned buildings more than 5,000 square feet to facilitate a reduction in energy use.

Because the target is a metric of energy use, an energy index (EUI) below the target is the goal.

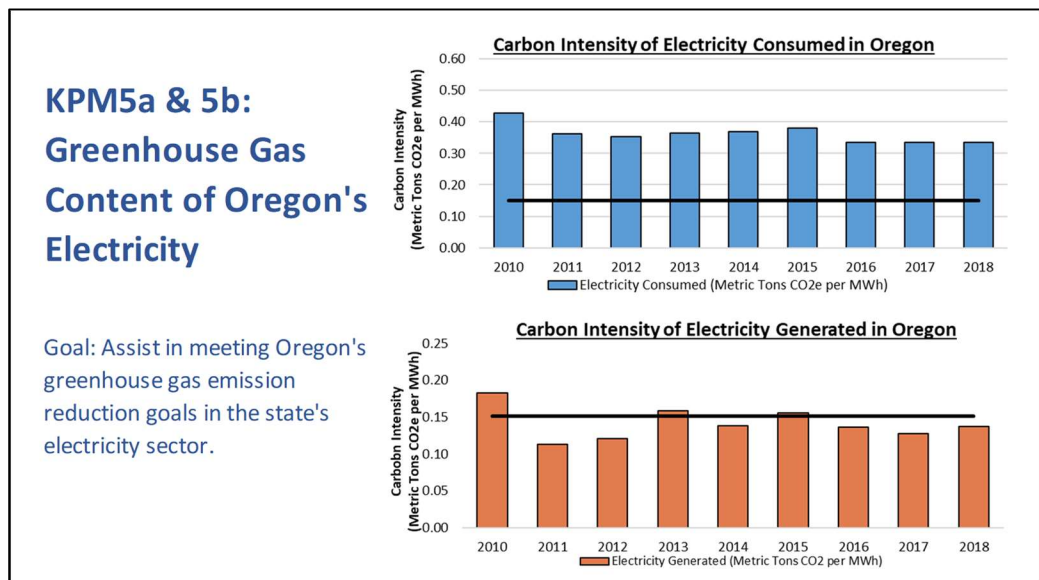
Average Energy Use Index for State Owned Offices compared to ASHRAE Target



Energy use in state-owned office buildings in 2019 increased from 2018. Improved data collection and evaluation has increased visibility into building energy use, but it has also led to higher building energy consumption numbers. ODOE developed a comprehensive dataset for baseline energy use in state-owned facilities with the goal of continuous improvement of data quality and communication over time. Energy use data is gathered every year and compared against the baseline as well as an established energy use index (EUI) performance target for

each building. ODOE delivered each agency an annual report outlining the energy use of their buildings compared to previous years and their performance target. With this information and technical support from ODOE, agencies can make informed energy efficiency investment decisions and realize long-term savings in their operating budgets.

Because the target is a metric of energy use, achieving an EUI below the identified target is the goal – a lower EUI means less energy use. ODOE established a target for office buildings, shown in the chart, based on the American Society of Heating, Refrigerating, and Air-conditioning Engineers (ASHRAE) Standard 100 high-performance EUI. EUI is a common industry metric for evaluating building energy use and is calculated by determining the annual kBtu used, divided by square foot. EUI targets enable agencies to compare energy used by an individual building to similar type buildings in the state or region. These macro level indicators support agencies in identifying which buildings need to be evaluated to determine if the higher level of energy use is warranted by a building’s characteristics and use profile or if a comprehensive energy audit should be considered. ODOE delivers technical assistance, if requested, to help agencies identify solutions to lower energy use over time and reach target EUI levels. Each agency determines the cost-effective energy efficiency methods to pursue. ODOE supports agency decision-making by providing reliable building energy use information and energy efficiency consultation.



The carbon intensity of the electricity resource mix is expressed as metric tons of carbon dioxide equivalent per megawatt hour (MWh). Oregon has two different electricity resource mixes, the resource mix of the electricity it generates within the state, and the resource mix of the electricity it consumes (a combination of electricity generated both in-state and out-of-state). The two mixes are different because Oregon neither consumes all the electricity it generates, nor generates all the electricity it consumes. Competitive energy markets encourage Oregon to both import and export electricity across its borders. While much of the electricity consumed in Oregon is generated by Oregon’s vast amount of zero-carbon hydropower resources, a significant portion is generated by out-of-state fossil-fuel resources. Oregon’s

consumption of these out-of-state fossil fuel resources is one factor that leads to the carbon intensity of the electricity consumed in Oregon to be higher than the carbon intensity of the electricity generated in Oregon.

The carbon intensity of Oregon's electricity generation has decreased from 0.183 metric tons CO₂e/MWh in 2010 to 0.137 in 2018 and has been lower than the 2035 interim target for six of the past nine years. This is because of Oregon's significant in-state hydropower, wind, and other low and zero-carbon resources. The carbon intensity of in-state generation is likely to continue to improve as the state's sole coal-fired power plant closed in October 2020. Despite the overall downward trends in the carbon intensity of Oregon's electricity generation and its electricity consumption, year-to-year variations in these values occur and are mainly driven by fluctuating water resources available for hydropower generation due to natural variation in annual precipitation.

Oregon's total electricity consumption has grown by only about 2 percent over the last decade despite population growth of about 10 percent. In its 2016 Seventh Power Plan, the Northwest Power and Conservation Council forecast that energy efficiency will meet all the region's future load growth over the next 20 years. While new generation may be needed in some individual utility service districts, the Council found that energy efficiency is the most cost-effective resource option for the region.

While a state and sector-specific target for the carbon intensity of electricity has not been formally set, ODOE has derived an interim target for the purposes of this report from the greenhouse gas reduction goals in ORS 468A.205, the Oregon Global Warming Commission's Interim 2035 GHG reduction goal, and utility projections for future electricity loads. This target represents the carbon intensity that Oregon's electricity resource mix would need to reach in 2035 for the sector to achieve its proportional share of the state's overall emissions reduction goal.

The electricity sector includes all in-state and out-of-state generation that serves Oregon's total annual electricity load. In 2017, this sector accounted for approximately 26 percent of all greenhouse gas emissions in Oregon.

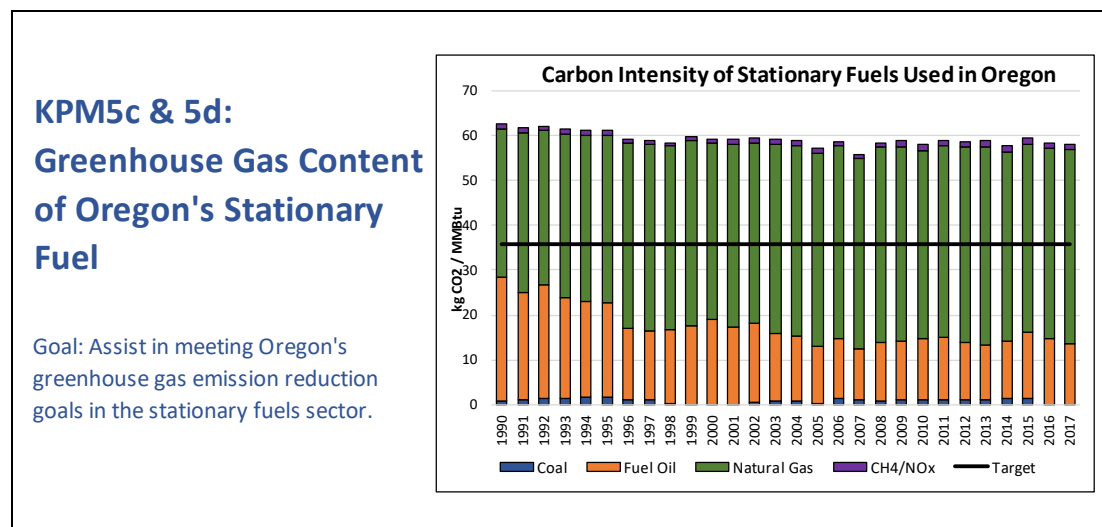
Carbon dioxide emissions (carbon emissions) released from the combustion of fossil fuels to generate electricity make up most of the greenhouse gas emissions from the electricity sector. Carbon emissions in the electricity sector can primarily be reduced in three ways: implementing energy efficiency and conservation measures as well as demand response programs to reduce the amount of electricity required to be generated; replacing electric generating resources that have carbon emissions with resources that have lower or zero-carbon emissions; and adding storage that can be charged with electricity from a generating resource, or mix of generating resources, with low or zero-carbon emissions and discharging that stored electricity to replace electricity generated from resources with higher carbon emissions.

A major driver helping to further reduce the carbon intensity of electricity consumed in Oregon is the 2016 state law that requires utilities to eliminate imports of electricity generated by coal-

fired power plants from Oregon utility rates by 2030 (SB 1547). In addition, in 2020 Governor Brown issued Executive Order 20-04, which will have implications for the carbon intensity of electricity consumption, including directing:

- State agencies to exercise any and all authorities and discretion to help Oregon achieve its GHG reduction goals
- ODOE to establish and update appliance efficiency standards to the most stringent among West Coast jurisdictions
- Oregon Public Utility Commission to advance decarbonization in the utility sector
- Oregon Department of Consumer and Business Service’s Building Codes Division to work with ODOE in adopting energy efficiency goals for new residential and commercial buildings

Another factor reducing the carbon intensity of both the electricity consumed and generated in Oregon is the state Renewable Portfolio Standard (RPS), which sets renewable energy requirements for the state’s utilities. The Oregon RPS requires large utilities to have 50 percent of their electricity sales come from qualifying renewable energy sources by 2040; smaller utilities have lesser requirements. The carbon intensity of Oregon’s electricity consumption has decreased from 0.427 metric tons CO₂e/MWh in 2010 to 0.335 metric tons/MWh in 2018, but remains higher than the 2035 interim target of 0.151 metric tons/MWh. The carbon intensity of Oregon’s consumption is likely to continue to improve as utilities work toward phasing out imports of electricity generated by coal-fired power plants from Oregon utility rates by 2030. Utilities in Oregon are currently meeting the annual RPS targets.



The stationary fuels sector includes all fuels used in Oregon other than fuel used for electricity generation and transportation. Stationary fuel use typically includes heating of spaces and liquids, cooking, and industrial process heat for residential and commercial buildings and manufacturing processes. In 2017, this sector accounted for approximately 25.5 percent of all GHG emissions in Oregon. From 1990 to 2017, the carbon intensity (carbon emissions per unit of fuel) of stationary fuel used in Oregon declined slightly but is well above the interim target for 2035. Most of the reduction came from a shift to natural gas from petroleum in the

industrial sector, which resulted in fewer greenhouse gases (GHG) emitted per Btu due to natural gas' lower carbon density. When coupled with energy efficiency measures, the result is a slight decrease in total emissions from industrial fuel use. This was partly offset by a slight increase in emissions for the residential and commercial sectors, driven primarily by population and economic growth.

The U.S. Department of Energy's Energy Information Administration (EIA) forecasts energy usage out to the year 2050 at the national scale, which indicates a 0.2 percent increase per year in energy consumption for stationary fuels, mostly for electricity. EIA predicts that consumption of natural gas in the residential sector will fall by 0.3 percent per year. Much of the increased energy use is expected to be met with renewable energy sources, which will slightly reduce the carbon intensity of the fuel mix. EIA predicts that total CO₂ emissions are expected to decline by an average of 0.2 percent per year in the residential sector, increase by 0.3 percent per year in the commercial sector, and increase by 0.5 percent per year in the industrial sector.

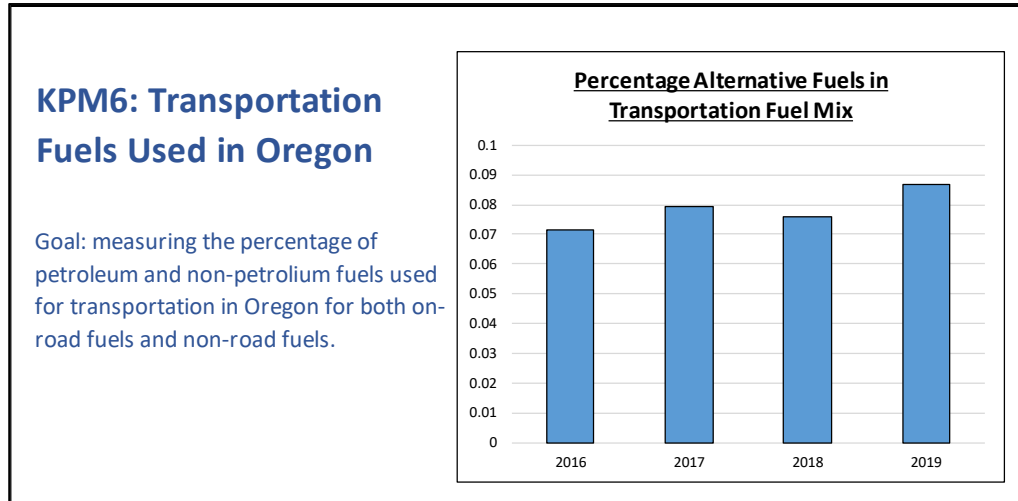
Emissions from stationary fuel use can be reduced in two ways: implementing energy efficiency and conservation measures to reduce the amount of fuel used and shifting to lower carbon renewable fuels to reduce the carbon intensity of the stationary fuel mix. Currently, energy efficiency and conservation are the primary tools used to reduce fuel consumption and related emissions in this sector. This includes ODOE's statewide technical assistance programs for building and industrial energy efficiency, utility energy efficiency programs, building energy codes, and industrial combined heat and power initiatives.

The GHG intensity of the stationary fuel mix is expressed as kilograms of carbon dioxide equivalent (CO₂e) per Btu. To reduce the GHG intensity of the fuel mix, ODOE and others implemented a variety of technical assistance programs to increase the mix of low- and no-carbon renewable fuels such as biomass, solar thermal energy, and renewable natural gas.

While a sector-specific target has not been formally set for stationary fuels, ODOE has derived an interim target for purposes of this report from the GHG reduction goals in ORS 468A.205 and the stationary fuel use forecast developed by the U.S. Department of Energy's EIA. This target of 35.68 kilograms/million Btu represents the carbon intensity that Oregon's fuel mix would need to reach in 2035 for the sector to achieve its proportional share of the state's overall emissions reduction goal. There is no requirement for the stationary fuel sector to meet this target, and technological barriers may limit the stationary fuel sector's ability to achieve this level of carbon intensity. Nevertheless, the interim target provides a point of reference for comparison to the trend in carbon intensity from this sector. Depending on the reductions that can be achieved in other sectors, the stationary fuel sector may need to achieve more or less than this target to meet the state's overall goals.

ODOE is not able to report on KPM 5d – "measuring the greenhouse gas emissions in the mix of other stationary fuels produced in Oregon" because Oregon does not mine or refine coal or petroleum, and the only natural gas field is primarily used as a natural gas storage facility rather than a natural gas producer, and there is no verifiable data currently available to estimate methane leaks from natural gas production in Oregon. Additionally, accurate tracking of GHG

emissions from wood used for residential heat is problematic at this time due to a lack of state-level data. The amount of renewable natural gas and other biomass-derived stationary energy use is also not uniformly tracked at the state-level. Because of this, we are recommending deletion of this measure.



Alternative fuel consumption and diversity have trended upward as a percentage of fuels consumed. In 2005, petroleum products such as gasoline and diesel accounted for 98.3 percent of the fuel consumed in the on-road transportation fuel mix. In 2019 these petroleum products accounted for 91.3 percent and alternative fuels accounted for 8.7 percent. Most of the increase is due to the Oregon Renewable Fuels Standard program that blends biofuels into petroleum-based gasoline and diesel.

Alternative fuel diversity has increased since 2005. The 2018 fuel mix includes renewable diesel, bio-compressed natural gas, and bio-liquid natural gas, which were not available in 2005. Additional increases in alternative fuel use are due to growth in the availability of alternative fuel vehicles and the alternative fuels themselves. Electricity as a fuel is experiencing rapid growth as a transportation fuel. As of November 30, 2020, there are 32,650 electric vehicles registered in Oregon. In 2019, SB 1044 established a policy for the state of Oregon promoting the adoption of electric vehicles to reduce GHG emissions in the light-duty transportation sector.

There are no specific state goals related to transportation fuel diversification and no target has been set for this measure; however, several state programs and goals include the adoption of alternative fuels. In addition to the statewide goal to reduce GHG emissions across the state by 75 percent from 1990 levels by 2050, Oregon has several programs that are committed to reducing transportation's impact on GHGs.

While fuel use in non-road vehicles is also important and includes construction equipment, warehouse equipment, and other vehicles that are not used to transport people or goods on Oregon roads and highways, data is very limited on these vehicles because they are not required to be registered in the same way on-road vehicles must register. There is also limited

data on their fuel use. For this reason, it is not possible to report any data that would inform KPM 6b. ODOE is requesting KPM 6b be deleted.

Below is a list of the proposed changes to the current KPMs:

KPM#	2019-21 Key Performance Measures (KPMs)		New KPM #
1	Energy Savings and Production	Replace with Zero Emission Vehicle metric	2
2	Customer Service	No change	1
3	Application Processing	Delete B & C	3
4	Energy Use by State Buildings	No change	4
5	Greenhouse Gas Content of Oregon's Electricity and Stationary Fuel	No change to A, B, or C Delete 5 D	5
6	Transportation Fuels Used in Oregon	No change to Part A Delete Part B	6

Below is the full list of 2021-23 proposed KPMs:

KPM#	2021-23 Proposed Key Performance Measures (KPMs)
1	CUSTOMER SERVICE. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.
2	ZERO EMISSION VEHICLE ADOPTION IN OREGON. ZEV registrations in the light-duty vehicle sector statewide.
3	APPLICATION PROCESSING. Percent Energy Facility Siting applications reviewed and approved within administrative or statutory deadlines.
4	ENERGY USE BY STATE BUILDINGS. Electrical and fossil fuel energy use in state owned buildings by use type and building area.
5	GREENHOUSE GAS CONTENT OF OREGON'S ELECTRICITY AND STATIONARY FUEL. Greenhouse gas emissions per unit: a) Electricity used in Oregon b) Electricity generated in Oregon c) The mix of other stationary fuels used in Oregon
6	TRANSPORTATION FUELS USED IN OREGON. Percentage of petroleum vs. non-petroleum fuels used for On Road transportation in Oregon.
7	IMPROVE OUTREACH: a) through social media engagement b) through stakeholder engagement
8	HOME ENERGY SCORING. Percent of Oregon population receiving a state authorized home energy score.

New Key Performance Measures

KPM – 2

Title: Zero Emission Vehicle Adoption in Oregon: ZEV registrations in the light-duty vehicle sector statewide.

Targets were established in SB 1044 (2019) – 50,000 registered ZEVs by 2020, 250,000 registered ZEVs by 2025, 50 percent of registered ZEVs by 2030

ODOE is part of the Zero Emission Vehicle Interagency Working Group that is working to implement the goals of SB 1044 (2019 session) and of Executive Order no. 17-21. ODOE is further required to report to the legislature every odd numbered year the adoption of ZEVs and the progress the state is making to meet GHG emissions in the transportation sector by meeting the targets outlined above. SB1044 also requires that 25 percent of eligible new light duty vehicles that state agencies purchase must be ZEVs by 2025 based on availability.

KPM - 7a

Title: Improve outreach through social media engagement: Percent year over year increase in visibility as measured by followers.

Target: 10% annual growth in social media followers

Comment: ODOE has social media presence on the following platforms: Facebook, Twitter, Instagram and LinkedIn with a baseline set in December of 2019.

KPM – 7b

Title: Improve outreach through stakeholder engagement: Percent of stakeholder meetings or events conducted or participated in compared to target.

Target: 95% of commitment to hold or attend five events per month or 60 /year.

Comment: ODOE staff will participate in or the agency will host at least five stakeholder or public events each month of the year with a goal of meeting this commitment 95% of the time.

KPM – 8

Title: Home Energy Scoring: percent of Oregon population receiving a state authorized home energy score.

Target: year-over-year increase after determining the baseline measure.

Comment: The goal of this measure is to increase the number state-approved home energy scores being conducted throughout Oregon. ODOE began working directly with cities in 2016, to assist in the advancement of home scoring policies and the City of Portland has made home energy scoring mandatory. The proposed target would be to increase the percentage of homes that have obtained a home energy score year over year.

Summary of Programs

Energy Planning & Innovation Division

The Energy Planning & Innovation (P&I) Division supports the agency mission by pursuing programs and policies that help Oregonians conserve energy, use energy more efficiently, and produce energy using renewable sources. The division's two sections, Energy Efficiency & Conservation and Energy Technology & Policy, collaborate with the agency's other divisions and stakeholders to help support the development of clean energy resources and integrate those resources into the state's transmission and distribution system. The division offers energy expertise across sectors, including efficiency in buildings and manufacturing as well as alternative fuels and infrastructure, while helping Oregon build a more resilient energy system – one that is well prepared to respond to issues such as climate change and natural disasters. The division also helps the state pursue strategies to reduce greenhouse gas emissions through energy efficiency, renewable energy, and sustainable transportation.

Budget drivers for this program include an accelerated demand for energy efficiency, the continuing development of clean energy, and the drive to reduce carbon emissions including new responsibilities in the 2019-21 biennium on zero emission vehicles. Oregonians increasingly want cleaner energy and lower emissions and they want information and resources to support this transition.

Two positions in the Northwest Planning and Conservation Council are funded through P&I's budget. Additional information on the NWPC is available below.

Energy Development Services Division

The Energy Development Services (EDS) Division has historically administered programs offering loans, tax credits, and grants to tribes, businesses, households, nonprofits, and the public sector to help Oregonians implement conservation, energy efficiency, and renewable energy projects and alternative fuel vehicle infrastructure. While most of these programs have reached the end of their legislatively mandated sunset, ODOE is responsible for overseeing the close-out of program-related projects. EDS also includes the Small-Scale Energy Loan Program, which includes a portfolio of energy-related projects across the state but is not currently lending. The 2019 Legislature adopted HB 2618, which authorized a new Solar + Storage Rebate Program at the agency. Rebates are issued for solar and solar and paired storage systems for residential customers and low-income service providers. The program sunsets in 2024, but the agency expects to issue all remaining rebate dollars no later than 2021.

Budget drivers for this division include the winding down of tax credit programs and the completion of Renewable Energy Development Grants that have to be supported without a revenue source; the ending of one-time funding for the Solar + Storage Rebate Program, and managing the cash flow deficit for the Small Scale Energy Loan Program (SELP).

SELP is both a driver and risk to ODOE's budget. While the program is no longer making new loans, staff are monitoring the existing loan portfolio and focusing on reducing SELP's legacy deficit. ODOE has taken numerous proactive steps to analyze, improve, and strengthen SELP over the last three biennia, including cutting operating costs and the use of bond refunding to reduce the program's debt service. In the 2019-21 biennium ODOE requested and received \$4.3 million in General Fund Debt Service to be used for the April 2021 debt service payment. As a result of cost savings, the refunding of bonds in 2020, and a recent early payment by a borrower, the agency no longer needs General Fund Debt Service in the 2019-21 biennium and will return the General Fund to the state. However, the agency will need \$3.5 million in General Fund Debt Service for the 2021-23 biennium.

ODOE will continue to manage the program to mitigate risk to the portfolio and reduce operating and debt service costs where and when possible. Nevertheless, the long anticipated but not yet realized cash deficit will continue to be a risk for ODOE's budget, and the state's General Fund.

Nuclear Safety and Emergency Preparedness Division

The Nuclear Safety and Emergency Preparedness Division protects the environment and Oregonians from exposure to hazards by monitoring and engaging in radioactive waste cleanup activities at the Hanford Nuclear Site; preparing and testing nuclear emergency preparedness plans; participating in emergency preparedness planning for Liquefied Natural Gas terminals; and overseeing the transport and disposal of radioactive materials in Oregon. The division also works to make sure that the federal government carries out its responsibility to protect Oregonians and the Columbia River from the 177 leaking underground storage tanks at Hanford because the Legislature (ORS 469.586) found that healthy, unpolluted river systems were essential to the well-being of Oregon. The division also leads the agency's work on energy emergency preparedness; in the event of a petroleum shortage, the division will implement the state's *Oregon Fuel Action Plan* to ensure petroleum supply to emergency and essential services.

Budget drivers for this program include the failure of federal grant funding for the Hanford work to keep pace with the increased costs of completing the work, increased activities around regulation and enforcement to prevent radioactive material disposal in the state, and the growing demand and interest in emergency preparedness. The *Oregon Fuel Action Plan* is scalable, and ODOE has implemented pieces of the plan during the 2017 solar eclipse, during major winter storms statewide, and most recently during the catastrophic wildfires in 2020. Other ODOE staff assist the Nuclear Safety and Emergency Preparedness Division in nuclear, petroleum, and LNG emergency response drills and exercises throughout the year.

Energy Facility Siting Division

The Energy Facility Siting Division works with energy facility developers, companies operating energy facilities, local jurisdictions, other state agencies, tribes, and other stakeholders across

Oregon to meet the state's energy infrastructure and demand needs. The division's work ensures that large power plants, transmission lines, and natural gas pipelines proposed or built in Oregon meet state siting standards. The development of new technologies and investments in renewable energy generation has led to growth in energy siting and made this work a high priority for the agency.

Budget drivers for this program include renewable energy demand, the increasing complexity of siting projects, and long-term staffing needs in both permitting and compliance. Numerous market forces affect the type, number, and geographic diversity of energy siting projects, including creating greater resiliency of the Western electric grid, increased population, Oregon's Renewable Portfolio Standard, federal and state tax credits, California's energy demand market, and the establishment of energy-dependent data centers. These and other market forces can change quickly, resulting in difficulty forecasting volume of applications.

Along with increased workload, the level of complexity and controversy surrounding siting activities has increased. The agency frequently consults with Oregon's natural resource agencies, state and federal land management agencies, local jurisdictions, and tribes. Discussions with multiple stakeholder groups about requirements have brought to light numerous issues that affect energy siting activities and policies. An emerging trend is amendments to existing projects to increase their power or make them a more consistent power source. This includes adding solar photovoltaic and battery components as well as increasing the size of wind turbine blades.

External factors also make it difficult to forecast long-term program and staffing needs, and it is critical for the division to maintain a qualified, competent workforce to be able to review application requests within the timelines mandated by statute. Historically, these positions have been difficult to recruit because of the specific skillsets needed for the work.

The Energy Facility Siting program is again asking for two limited duration positions to support the efficient and effective siting of energy projects.

Administrative Services

The Administrative Services budget covers a wide variety of functions, some of which are not traditional "administrative" activities. Included in this Division are the Director's Office and the Central Services section. The Director's Office includes government relations, communications and outreach, strategic engagement, and internal auditing functions. Central Services provides shared services for budgeting, accounting, payroll, contracting, federal grants management, information technology management, database development and management, facilities, records management, risk management, employee safety, and office reception. In addition, the budget for this division includes the agency's fixed expenditures associated with State Government Service Charges and all agency facilities costs. Administrative Services activities help ensure that the agency adheres to operational, financial and contracting policies; that

program administration is appropriately managed; and that Oregon's energy needs and issues are represented in key local and national energy forums.

Budget drivers for this division include the need to maintain internal controls and standards to ensure accountability and the prudent use of funds. Several programs are fee-based and use a cost recovery model that must be tracked, invoiced, and collected. In addition, the agency receives operational funds from energy suppliers. It is imperative that operations are efficient, conducted in a deliberate manner, and fall within statutorily defined boundaries. Finally, this division's budget is impacted by increases in the State Government Service Charge, which is set externally.

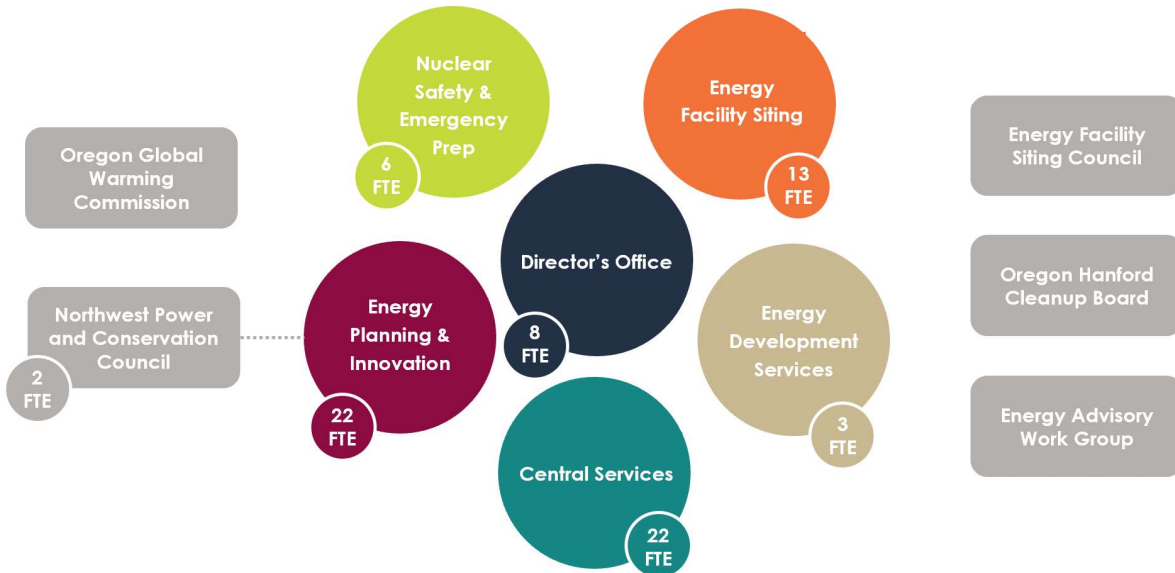
The Director's Office budget is affected by multiple stakeholders with diverse interests and has committed resources to increasing transparency and improving communication with its stakeholders. ODOE is committed to providing timely and complete responses to inquiries from policy makers, media, and anyone submitting a public records request. In addition, the agency is always seeking out and developing new ways to improve public access to energy-related information.

Northwest Power and Conservation Council

The Northwest Power and Conservation Council (NWPPCC) was established by the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Public Law 96-501). The federal act directs the council to adopt a regional energy conservation and electric power plan and a program to protect, mitigate, and enhance fish and wildlife on the Columbia River and its tributaries. The act also sets forth provisions that the council administrator must follow in selling power, acquiring resources, implementing energy conservation measures, and setting rates for the sale and disposition of electricity. The council is a regional agency with two members each (serving three-year terms) appointed by the states of Idaho, Montana, Oregon, and Washington. The Bonneville Power Administration provides ODOE with funding for the Oregon's NWPPCC office and its two members, who are ODOE employees included within the Planning & Innovation Division's budget.

Agency Organizational Information

Agency Program Divisions and Standing Councils/Groups



The divisions that make up ODOE are in the center of the organizational chart and have been discussed above. The grey boxes identify the boards, commissions, and councils ODOE works with or supports. The Northwest Power and Conservation Council’s two Oregon representatives are employees of ODOE, funded by BPA, and the agency supports them administratively.

ODOE’s Planning and Innovation Division supports the Oregon Global Warming Commission by staffing its meetings, providing technical support and energy expertise, running its website, and assisting in the publication of the Commission’s biennial report to the legislature.

The Energy Facility Siting Council is a volunteer board, appointed by the Governor and confirmed by the Senate, which makes decisions on the siting of energy facilities. It is staffed by Energy Facility Siting Division staff.

The Oregon Hanford Cleanup Board was created to protect Oregon’s interest in proposed use of the Hanford site and clean up issues. The 20-member Board is supported by the Nuclear Safety and Emergency Preparedness Division staff.

The Energy Advisory Work Group, which was established by statute, serves as a link with ODOE’s stakeholders and interested parties as the agency develops its biennial budget and proposed legislation.

Budget Drivers and Risks

Budget drivers that are specific to each program have been include under the program discussion above.

Strategic Plan

An important driver for the entire agency over the next four years will be its new strategic plan. In 2018-19, ODOE launched a strategic planning effort to outline agency priorities over the next four years. The plan updated our mission, vision, and values, it created measurable objectives and imperatives to guide ODOE's work and better deliver on our mission. During this process, ODOE engaged with the public, peers, tribes, and stakeholders to shape ODOE's direction.

The agency recently completed that effort and identified five imperatives to guide its work:

- Expand and Improve Stakeholder Engagement
- Build Practices and Processes that Lead to Inclusive and Equitable Energy Outcomes
- Assess and Enhance Organizational Data Capabilities
- Assess and Modernize Agency Program and Activities
- Optimize Organizational Efficiency and Impact

As ODOE moves to implementation of the plan it will use existing resources, but it may also require additional resources in the future.

Personal Services Challenges

As with all state agencies, adjustments to personal service costs made in 2019-21 are fully implemented in the 2021-23 biennium and have a significant impact to ODOE's budget. Countering that increase in personal services costs is the removal of limited duration positions that the agency received in its 2019-21 budget.

An ongoing risk to ODOE's budget is the requirement to operate energy incentive programs that sunset in 2017 but have a tail of tax credits that are still active; and the completion of Renewable Energy Development grants that were funded with tax credits sold prior to 2018. As the tax credits have sunset and the positions supporting these programs have been eliminated, staff from other divisions and programs have been supporting the programs to facilitate the wind down and close out. Historically, these programs supported Oregon's energy goals by helping businesses, government agency, and homeowners lower their long-term energy costs and develop local energy resources.

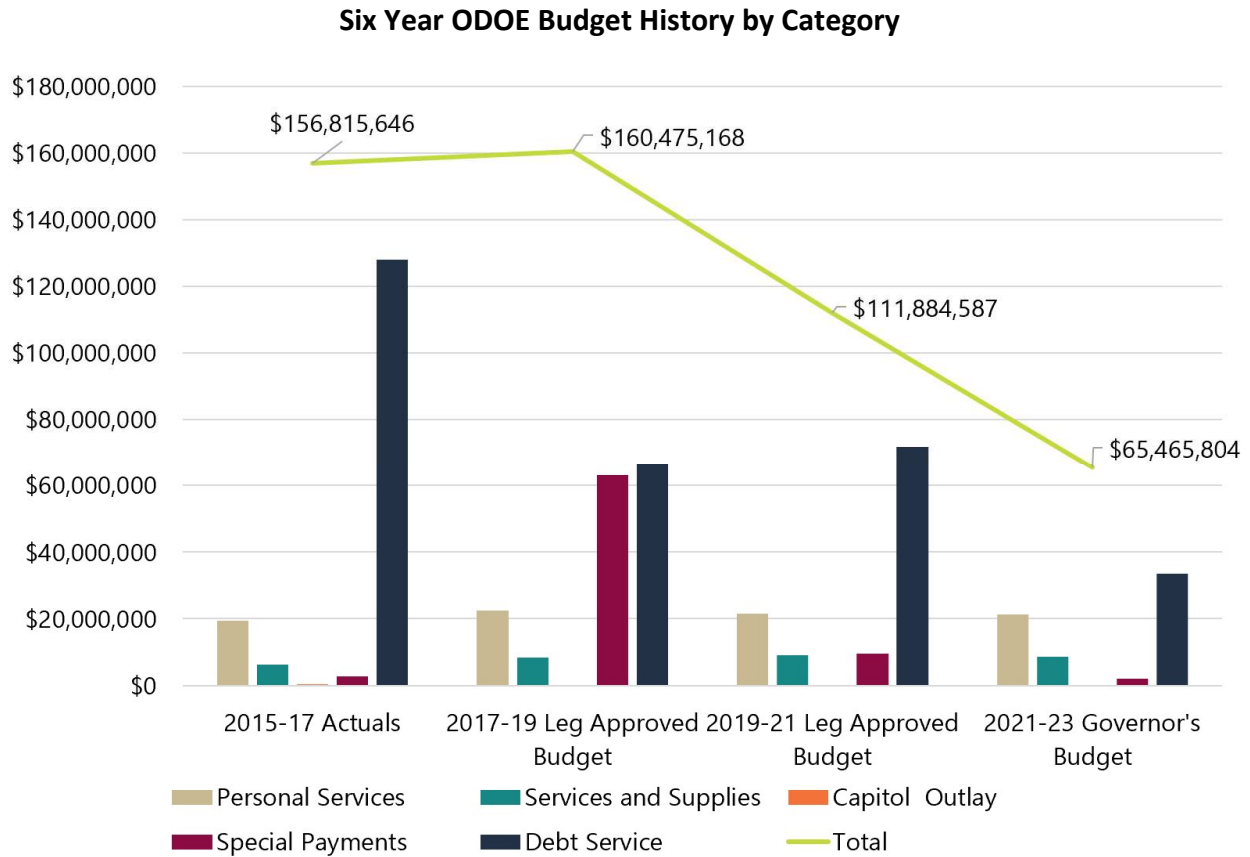
Energy Supplier Assessment Lawsuit

A significant risk to ODOE's budget and programs in recent biennia has been a series of lawsuits filed by certain payers of the Energy Supplier Assessment challenging the collection of the Assessment on several grounds, and requesting the return of the money paid by the litigants. In October 2020 the Oregon Court of Appeals ruled in favor of ODOE in [Central Lincoln People's](#)

Utility District, et.al vs. ODOE, and the 2017 and 2018 court cases that were filed on the same grounds were subsequently dismissed with prejudice. Resolution of the ESA lawsuits provides much greater certainty on the revenue side of ODOE’s budget.

Major Changes to ODOE in Past Six Years

Agency-Wide



As the chart above shows, ODOE’s budget has declined since the 2015-17 biennium. The decline in Special Payments and Debt Service limitation primarily reflects the sunset of several tax credit programs in 2017, and the end of bonding and lending in the SELP Program. However, in this graph the 2019-21 budget reflects the one-time refunding of \$24.3 million of SELP bonds. The flat funding of Personal Services and Services and Supplies reflects a reduction in positions in the agency, some of which were tied to programs ending or to capture agency efficiencies, but others were reduced without a business reason, solely to reduce the Energy Supplier Assessment. The reductions have resulted in a loss of resources to accomplish the agency’s work.

Approximately half of the Operating Budget is supported by the Energy Supplier Assessment (ESA), which is charged to fuel providers and utilities supplying energy in Oregon. All

Oregonians pay for ESA when they pay for energy. The ESA is assessed annually on energy suppliers' Gross Operating Revenues and cannot exceed 0.375 percent of their gross operating revenues as defined in statute. The amount of the ESA is determined by the Legislature through the budget process. ODOE estimates that the 2021-23 Governor's Budget ESA will be \$14.7 million. The assessment rate for each payer will be determined after suppliers provide their gross revenues in spring of 2021.

In the 2017-19 biennium, \$2.5 million and nine positions (6.66 FTE) were removed to reduce the amount assessed under ESA, and to phase out the energy incentive programs.

The ESA was significantly reduced in the 2019-21 LAB, including 6 vacant positions and \$1.0 million in funding in order to reduce department expenditures supported by the ESA. Two positions were removed because of a reduction in SELP lending and bond activity.

The following tables show the six-year timeline for each division's budget.

Energy Planning & Innovation Division

	2015-17 Actuals	17-19 Legislatively Approved Budget	19-21 Legislatively Approved Budget	21-23 Governor's Budget	% Change from 19-21 LAB to 21-23 GB
Personal Services	4,718,586	5,593,714	5,890,946	7,094,360	20.43%
Services and Supplies	454,388	566,159	642,592	684,436	6.51%
Special Payments	20,000	-	57,431	20,000	-65.18%
Debt Service	-	-	-	-	0.00%
Total Expenditures	5,192,974	6,159,873	6,590,969	7,798,796	18.33%
Positions	24	23	21	24	
FTE	23.00	22.50	21.00	24.00	

The 2021-23 budget reflects the movement of the NWPPC positions to P&I.

Energy Development Services Division

	2015-17 Actuals	17-19 Legislatively Approved Budget	19-21 Legislatively Approved Budget	21-23 Governor's Budget	% Change from 19-21 LAB to 21-23 GB
Personal Services	3,035,258	2,867,118	1,414,495	901,294	-36.28%
Services and Supplies	1,494,329	1,097,589	1,516,966	1,380,111	-9.02%
Special Payments	2,531,799	62,654,135	8,509,669	1,619,669	-80.97%
Debt Service	127,945,184	66,504,532	71,764,484	33,553,870	0.00%
Total Expenditures	135,006,570	133,123,374	83,205,614	37,454,944	-54.99%
Positions	26	17	7	3	
FTE	25.66	14.25	5.25	3.00	

Nuclear Safety and Emergency Preparedness Division

	2015-17 Actuals	17-19 Legislatively Approved Budget	19-21 Legislatively Approved Budget	21-23 Governor's Budget	% Change from 19-21 LAB to 21-23 GB
Personal Services	1,537,690	1,641,268	1,766,993	1,795,469	1.61%
Services and Supplies	403,653	438,469	455,811	446,284	-2.09%
Special Payments	148,343	170,965	175,495	148,510	-15.38%
Debt Service	-	-	-	-	
Total Expenditures	2,089,686	2,250,702	2,398,299	2,390,263	-0.34%
Positions	6	6	6	6	
FTE	6	6.00	6.00	6.00	

Energy Facility Siting

	2015-17 Actuals	17-19 Legislatively Approved Budget	19-21 Legislatively Approved Budget	21-23 Governor's Budget	% Change from 19-21 LAB to 21-23 GB
Personal Services	2,276,047	2,708,936	3,433,374	3,437,179	0.11%
Services and Supplies	816,713	1,698,386	1,920,426	2,104,020	9.56%
Special Payments	65,688	321,943	712,943	315,361	-55.77%
Debt Service	-	-	-	-	0.00%
Total Expenditures	3,158,448	4,729,265	6,066,743	5,856,560	-3.46%
Positions	12	11	13	13	
FTE	12.00	11.00	13.00	13.00	

Legislation passed during the 2019-21 session raised the jurisdictional threshold for certain renewable energy projects subject to the Energy Facility Siting Council's authority. It was difficult to forecast the impact of that change but so far it does not seem to have reduced the workload in the Siting Division.

Administrative Services

	2015-17 Actuals	17-19 Legislatively Approved Budget	19-21 Legislatively Approved Budget	21-23 Governor's Budget	% Change from 19-21 LAB to 21-23 GB
Personal Services	2,276,047	2,708,936	3,433,374	3,437,179	0.11%
Services and Supplies	816,713	1,698,386	1,920,426	2,104,020	9.56%
Special Payments	65,688	321,943	712,943	315,361	-55.77%
Debt Service	-	-	-	-	0.00%
Total Expenditures	3,158,448	4,729,265	6,066,743	5,856,560	-3.46%
Positions	12	11	13	13	
FTE	12.00	11.00	13.00	13.00	

Actions to Contain Costs and Improve Programs

As noted above, ODOE has been operating under a reduced budget for the last several biennia. Part of the reduction is a result of programs ending even if work remains. ODOE has continued to deliver on its responsibilities by allowing staff to work across divisions, automating certain procedures, and focusing resources on ODOE's highest priorities such as publication of the Biennial Energy Report, supporting the responsible siting of energy facilities, ensuring the Hanford cleanup is protective of the Columbia River, and ensuring we are prepared for emergencies.

Cost Containment

In response to the changes driven by the COVID-19 pandemic and the increase in staff working remotely, ODOE has automated fiscal and procurement processes and purchased equipment to ensure that staff are mobile and able to work from remote locations. The agency is looking toward additional changes to improve efficiency once the pandemic ends and the State of Oregon has a plan in place for returning to work in the office.

To manage programs that have ended or been substantially curtailed without assigned staff and resources, ODOE has cross trained staff in P&I and Siting to provide technical reviews and inspections for energy incentive projects. Central Services staff provide accounting services to the SELP program.

Program Improvement

Actions to improve ODOE's programs are driven by our Strategic Plan. The agency is poised to implement the plan and will be seeking resources to improve our ability to be a source of energy data and information as well as a venue for addressing Oregon's energy challenges. We are now and want to continue to be a source of energy education, technical assistance, and advice in the rapidly changing energy arena.

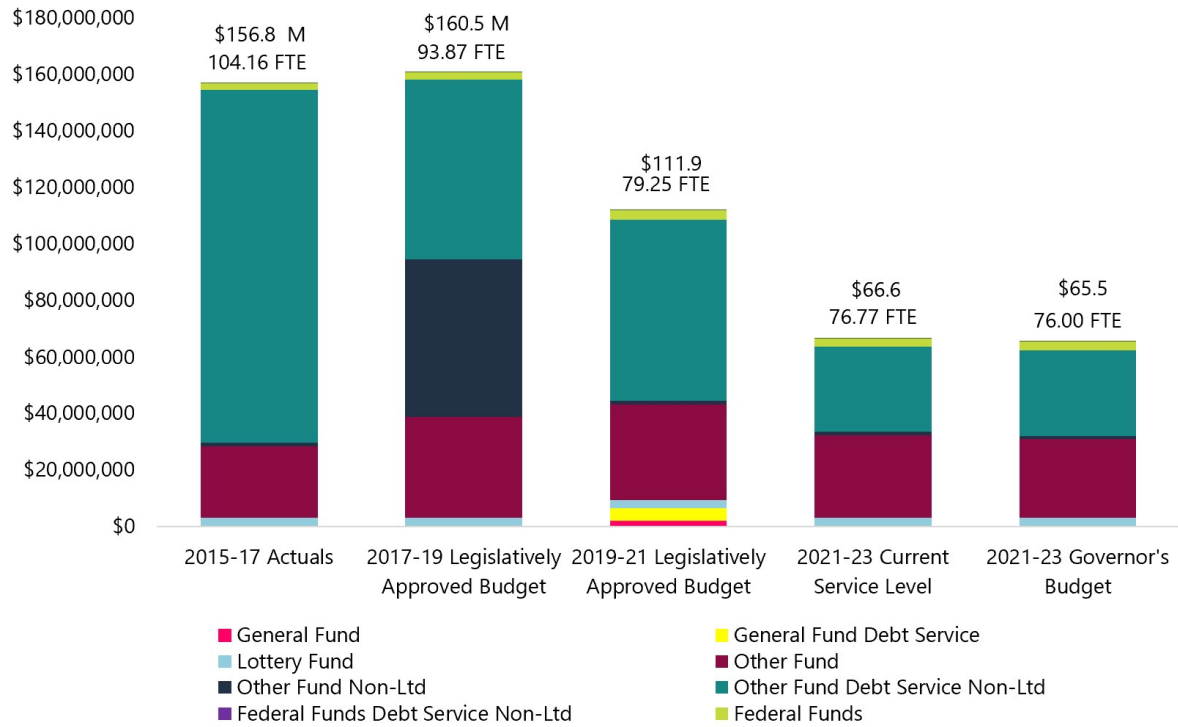
The requested limited duration positions in the Energy Facility Siting Division budget will increase the efficiency of siting of energy facilities in the state and ensure their compliance with state requirements. In addition, ODOE has proposed legislation that will update and strengthen its ability to regulate the disposal of radioactive materials in Oregon.

Major Budget Information

Expenditures

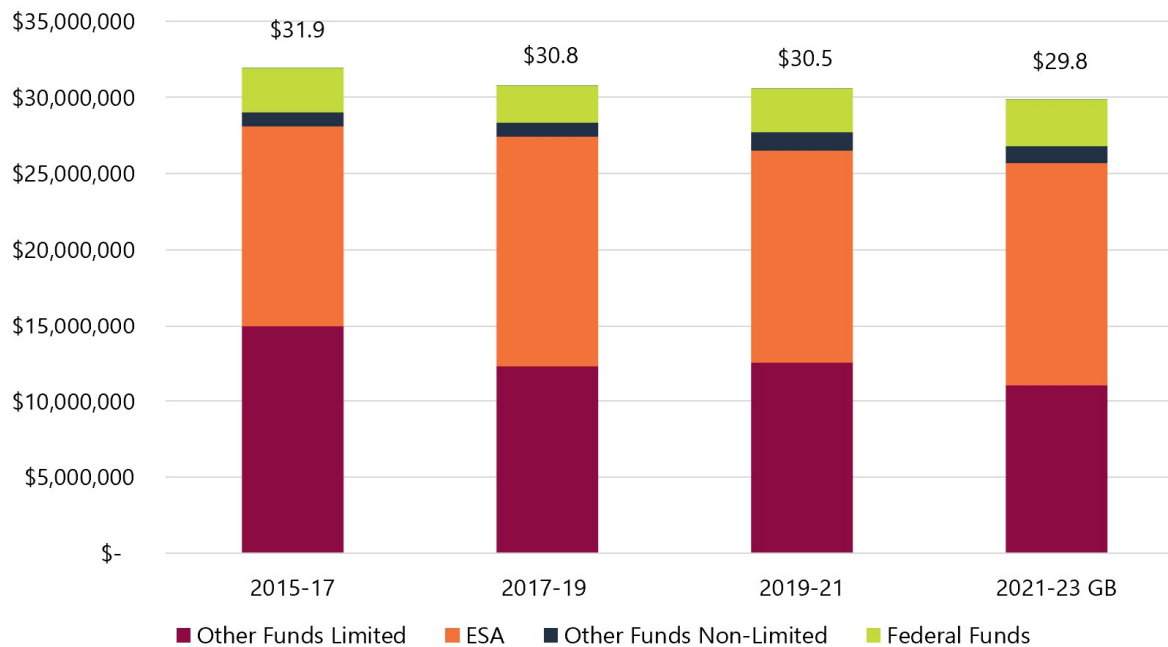
	2015-17 Actuals	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Current Service Level	2021-23 Governor's Budget
General Fund	-	-	2,000,000	-	-
General Fund Debt Service	-	-	4,274,048	-	-
Lottery Fund	2,980,489	3,023,630	3,023,365	3,022,570	3,022,570
Other Fund	25,284,394	35,609,279	33,621,773	29,098,987	27,768,991
Other Fund Non-Ltd	1,135,441	55,905,959	1,210,647	1,128,074	1,104,170
Other Fund Debt Service Non-Ltd	125,078,298	63,376,902	64,303,071	30,531,300	30,531,300
Federal Funds Debt Service Non- Ltd	-	104,000	104,000	-	-
Federal Funds	2,337,024	2,455,398	3,347,683	2,818,981	3,038,773
Total Expenditures	156,815,646	160,475,168	111,884,587	66,599,912	65,465,804
Positions	105	97	81	78	77
FTE	104.16	93.87	79.25	76.77	76

ODOE's Biennial Budget History



ODOE's budget is significantly impacted by the SELP program's non-limited revenue and expenditures. However, most of those expenditures do not support the day-to-day operations of the department. The agency's operating budget is less than half its total budget. The operating budget is the funding that supports staff, and services and supplies,. The operating budget is primarily funded with ESA revenue and other sources of Other Fund revenue.

ODOE's Operating Budget History



Revenues

ODOE's operations are predominately funded through the collection of fees for service, grants, and assessments. With multiple funding streams, forecasting can be difficult. Cost recovery programs, such as Energy Facility Siting, have billing models that are reviewed periodically to ensure sufficient revenues are being generated. Federal awards have remained reliable but flat with the exception of the State Energy Program grant, which increased slightly in the 2019-21 biennium. The increase in federal funds has been used to shift program costs from the Energy Supplier Assessment and onto federal grant funds. In programs where federal funding has not increased, there is a heavier reliance on the Energy Supplier Assessment. ODOE monitors funding streams regularly, continues to look for new funding opportunities, and generates operational efficiencies whenever possible. More detailed information on revenue is below.

Lottery Fund Debt Service

- Energy Efficiency Financing: represents the debt service on bonding for this program.

Other Funds Non-Limited

- Small Scale Energy Loan Program: represents the amount of bond proceeds the Department can raise and the repayment of loans in the current portfolio.

Other Funds Limited

- Energy Supplier Assessment: assessed on energy suppliers; supports programs throughout the agency.
- Energy Facility Siting Application Fees: application fees associated with the siting of facilities in Oregon. Fees also support cooperative agencies, local governments, and tribes.
- Public Purpose Charge: ODOE receives revenue from the public purpose charge to provide administrative and technical support to schools and to assist large industrial facilities.
- Renewable Energy Development Grant Program: tax credits were last sold by the Oregon Department of Revenue in 2017. Proceeds were transferred to the agency, and grants were awarded to projects. However, the funds will not be dispersed to awardees until the projects are completed.
- Northwest Power & Conservation Council: Bonneville Power Administration provides funding to the department to fund two council members.
- Energy Northwest: fees are collected for the department to prepare emergency preparedness plans and to conduct drills.
- Jordan Cove: fees are collected for emergency preparedness planning and drills.
- Other Revenues: the department collects revenues for a wide range of other activities including interest on cash balances, an agreement with Northwest Energy Efficiency Alliance to perform codes training, and fees for the State Energy Efficient Design program, and radioactive waste transportation oversight.

Federal Funds Limited

- Hanford Cleanup Oversight: grant awarded annually from the U.S. Department of Energy that funds ODOE's Hanford oversight activities as well as the Natural Resource Damage Assessment. Funds are limited to specific and approved activities related to the Hanford site.
- State Energy Program: formula grant awarded annually from the U.S. Department of Energy that has a 20 percent match. It partially funds the department's energy efficiency work, resilience activities, and alternative fuels policy development. Funds are limited to specifically funded activities.
- Competitive Awards: U.S. Department of Energy or other federal agencies issue competitive grant opportunities where ODOE can directly or cooperatively receive funds for specific projects. In the 2019-20 biennium, ODOE received a grant from the U.S. Department of Defense and has applied for a federal grant from the U.S. Department of Agriculture that would impact the 2021-23 biennium.
- Other revenues: includes federal funds not issued by the U.S. Department of Energy, such as the U.S. Department of Agriculture and the Western Governors Association.

Programs that Require Cooperation with Other Agencies

During the permitting process of a new energy facility, the Energy Facility Siting Division works with state agencies that serve as reviewing agencies. ODOE requests review, comments, and information on applicable state and local regulation and ordinances. In anticipation of the needed expertise ODOE often enters into intergovernmental agreements to assure the work is completed timely. The following agencies are identified as reviewing agencies: Department of Environmental Quality, Water Resources Department, Oregon Department of Fish and Wildlife, Department of Geology and Mineral Industry, Department of Forestry, Public Utility Commission, Department of Agriculture, Department of Land Conservation and Development, Northwest Power Planning Council, State Fire Marshall, Department of State Lands, State Historical Preservation Office, and Department of Aviation.

ODOE's Nuclear Safety and Emergency Preparedness Division works with partners in Washington State, FEMA, Oregon Health Authority, Oregon Department of Agriculture, Morrow and Umatilla counties to regularly test and evaluate the state's radiological emergency response plans and procedures for incidents at the Hanford Site or the Columbia Generating Station nuclear power plant in nearby Washington State. This includes participating in annual full-scale exercises, regular coordination drills, media coordination drills, and more.

ODOE, along with the Oregon PUC are the designated Primary State Agencies for Emergency Support Function 12: Energy. ODOE is the designated lead state for the petroleum, nuclear, and liquified natural gas sectors and PUC is the lead for the electricity and natural gas sectors.

Activation of an emergency response would require the support and cooperation of other state and local agencies as designated in the overall state Emergency Operations Plan, EOP.

Summary of Proposed Legislation Affecting ODOE

ODOE has proposed four bills and is on the record as supporting a fifth bill. There are other introduced bills that would impact ODOE programmatically and fiscally.

House Bill 2062

Summary: House Bill 2062 establishes energy efficiency standards for certain products sold or offered for sale in Oregon and removes requirements for certain products sold or offered for sale in this state that are subject to federal standards to meet state energy efficiency standards. The bill also authorizes the Director of State Department of Energy to update energy efficiency standards by rule.

2020 Rulemaking

Executive Order 20-04 directed ODOE to establish energy efficiency standards in rule for a specific list of products. These new and updated standards are intended to promote energy conservation for Oregon consumers, reduce greenhouse gas emissions, and provide alignment and harmonization with Washington and California markets.

The Oregon Department of Energy submitted final rules to the Secretary of State on August 28, 2020 to amend program rules for energy efficiency standards for appliances and other products. The rule changes establish new energy efficiency standards for nine products and updates for two standards. The amendments also included updates to clarify program rules. The rulemaking process included a public hearing on July 23, 2020 and a public comment period, which closed on July 24, 2020. These rules will become effective on September 1, 2021.

ORS 469.261 requires a one-year waiting period before ODOE rules establishing or updating appliance energy efficiency standards can become effective. Oregon law also requires ODOE to introduce legislation to align standards with statute; ODOE has introduced HB 2062 to fulfill this requirement.

Status of legislation: Introduced

Budgetary Impact: Activities under this measure can be absorbed with existing agency staff and resources, although there could be “opportunity costs” to staff and resource dedication to this program. The ability of staff to absorb activity from this measure assumes that the agency maintains traditional level of standards compliance review and enforcement which is minimal.

House Bill 2063

Summary: HB 2063 results in two primary changes. First, it prohibits the Energy Facility Siting Council (EFSC) from requesting persons seeking to construct or enlarge standby generation facilities, rated over 25 megawatt (MW) in capacity, to obtain a site certificate exemption determination. Second, it removes the requirement that persons seeking to construct or enlarge standby generation facilities obtain a determination of site certificate exemption from EFSC.

ORS 469.320(4) requires that persons seeking to construct and operate or expand a standby generation facility (meeting specific requirements including capacity of 25 MW or more, has obtained local land use approval, has obtained approval of applicable DEQ permits, and is incapable of being interconnected to the grid) seek a site certificate exemption from EFSC, otherwise a site certificate is required.

There are standby generation facilities in Oregon including proposed, under construction, and operational, that have not applied for a site certificate or site certificate exemption from EFSC. Based on coordination with DEQ in 2019, ODOE's Siting Division confirmed that standby generation facilities that are rated 25 MW or more in Oregon are diesel-fueled and typically associated with data centers and the semiconductor industry, located mostly within industrial zoned land. DEQ also confirmed that Air Contaminant Discharge Permits (ACDP) are required for standby generation facilities, which includes a local land use approval process. Because the environmental or resource issues of concerns are already addressed by DEQ and the local land use permitting process, ODOE's Siting Division considers that there is limited value in requiring a standby generation facility to receive a site certificate exemption from EFSC. Siting Division staff have established a system where DEQ staff provide updates to ensure new or expanded standby generators do not cross the threshold of requiring a site certificate.

Generators rated 25MW or more that are electrically capable of connecting to the transmission grid do not currently qualify for an exemption and are not impacted by HB 2063. Those entities would still be required to apply for a site certificate.

Status of legislation: Introduced

Budgetary Impact: No fiscal impact. HB 2063 would have no increased costs to the agency and would potentially avoid future costs of reviews, site certificate or exemption processes.

House Bill 2064

Summary: House Bill 2064 would change the current statutory requirement that five Energy Facility Siting Council (EFSC) members represents a quorum in ORS 469.460(1) to a requirement that a "majority of members" represents quorum to provide for greater opportunities for administrative efficiencies. EFSC is a Governor-appointed, Senate-confirmed seven-member board made up of volunteers from a broad range of geographic areas of the state and with different backgrounds and expertise. EFSC typically meets about ten times per year, with

meetings conducted over a day and a half, primarily in areas of the state that are closer to energy facility locations and outside of the Willamette Valley. Staff and EFSC members annually establish placeholder dates to provide scheduling certainty each month.

ORS 469.460(1) states that five EFSC members represents a quorum. Currently, some EFSC members are full-time professionals while others are retired. With this type of make-up there have been frequent occurrences when less than seven members are available to participate in a meeting either in person or by phone. While annual placeholder dates support assurances for a quorum for each meeting, job responsibilities, illness or other unanticipated circumstances can arise that can prevent a member from participating. If there are periods of time with one or two vacancies on EFSC, the loss of any one member can jeopardize the ability to hold a meeting. In the last two years there have been several periods of time with less than seven members, based on EFSC members resigning prior to the conclusion of their appointed term or being term limited.

Based on review of 11 boards or commissions for state government agencies that are defined as EFSC “reviewing agencies,” all of these boards or commissions use “majority” to constitute a quorum. A change in EFSC’s statute to allow for a quorum to be a “majority of members” would allow easier scheduling of Council meetings, particularly during times of extended vacancies on EFSC. The bill would support the goal of efficiency in conducting EFSC business by allowing a four-member quorum to act, rather than the five-member quorum that is currently required in statute.

Status of legislation: Introduced

Budgetary Impact: No fiscal impact

Senate Bill 246

Summary: SB 246 was introduced by the Senate Interim Committee on Environment and Natural Resources and ODOE is in support of the bill. SB 246 revises the statute prohibiting establishment of a radioactive waste disposal facility to also prohibit radioactive waste disposal, radioactive waste transportation for disposal, or arrangement for disposal in Oregon. It expands and clarifies ODOE enforcement authority for radioactive waste disposal. Expanded authorities would include authority to obtain all necessary records from persons and gain access to property for inspections and sample collection. It would also provide authority, with written permission of the Governor, to subpoena records and interview persons under oath. It would also grant authority to require a person to take actions as necessary to correct a past violation or to ensure future compliance with 469.525, 469.550, or 469.607.

The bill also directs ODOE and EFSC to adopt standards and rules as necessary to prevent the illegal disposal of radioactive waste in Oregon.

Finally, it provides a means for the Department of Energy to be reimbursed for all reasonable costs (excluding administrative costs) incurred in the investigation of a violation of radioactive waste disposal laws.

Status of legislation: Introduced, -1 amendment submitted.

Budgetary Impact: The fiscal impact to ODOE is indeterminate. The rulemaking will result in additional workload for the agency's Nuclear Safety and Emergency Preparedness Division, which can be absorbed within existing resources in the current biennium. However, depending on the rules adopted and the effects of those rules on the agency's level of oversight and enforcement to the waste disposal program, ODOE may need to request additional resources to implement those rules. The statute would also create a cost recovery mechanism in the event of a future violation of ORS 469.525, which would be an improvement on the current ODOE enforcement program.

Senate Bill 5515

Summary: This is the 2021-23 Biennial budget bill for ODOE. Generally, ODOE does not receive General Fund in its budget. However, during the 2019-21 biennium ODOE received \$2 million in one-time General Fund to operate the Solar + Storage Rebate Program; and \$4.3 million in General Fund Debt Service for the SELP program. No General Fund Debt Service was requested in the 2021-23 Agency Request Budget or Governor's Budget. However, in December 2020, SELP received a large pre-payment from a borrower that, in addition to other cost-saving measures, allowed ODOE to return the \$4.3 million General Fund Debt Service provided in 2019-21 and still meet its April 2021 debt service payments. However, this cashflow shift means that ODOE will need \$3.5 million in General Fund Debt Service in the 2021-23 biennium to pay its April 2022 and April 2023 debt service payments. ODOE will need this funding to be included in its Legislatively Adopted Budget.

It should be noted that the \$3 million Lottery Fund in ODOE's budget is debt service for the Energy Efficiency and Sustainable Technology Act (EEAST) program. The bond will be paid off in April 2024.

Most of the agency's operating budget is Other Funds Limited from several different revenue streams, but the largest source is the Energy Supplier Assessment. The Other Funds budget increased, and the main driver is Personal Services increases that occurred across 2019-21 and are fully implemented in the 2021-23 biennium. One Policy Option Package was included in the Governor's Budget, which provided funding for two limited duration positions and services and supplies in the Energy Facility Siting Division. The budget bill also removes two positions and 1.77 FTE from the Central Services Division. The positions were vacant and unlikely to be filled. However, the increase in vacancy savings to 5 percent will be challenging to meet with the loss of these two positions.

P&I and the Director's Office also had reductions in Personal Services but in the temporary and differential line of their budgets. Siting and Nuclear Safety experienced reductions in their

Supplies and Services lines. No positions were lost; but the programs are left with less flexibility to meet staffing and program needs.

The ESA for the Governor's budget is anticipated to be \$710,000 higher than the 2019-21 assessment. The biennial assessment is estimated at \$14.7 million. Any changes made by the Legislature will impact the assessment amount.

The majority of the Other Funds Non-Limited is used for debt service in SELP, a small part of it is used for administration of the program. Part of the sharp drop in Other Funds limitation in the current biennium was the removal of \$55 million in Other Funds Non-Limited used for making SELP loans. The program has not made loans since 2015 and therefore that was empty limitation. The program's cashflow issues are addressed above, but at this point the program is projected to end with a positive balance in 2036. The Governor's budget removes the Accountant 2 position from SELP. ODOE uses the limitation associated with the position to shift personal services costs from Central Services for the staff doing this work.

Federal Funds reflect \$250,000 in limitation for the Oregon Renewable Energy Siting Assessment grant from the U.S. Department of Defense.

Status of legislation: Introduced

Budgetary Impact: Discussed above

Governor's Budget Reductions

ODOE's Governor's Budget eliminated three positions and 2.77 FTE. Two of the positions were in Central Services, a Fiscal Analyst 1 and an Administrative Support 2 which are no longer needed as most of the agency's consumer-focused programs ended. The third position is an Accountant 2 in the Small-Scale Energy Loan Program (SELP). The workload in that program has also declined, but it is still necessary to have a second fiscal position to ensure a separation of duties as required by generally accepted accounting principles. The agency also received reductions to its supplies and services lines across all divisions. ODOE received a reduction in personal services through an increase in vacancy savings to 5 percent or \$628,162. ODOE is a small agency that does not have significant turnover and it will be difficult to meet that level of savings without holding positions open for an extended period. ODOE's detailed 10 percent Reduction List is in the Appendix to these materials. The items included in the Governor's Budget are struck-through.

Pandemic/Coronavirus Relief Fund Issues and Effect of 2019-21 Actions on 2021-23 Budget

Because of the coronavirus pandemic and pursuant to direction received from the Governor and the Department of Administrative Services, most of ODOE's staff began working remotely in March 2020. This required the purchase of information technology hardware to support staff that were not already equipped to work remotely. The agency received funding from the Coronavirus Relief Fund for eligible leave time between March and December 2020. However, the pandemic also resulted in savings in the area of travel and training as travel was limited to only essential functions and many trainings were held virtually for a reduced cost.

ODOE has also automated many administrative processes in response to staff working remotely. Signatures on contracts, grants, and other documents can now be obtained through Adobe Sign. The agency has created an automated workflow for approvals of purchase requisitions, contract service requests, and invoices. These processes will continue to be used after ODOE's office re-opens until replaced by Oregon Buys.

ODOE has completed preliminary work to prepare for opening the agency building to staff and the public, including surveying staff on their working remotely preferences, and considering the impact that could have on agency resources. However, no specific impacts on the 2021-23 budget will be identified until direction on re-opening is provided by the Oregon Department of Administrative Services.

Link to Oregon Department of Energy's Governor's Budget

[State of Oregon: ABOUT US - Budget](#)

Appendix

10 Percent Reduction Form

Secretary of State Audit Results

Program Prioritization Form

Other Fund Ending Balance Form



Oregon

Kate Brown, Governor



550 Capitol St. NE
Salem, OR 97301
Phone: 503-378-4040
Toll Free: 1-800-221-8035
FAX: 503-373-7806
www.oregon.gov/energy

MEMORANDUM

To: John Terpenning
Legislative Fiscal Office

From: Cathleen Connolly, Asst. Director Central Services

Date: February 19, 2021

Re: List of Presenters for JW&M Natural Resources Subcommittee

The following people will present for ODOE at the March 1, 2021 hearing before the Joint Ways and Means Natural Resources Subcommittee.

Janine Benner
Director

Cathleen Connolly
Asst. Director Central Services

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm / Div																				
1	1	ODOE	Nuc	Hanford Oversight & Emergency Response ensures that the federal government carries out its responsibility to clean up Hanford while protecting the Columbia River, and that state and local responders are properly prepared to deal with an emergency in the event of a nuclear accident or energy emergency affecting Oregon.	KPM 2 Fed. Measures	10		\$ 789,229		\$ 1,601,034		\$ 2,390,263	6	6.00	N	Y	S, FM	ORS 469.525-619; CFR Title 10, Part 50.47,	Federal government requires operators of nuclear power plants to work with host and adjoining states to ensure that there is an Emergency Preparedness Plan in place in the event of an accident.	ARB includes package 301 that will support staff work o monitor and enforce compliance regarding the disposal of radioactive materisl in Oregon.	
2	1	ODOE	SIT	Energy Facility Siting Program & Energy Facility Siting Council ensures that existing and future energy facilities meet the State's siting standards subject to Energy Facility Siting Council jurisdiction.	KPM 2 & 3	6		\$ 5,742,894		\$ 113,666		\$ 5,856,560	13	13.00	Y	Y	S	ORS 469.320-520		ARB includes package 401 that re-establishes two LD Utility & Energy Analyst 2 positions.	
3	1	ODOE	P&I	Energy Efficiency & Conservation provides technical assistance, information and education to promote and develop conservation and energy efficiency strategies in the industrial, commercial, and residential sectors. includes SB 1149 Schools and Industrial Self-direct programs.	KPM 1,2, & 4	9		\$ 2,393,465		\$ 918,587		\$ 3,312,052	13	11.00	N	Y	S	ORS 469.030, ORS 469.097, ORS 469.135, ORS 469.229-261 ORS 276.900-915 ORS 757.612 ORS 470.815			
4	2	ODOE	P&I	Energy Technology & Policy develops energy policies and plans that ensure Oregon's future demands for clean, reliable and affordable energy are met. This program provides leadership and technical assistance on renewable energy, clean fuels and transportation, and options to meet Oregon's greenhouse gas emission reduction goals.	KPM 2, 5 & 6 Inter. Measure	9		\$ 3,413,240		\$ 272,600		\$ 3,685,840	9	11.00	Y	Y	S	ORS 469.030, 469.060			
5	1	ODOE	EDS	Small Scale Energy Loan Program (SELP) provides loan financing for innovative or traditional conservation and renewable energy projects, which support regional and local community energy needs.	KPM 1 & 2	6		\$ 662,265	\$ 31,635,470	\$ -		\$ 32,297,735	2	2.00	N	Y	C, D	CONST Article XI- J; ORS 470.060	State of Oregon credit may be loaned and indebtedness incurred for creating a fund to provide financing for the development of small scale local energy projects. Secured repayment shall be a prerequisite to the advancement of money from the fund.	GB was reduced by 1 position/1FTE for vacant Accountant 2	
6	2	ODOE	EDS	Energy Incentives Program (EIP) provides tax credits to the business community for projects that conserve or create energy by traditional or renewable methods. Some Renewable Energy Development Grants funds remain to be distributed once projects are completed.	KPM 1, 2 & 3	6		\$ 2,133,601		\$ -		\$ 2,133,601	1	1.00	Y	Y	S	ORS 469B.270 thru 306 Cons; ORS 469B.250 thru 265 Renew; ORS 469B.320 thru347 and ORS315.336 Tran		ARB includes package 206 that would expand the 2019-21 one time program to two years, providing funds for rebates and 2.5 FTE. This package was removed in GB.Reduced 3 positions/2.5 FTE (limited duration)	

Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm / Div																			
7	3	ODOE	EDS	Energy Efficient Financing Activity Debt Service on funds received during the 2015-17 and 2017-19 biennia for energy efficiency investments.	KPM 2	2	\$ 3,022,570	\$ 1,038				\$ 3,023,608	0	0.00	N	N	D	ORS 469.960 thru 46.96		
NA	NA	ODOE	ADM	Director's Office - agency direction, communication, government relations and internal auditing.	KPM 2	4		\$ 3,027,905		\$ 133,757		\$ 3,161,662	8	8.05	N	Y		ORS 469.030		
NA	NA	ODOE	ADM	Central Services provides resources for shared support services and director's office activities.	KPM 2	4		\$ 8,804,450		\$ (871)		\$ 8,803,579	23	21.95	N	Y				Reduced 3 positions/2.27 FTE 0.77 Fiscal Analyst 1 1.0 Office Specialist 2 0.5 Accountant 4
NA	NA	ODOE	P&I	Northwest Power and Conservation Council responsible for adopting regional energy conservation and electric power plans	KPM 2	9		\$ 800,904		\$ -		\$ 800,904	2	2.00	N	N	S			
							\$ -	\$ 3,022,570	\$ 27,768,991	\$ 31,635,470	\$ 3,038,773	\$ -	\$ 65,465,804	77	76.00					

PROGRAM LEGEND

NUC	Nuclear Safety & Energy Emergency Preparedness
EDS	Energy Development Services
P&I	Energy Planning & Innovation
SIT	Energy Facility Siting
ADM	Administrative Services

7. **Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. **Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requ
- S Statutory

The Department identified the following criteria hierarchy to determine program prioritization:

- * Public Safety - activities ensure Oregon is protected from nuclear waste and that new energy facilities are safely sited.
- * Constitutional Obligations - activities directed by the Oregon Constitution are ranked higher than statutory or federal obligations.
- * Statutory or Federal Obligations - activities directed by statute or recent legislation, mission-centered priorities, federal obligations and areas where programs were scheduled to sunset in statute.
- * Role in achieving the State's energy and climate goals.
- * Fulfills the department's unique responsibility for leading Oregon to a safe, clean, reliable, affordable and sustainable energy future.

working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2019-21 Legislatively Approved Budget and the 2019-21 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2019-21 General Fund approved budget or otherwise incorporated in the 2019-21 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2019 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

Oregon Department of Energy (ODOE)

2021 - 2023 Biennium

Detail of Reductions to 2021-23 Current Service Level Budget																	
1	2	3	4	5			6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL- OF	FF	NL- FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes			
Dept	Prgm/ Div																
Central Services	500-02	33000	500-Admin	Eliminate Fiscal Analyst (from Indirect Assessment)						129,792			\$ 129,792	4	0.77	YES	Reduces ability to provide financial analysis to support the Department
Central Services	500-02	33000	500-Admin	Eliminate Office Specialist 2 (from Indirect Assessment)						167,923			\$ 167,923	4	1.00	YES	Reduces front desk support for the Department
EDS	200-04	33000	200-SELP	Eliminate SELP Accountant 2 (from SELP Program)						165,829			\$ 165,829	4	1.00	YES	Position currently open, and workload for SELP is low when not making loans
EDS	200-04	33000	200-SELP	Reduce other Services & Supplies by 5% (from SELP Program)						16,311			\$ 16,311			YES	Reduction may impact ability to conduct compliance activities
Director's Office	500-04	33000	500-Admin	Reduce Differential with Fringe by 100% (from Energy Supplier Assessment)						7,684			\$ 7,684			YES	Reduction may impact ability to compensate for lead worker or work out of class
Director's Office	500-01	33000	500-Admin	Reduce Temporary Expenses with Fringe (from Energy Supplier Assessment)						4,102			\$ 4,102			NO	Other staff will need to pick up workload in the case of a gap in staffing or to meet unexpected workflow needs
Director's Office	500-04	33000	500-Admin	Reduce Temporary Expenses with Fringe by 100% (from Energy Supplier Assessment)						29,285			\$ 29,285			YES	Other staff will need to pick up workload in the case of a gap in staffing or to meet unexpected workflow needs
Director's Office	500-01	33000	500-Admin	Reduce other Services & Supplies by 27.5% (from State Energy Program grant)						890			\$ 890			NO	Reduces travel & training associated with Federal Grants
Siting	400-04	33000	400-Siting	Reduce Temporary Expenses with Fringe by 100% (from Siting Fees)						1,545			\$ 1,545			YES	Other staff will need to pick up workload in the case of a gap in staffing or to meet unexpected workflow needs
Siting	400-01	33000	400-Siting	Reduce Professional Services by 10% (from Siting Fees)						98,844			\$ 98,844			NO	Reduction would limit the use of consulting services which could impact application review timeliness
P&I	100-01 and 400-02	33000	400-P&I	Reduce Differential with Fringe by 100% (from Energy Supplier Assessment)						56,943			\$ 56,943			YES	Reduction may impact ability to compensate for lead worker or work out of class
Central Services	500-02	33000	500-Admin	Reduce IT Professional Services 15% (from Indirect Support)						63,377			\$ 63,377			NO	Reduction will impact ability to ensure sufficient resources are available to support the Department especially during transition to increased staff working remotely
Siting	400-01	33000	400-Siting	Reduce other Services & Supplies by 33% (from Siting Fees)						102,147			\$ 102,147			NO	Reduction will impact ability to ensure sufficient resources are available to the division
P&I	100-01 and 100-02	33000	100-P&I	Reduce other Services & Supplies by 46.5% (from Energy Supplier Assessment)						197,394			\$ 197,394			NO	Reduction will impact ability to ensure sufficient resources are available to the division
EDS	200-06	33000	200-EIP	Reduce Temporary Expenses with Fringe by 38% (from EIP program)						60,173			\$ 60,173			NO	Reduction may impact ability to conduct compliance activities
P&I	100-01 and 400-02	33000	400-P&I	Reduce Temporary Expenses & Fringe by 100% (from Energy Supplier Assessment)						54,100			\$ 54,100			YES	Other staff will need to pick up workload in the case of a gap in staffing or to meet unexpected workflow needs
Siting	400-04	33000	400-Siting	Reduce Differential with Fringe by 100% (from Siting Fees)						3,484			\$ 3,484			YES	Reduction may impact ability to compensate for lead worker or work out of class
Director's Office	500-01	33000	500-Admin	Reduce other Services & Supplies by 22.1% (from Energy Supplier Assessment)						127,985			\$ 127,985			NO	Reduces ability to ensure sufficient resources are available to support the Department
P&I	100-01	33000	100-P&I	Reduce other Services & Supplies by 18.3% (from State Energy Program grant)						59,189			\$ 59,189			NO	Reduction may impact ability to ensure sufficient resources are available to the division
Nuclear Safety	300-01	33000	300-Nuc	Reduce AG Fees by ~ 100% (from Energy Supplier Assessment)						32,000			\$ 32,000			NO	Reduction will put at risk a legal response in case of lawsuit
Nuclear Safety	300-01	33000	300-Nuc	Reduce other Services & Supplies 15% (from Hanford Grant)						18,885			\$ 18,885			NO	Reduction may impact ability to monitor Hanford activities
Siting	400-01	33000	400-Siting	Reduce Special Payments by 13% (from Siting Fees)						44,191			\$ 44,191			NO	Reduction will reduce collaboration with other agencies on Siting projects

Oregon Department of Energy (ODOE)

2021 - 2023 Biennium

Detail of Reductions to 2021-23 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL- OF	FF	NL- FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
Siting	400-04	33000	400-Siting	Reduce Special Payments by 7% (from Siting Fees) - DCGAMI			23,602			\$ 23,602			YES	Reduction will reduce collaboration with other agencies on Siting projects.	
Nuclear Safety	300-01	33000	300-Nuc	Reduce Special Payments by 12% (from Energy Supplier Assessment)			13,192			\$ 13,192			NO	Reduction may reduce collaboration with other agencies on emergency drills.	
Nuclear Safety	300-01	33000	300-Nuc	Reduce Professional Services by 20% (from Hanford Grant)				41,484		\$ 41,484			NO	Reduction may impact ability to monitor Hanford activities	
Director's Office	500-01	33000	500-Admin	Reduce Professional Services by 24.4% (from Energy Supplier Assessment)			15,000			\$ 15,000			NO	Reduction will eliminate some of the training done by consultants.	
Nuclear Safety	300-01	33000	300-Nuc	Reduce Special Payments by 53% (from Hanford Grant)				20,500		\$ 20,500			NO	Reduction may impact ability to monitor Hanford activities	
EDS	200-06	33000	200-EIP	Reduce Temporary Expenses with Fringe by 25% (from EIP program)			39,884			\$ 39,884			NO	Reduction may impact ability to conduct compliance activities	
Siting	400-01	33000	400-Siting	Reduce Professional Services by 5% (from Siting Fees)			46,778			\$ 46,778			NO	Reduce use of expert consultants to evaluate siting projects	
Central Services	500-02	33000	500-Admin	Reduce Accountant 4 to half time (from Indirect Assessment)			109,163			\$ 109,163	0	0.50	NO	Reduces Department accounting reporting and support	
EDS	200-04	33000	200-SELP	Reduce Accountant 4 to half time (from SELP Program)			148,983			\$ 148,983	0	0.50	NO	Reduction may impact ability to conduct compliance activities	
Central Services	500-02	33000	500-Admin	Reduce Fiscal Analyst 2 to Part time (from Indirect Assessment)			53,349			\$ 53,349	0	0.20	NO	Reduce support for data reporting for public records requests	
P&I	100-01	33000	100-P&I	Reduce other Services & Supplies by 12% (from State Energy Program grant)				37,790		\$ 37,790			NO	Reduction travel & training associated with the federal grant	
EDS	200-06	33000	200-EIP	Reduce Office Specialist 2 to half time (from EIP Program)			64,127			\$ 64,127	0	0.50	NO	Reduction may impact ability to conduct compliance activities	
Director's Office	500-01	33000	500-Admin	Reduce other Services & Supplies by 27.5% (from State Energy Program grant)				890		\$ 890			NO	Reduces travel & training associated with Federal Grants	
Central Services	500-02	33000	500-Admin	Eliminate a part time Operations & Policy Analyst 2 (from Indirect Assessment)			97,364			\$ 97,364	1	0.50	NO	Reduces support for data system administration and reporting	
Director's Office	500-01	33000	500-Admin	Reduce Operations & Policy Analyst 3 to half time (from Energy Supplier Assessment)			128,166			\$ 128,166	0	0.50	NO	Reduces ability of the department to develop communication tools and respond to public records requests	
Siting	400-01	33000	400-Siting	Eliminate an Operations & Policy Analyst 2 (from Energy Supplier Assessment (.7 = \$158,924) and Siting Fees (.3 = \$68,110))			227,034			\$ 227,034	1	1.00	NO	Reduction may impact capacity to communicate with Federal Agencies and coordinate state activities in evaluating the siting of projects	
P&I	100-01 and 100-02	33000	100-P&I	Eliminate an Administrative Specialist 2 (from Energy Supplier Assessment)			202,262			\$ 202,262	1	1.00	NO	Reduces support across all programs in the division	
P&I	100-02	33000	100-P&I	Reduce Operations & Policy Analyst 2 to half time [(4 from Energy Supplier Assessment and .08 from from State Energy Program)]			106,999		21,400	\$ 128,399	0	0.48	NO	Reduces energy expertise available for specialized energy fields	
Central Services	500-02	33000	500-Admin	Reduce IT Expendable Property by 20% (from Indirect Assessment)			60,173			\$ 60,173			NO	Extends the replacement cycle for computer equipment	
Nuclear Safety	300-01	33000	300-Nuc	Reduce Special Payments to counties and universities (from Hanford Grant)				15,500		\$ 15,500			NO	Reduction may impact ability to monitor Hanford activities	
Nuclear Safety	300-01	33000	300-Nuc	Reduce Professional Services (from Hanford Grant)				41,484		\$ 41,484			NO	Reduction may impact ability to monitor Hanford activities	
Nuclear Safety	300-04	33000	300-Nuc	Reduce other Services & Supplies by 24.5% (from Energy Supplier Assessment)			45,492			\$ 45,492			YES	Reduction may impact ability to carry out emergency drills.	
Nuclear Safety	300-01	33000	300-Nuc	Reduce other Services & Supplies by 18.7% (from Hanford Grant)				22,886		\$ 22,886			NO	Reduction may impact ability to monitor Hanford activities	
Central Services	500-02	33000	500-Admin	Reduce IT Professional Services by 20% (from Indirect Assessment)			86,253			\$ 86,253			NO	Reduces ability to ensure sufficient resources are available to support the Department	
					-	-	2,830,630	-	280,898	\$ 3,111,528	6	7.95			

Results of all Secretary of State audits

The Secretary of State conducted its annual audit of the Small-Scale Energy Loan program (SELP). For the periods ending June 30, 2018 and June 30, 2019, SOS found the SELP financial statements and related footnotes were fairly presented in all material respects and in accordance with generally accepted accounting principles. A concurrent review of SELP internal controls did not detect any material deficiencies or instances of non-compliance in financial reporting controls.

The audit of the period ending June 30, 2020 is anticipated to begin in February of 2021.