

HB 2021 B BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Department of Energy

2021-23

Public Utility Commission

2021-23

PRELIMINARY

Budget Summary*

| | 2019-21 | 2021 - 23 | 2021-23 | Committee Change from 2019-21 | |
|------------------------------------|--|-----------------------|--------------------------|-------------------------------|---------------|
| | Legislatively Approved Budget ⁽¹⁾ | Current Service Level | Committee Recommendation | Leg. Approved | |
| | | | | \$ Change | % Change |
| Oregon Department of Energy | | | | | |
| General Fund | \$ - | \$ - | \$ 50,000,000 | \$ 50,000,000 | 100.0% |
| Other Funds Limited | \$ - | \$ - | \$ 26,960,291 | \$ 26,960,291 | 100.0% |
| Total | \$ - | \$ - | \$ 76,960,291 | \$ 76,960,291 | 100.0% |
| Public Utility Commission | | | | | |
| Other Funds Limited | \$ - | \$ - | \$ 1,867,217 | \$ 1,867,217 | 100.0% |
| Total | \$ - | \$ - | \$ 1,867,217 | \$ 1,867,217 | 100.0% |

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Position Summary

Oregon Department of Energy

| | | | | |
|--------------------------------------|------|------|------|------|
| Authorized Positions | 0 | 0 | 8 | 8 |
| Full-time Equivalent (FTE) positions | 0.00 | 0.00 | 7.50 | 7.50 |

Public Utility Commission

| | | | | |
|--------------------------------------|------|------|------|------|
| Authorized Positions | 0 | 0 | 10 | 10 |
| Full-time Equivalent (FTE) positions | 0.00 | 0.00 | 6.50 | 6.50 |

PRELIMINARY

Summary of Revenue Changes

HB 2021 appropriates \$50,000,000 General Fund to the Oregon Department of Energy (ODOE) for deposit in the Community Renewable Investment Fund. The bill increases Other Funds expenditure limitation by \$26,960,291 for ODOE, which allows the Department to utilize \$25 million from the Community Renewable Investment Fund for grants and community renewable energy projects, as well as up to 10% for administrative costs of running the program. The bill also increases Other Funds expenditure limitation by \$1,867,217 for the Public Utility Commission (PUC) using existing revenue sources.

Summary of Transportation and Economic Development Subcommittee Action

HB 2021 establishes clean energy standards for Oregon and sets requirements for electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers over time. PUC will oversee progress towards the goals. The bill also creates a Community Renewable Investment Program fund with \$50,000,000 General Fund. ODOE will examine opportunities for improvement and development of renewable energy projects, as well as provide grants from the Community Renewable Investment Fund. To carry out provisions of the bill, the Subcommittee recommended \$50,000,000 General Fund, \$28,827,508 Other Funds expenditure limitation, and 18 positions (14.00 FTE).

Oregon Department of Energy

To implement the requirements of the bill, ODOE will need to engage in rulemaking for renewable portfolio standards changes described in the bill; conduct a study on small scale renewable energy development; implement restrictions on new natural gas plants; collect attestations and documents around the new labor standards; and develop and administer the new Community Renewable Investment Program.

The Subcommittee recommended \$26,960,291 Other Funds expenditure limitation and eight positions (7.50 FTE). This includes \$25,000,000 for special payments associated with the Community Renewable Investment Program fund. Personal services, including related services and supplies, account for the remaining expenditure limitation. This includes funding for the following eight positions to complete the work required in the bill. The first of these is a limited duration Economist 4 (1.00 FTE) to work on the study of small scale renewable energy projects required by the measure. This position is funded with Other Funds from the Energy Supplier Assessment and not from the Community Renewable Investment Fund. The other seven positions will support work directly related to the Community Renewable Investment Program and are funded through the Community Renewable Investment Fund, including one Principal Executive Manager E position (1.00 FTE), two Program Analyst 2 positions (1.50 FTE), one Information Systems Specialist 5 position (1.00 FTE), one Program Analyst 3 position (1.00 FTE), one Administrative Specialist 2 position (1.00 FTE), and one Operations and Policy Analyst 3 position (1.00 FTE).

Public Utility Commission

The new clean energy program will set greenhouse gas emission reduction targets for electric companies. PUC's primary responsibility will be to review and acknowledge the electric companies' clean energy plans to meet the emission reduction targets. PUC will also ensure compliance by evaluating reliability issues, unexpected resource variability, and cost cap issues excusing compliance.

The Subcommittee recommended \$1,867,217 Other Funds expenditure limitation and 10 positions (6.50 FTE) to carry out provisions of the bill. This includes the following positions to complete work required in the bill: two limited duration Utility and Energy Analyst 3 positions (1.50 FTE) and one-part-time limited duration Administrative Law Judge (0.50 FTE), splitting time between developing new rules, guidelines and processes associated with the program and reviewing plans for compliance; one limited duration Utility and Energy Analyst 3 position (0.75 FTE); one Utility and Energy Analyst 3 position (0.50 FTE), an Administrative Law Judge (0.75 FTE) and an Administrative Specialist 2 position (0.25 FTE) to review and acknowledge plans within six months; one part-time Utility and Energy Analyst 3 position (0.25 FTE) to adopt policies in coordination with the Department of Environmental Quality (DEQ); one Utility and Energy Analyst 3 position (1.00 FTE) to conduct rulemaking

or investigation processes; and one Utility and Energy Analyst 3 position (1.00 FTE) to examine costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Energy, Public Utility Commission
 Renee Klein - 971-283-1841

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|---------------|---------------|---------------|------------|---------------|------------|-----------------|-----|-------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| <u>Oregon Department of Energy</u> | | | | | | | | | |
| SCR 100 - Energy Planning and Innovation | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 298,867 | \$ - | \$ - | \$ - | \$ 298,867 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 8,676 | \$ - | \$ - | \$ - | \$ 8,676 | | |
| SCR 200 - Energy Development Services | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 1,086,480 | \$ - | \$ - | \$ - | \$ 1,086,480 | 6 | 5.50 |
| Services and Supplies | \$ - | \$ - | \$ 346,000 | \$ - | \$ - | \$ - | \$ 346,000 | | |
| Special Payments-6060 Intra-Agency GF Transfer | \$ 50,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000,000 | | |
| Special Payments | \$ - | \$ - | \$ 25,000,000 | \$ - | \$ - | \$ - | \$ 25,000,000 | | |
| SCR 300 - Energy Facility Siting | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 3,161 | \$ - | \$ - | \$ - | \$ 3,161 | 0 | 0.00 |
| Services and Supplies | \$ - | \$ - | \$ 9,000 | \$ - | \$ - | \$ - | \$ 9,000 | | |
| SCR 500 - Administrative Services | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 196,680 | \$ - | \$ - | \$ - | \$ 196,680 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 11,427 | \$ - | \$ - | \$ - | \$ 11,427 | | |
| <u>Public Utility Commission</u> | | | | | | | | | |
| SCR 001 - Utility Regulation | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 1,538,437 | \$ - | \$ - | \$ - | \$ 1,538,437 | 10 | 6.50 |
| Services and Supplies | \$ - | \$ - | \$ 328,780 | \$ - | \$ - | \$ - | \$ 328,780 | | |
| TOTAL ADJUSTMENTS | \$ 50,000,000 | \$ - | \$ 28,827,508 | \$ - | \$ - | \$ - | \$ 78,827,508 | 18 | 14.00 |
| SUBCOMMITTEE RECOMMENDATION | \$ 50,000,000 | \$ - | \$ 28,827,508 | \$ - | \$ - | \$ - | \$ 78,827,508 | 18 | 14.00 |

PRELIMINARY