

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2170 - 3

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires State Department of Energy to study feasibility of establishing renewable hydrogen hub at Oregon International Port of Coos Bay.

Government Unit(s) Affected:

Department of Energy, Oregon Business Development Department, Special Districts Association of Oregon

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Department of Energy		
General Fund		
Personal Services	\$77,550	\$0
Services and Supplies	\$120,437	\$0
Total General Fund	\$197,987	\$0
Total Fiscal Impact	\$197,987	\$0
<i>Total Positions</i>	1	0
<i>Total FTE</i>	0.38	0.00

Analysis:

HB 2170 - 3 directs the Oregon Department of Energy (ODOE) to conduct a study on the feasibility of establishing a renewable hydrogen hub to include green electrolytic hydrogen at the Oregon International Port of Coos Bay. ODOE is to submit a report to interim committees of the Legislative Assembly related to energy and economic development by September 15, 2024. The measure takes effect January 1, 2024 and is repealed on January 2, 2025.

ODOE estimates that the costs to conduct this study will total \$197,987 General Fund in the 2023-25 biennium. The agency notes that the measure does not define the scope of the study, but that they would plan to conduct a technical and economic feasibility analysis. This work would require one limited duration, full time Operations and Policy Analyst 2 (0.38 FTE) to conduct research and write the report. ODOE would also need an estimated \$75,000 for economic analysis contracting. This cost estimate is based on similar work ODOE has done related to a study on calculating feedstock pathways for biomass and economic costs.

The agency’s services and supplies costs include indirect costs equivalent to 49.73% of personal services costs. This rate is negotiated biennially with federal partner agencies and costs included here reflect the indirect rate for the 2021-23 biennium, not the rate for the 2023-25 biennium. Costs of this measure could change based on the agency’s actual indirect rate for next biennium.

There is no fiscal impact for the Oregon Business Development Department.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.