

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 101-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Cannon
Carrier – Senate: Sen. Walker**

Action: Do Pass the A-Engrossed Measure as Amended and Be Printed B-Engrossed

Vote: 14 – 6 – 2

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Jenson, Kotek, Nathanson, Shields

– Nays: Garrard, Gilman, Richardson, G. Smith

– Exc:

Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker

– Nays: Girod, Whitsett

– Exc: Winters

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: June 22, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Department of Energy	---	---	2009-11
Public Utility Commission	---	---	2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)		2009-11 Essential Budget Level		2009-11 Committee Recommendation		Committee Change from 2007-09 Leg. Approved	
							\$\$ Change	% Change
<u>Department of Energy</u>								
Other Funds	\$	0	\$	0	\$	336,229	\$ +337,229	+100%
<u>Public Utility Commission</u>								
Other Funds	\$	0	\$	0	\$	141,361	\$ +141,361	+100%

Position Summary

<u>Department of Energy</u>				
Authorized Positions			1	+1
Full-time Equivalent (FTE) positions			0.75	+0.75
<u>Public Utility Commission</u>				
Authorized Positions			1	+1
Full-time Equivalent (FTE) positions			0.75	+0.75

Summary of Revenue Changes

Senate Bill 101 establishes greenhouse gas (GHG) emissions standards relating to carbon dioxide for electric companies, electricity service suppliers, and consumer-owned utilities, and directs the Department of Energy (DOE) and the Public Utility Commission (PUC) to implement this bill. To do so, DOE will derive the revenue for its work from the Energy Supplier Assessment (ESA).

Summary of Natural Resources Subcommittee Action

Senate Bill 101 establishes a GHG emissions standard of 1,100 pounds of carbon dioxide per megawatt-hour for electric companies, electricity service suppliers, and consumer-owned utilities. The bill directs PUC to establish an out-put based methodology to ensure the calculation of GHG emissions for cogeneration facilities recognizes total usable energy outputs of the process for electrical companies, and DOE to do the same for consumer-owned utilities. Under the bill, PUC and DOE are required to review the standards no more than once every three years and the bill specifies the provisions for modifying the standards. Electricity suppliers are prohibited from entering into long-term financial commitments unless the electricity acquired under the commitment is produced by a facility that meets the standard. PUC is authorized to revoke the certification of energy service suppliers that do not comply with the established GHG performance standards. Finally, the bill directs PUC to develop estimates of the rate impacts for electric companies and natural gas companies to meet the GHG emission reduction goals for 2020 and report to an interim legislative committee prior to November 1 of each even-numbered year.

Department of Energy

The Subcommittee approved an increase of \$336,229 Other Funds and established one permanent Policy Analyst 3 position (0.75 FTE) for DOE to coordinate rulemaking activity and implement the standards and reporting. The expenditures for the 2009-11 biennium include Personal Services costs, related Services and Supplies, and one-time Attorney General fees of \$150,000 due to the anticipated complexity of the rulemaking process.

Public Utility Commission

The Subcommittee approved an increase of \$141,361 Other Funds and established one permanent Senior Policy Analyst position (0.75 FTE) for PUC to coordinate rulemaking activity, implement the standards and reporting, and conduct the work associated with determining the estimated impact of the GHG reduction on rates. The expenditures for the 2009-11 biennium include Personal Services costs and related Services and Supplies.