MEASURE NUMBER: SB 80STATUS: A EngrossedSUBJECT: Climate Policy Advisory Council and greenhouse gas reduction plansGOVERNMENT UNIT AFFECTED: Department of Energy, Department of Environmental Quality,Department of Transportation, and Public Utility CommissionPREPARED BY: Dawn FarrREVIEWED BY: Paul Siebert, Susie Jordan, and Michelle DeisterDATE: May 4, 2009

<u>2009-2011</u> <u>2011-2013</u>

EXPENDITURES:

See Comments.

REVENUES:

See Comments.

EFFECTIVE DATE: On passage.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill establishes the Climate Policy Advisory Council (Council) made up of the Director of the Department of Environmental Quality (DEQ), Director of Department of Transportation (ODOT), chairperson of the Public Utility Commission (PUC) and Director of the Department of Energy (DOE); directs DOE to provide clerical, technical and management personnel to the council and that other state agencies provide support as requested by DOE or the Council; establishes that the council may employ staff and set a budget; allows the Council to coordinate state agencies actions to achieve greenhouse gas (GHG) reductions goals; establishes that the Council may appoint advisory committees that provide recommendations on forest and agriculture offsets, among other things; and, directs the council to submit a report to the legislature prior to January 1 of each odd-numbered year through 2019. In addition the bill directs PUC, ODOT, and DEQ to develop plans, within existing statutory authority, to meet GHG reduction goals within electric companies, the transportation sector, and from industrial facilities with stationary sources; directs consumer-owned utilities to adopt and report on plans to DOE; allows the Environmental Quality Commission to by rule require registration and reporting of GHG emissions; establishes responsibilities for the Oregon Global Warming Commission; and, includes provisions for whistleblower protection.

The bill establishes the Climate Policy Advisory Council which has the authority to employ staff and set a budget; however, no funding source has been identified. Further, no state agency is assigned to administer the Council's budget, and no account is established for receiving funds on behalf of the Council. Without these mechanisms, the Council does not have the required structure to employ staff or develop a budget.

DOE, PUC and ODOT anticipate an Other Funds expenditure impact associated with the bill that will require additional expenditure limitation for the 2009-11 biennium. The final amount of required limitation is still being reviewed by the Legislative Fiscal Office (LFO) in relations to these agencies' budget request.

DEQ anticipates a General Fund expenditure impact associated with the bill. The agency requested funding in the Governor's recommended budget associated with the original bill; however, the Department indicates that this request may need to be reduced based on the current requirements of the bill.

DAS, ODA and DLDC all indicated that they anticipate an indeterminate fiscal impact associated with the bill. LFO will work with these agencies to assess whether a fiscal impact might actually be quantified for these agencies.