

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 98**80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Michael Graham
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Date: 1/24/2019**Measure Description:**

Requires Public Utility Commission to adopt by rule renewable natural gas program for natural gas utilities to recover prudently incurred qualified investments in meeting certain targets for including renewable natural gas in gas purchases for distribution to retail natural gas customers.

Government Unit(s) Affected:

Public Utility Commission (PUC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
Other Funds		
Personal Services	94,177	107,629
Services and Supplies	45,793	42,343
Capital Outlay	5,500	0
Total Other Funds	\$145,470	\$149,972
Positions	1	1
FTE	0.44	0.50

Analysis:

The measure requires the Public Utility Commission (PUC) to create a renewable natural gas program through the adoption of administrative rules. Local distribution companies that provide natural gas would be able to opt-in to the program and earn a return on qualified investments of renewable natural gas in their portfolios, thus incentivizing development of renewable energy. Prior to 2020, the PUC would need to adopt administrative rules to specify reporting requirements and establish a tariff that would raise or lower rates without the need for an administrative hearing (automatic adjustment clause), thus allowing utilities to recover qualified investments.

To implement the measure, the PUC would need to hire a permanent, part-time Utility and Energy Analyst 3 position, possibly necessitating a subsequent referral to the Joint Committee on Ways and Means for an increase in expenditure limitation and position authority.