

**Legislative
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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee
From: John Terpening, Legislative Fiscal Office
Date: June 20, 2019
Subject: HB 2618 – Relating to solar incentives
Work Session Recommendations

HB 2618 provides for rebates for solar programs in Oregon. The measure, as amended by the -A4, directs the State Department of Energy to adopt by rule a program for providing rebates for the purchase, construction or installation of solar electric systems and paired solar and storage systems. The rebates can be claimed by a contractor that installs an eligible system for a residential customer or a low-income service provider. The contractor must use the full cost of the rebate to reduce the net cost to the customer.

The rebates are to be made from moneys credited to the Rooftop Solar Incentive Fund established by the measure. For a system installed for a low- or moderate-income residential customer the rebates are capped at \$7,500 per system and are capped at \$45,000 for low-income service providers. The Department is to report each year to the Legislature on the rebate program and the program sunsets January 2, 2024.

The funding for this program will be provided in SB 5507, which will include a one-time General Fund appropriation of \$2 million for the rebate program. Of the \$2 million, \$1.5 million is intended for rebates, with a limit of \$500,000 for administration. The Department anticipates the need to hire three limited duration positions, a Project Manager and two Program Analysts, totaling 1.25 FTE. In addition, an existing Principle Manager E and other administrative staff will charge a portion of their time to assist with program establishment and oversight. Total personal services cost are anticipated to be \$255,258, with \$83,138 for services and supplies, and an additional \$161,604 for indirect costs associated with administering the program. The Department anticipates that the demand for rebates will be high and the program will exhaust the monies available in a relative short amount of time.

Recommended Changes

LFO recommends adoption of the -A4 amendment.

MOTION: I move adoption of the -A4 amendment to HB 2618. (VOTE)

Final Subcommittee Action

LFO recommends that HB 2618, as amended by the -A4 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 2618, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____