

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2739 - 2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
Reviewed by: Ben Ruef, Michelle Deister
Date: March 7, 2021**Measure Description:**

Establishes Public Drinking Water and Sewer Ratepayer Assistance Fund.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Public Utility Commission (PUC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
Other Funds		
Personal Services	63,981	27,421
Services and Supplies	11,417	7,374
Special Payments	14,924,602	4,965,205
Total Other Funds	\$15,000,000	\$5,000,000
Positions	1	1
FTE	0.88	0.38

Analysis:

HB 2739 with the -2 amendment modifies statutes relating to electric companies' collection of funds for low-income electric bill payment assistance. The measure directs electric companies to collect an additional \$10 million per calendar year to assist households affected by the COVID-19 pandemic. The Public Utility Commission (PUC) is in charge of determining the right rate distribution for collection of these funds. The measure instructs PUC to increase the public purpose charge rate for the low-income assistance fund any time the projected or actual charge rates do not achieve the \$20 million calendar threshold. The measure requires the Housing and Community Services Department (HCSD) to tailor the services it provides as part of its regular low-income bill assistance program so that the funds expended in the program match up with the service areas in which the funds were collected. The measure specifies that the \$500 customer impact limit applies to the new COVID-19 surcharge.

Housing and Community Services Department (HCSD)

HCSD estimates the administrative cost of expanding the low-income electric bill payment assistance program to be \$75,398 Other Funds, 1 position, 0.88 FTE for the 2021-23 biennium; and \$34,795 Other Funds, 1 position, 0.38 FTE for the 2023-25 biennium. HCSD is responsible for administering the low-income electric bill payment assistance program, known as the Oregon Energy Assistance Program (OEAP). Although HCSD can absorb most of the work associated with the additional funds, the agency anticipates needing an additional part-time, limited duration Administrative Specialist 2 position to support existing staff. The increase in this program will begin January 1, 2022 and is repealed January 2, 2024.

The Legislative Fiscal Office notes that Oregon is also estimated to receive \$67.5 million in federal Low Income Energy Assistance Program funds for low income households during the 2021-23 biennium, as well as an additional \$48 million for that program through the American Rescue Plan.

Public Utility Commission (PUC)

Passage of this measure is anticipated to have a minimal fiscal impact on PUC. The agency has a process to review tariffs and the additional requirements of the measure can be met with existing resources.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for budgetary action and position authority.