Joint Ways and Means
Subcommittee on Natural Resources

Written Reference Materials
2023-2025 Agency Budget
2023 Legislative Session

Agency Mission, Goals and Historical Perspective

Our Mission: ODOE helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- **A Central Repository of Energy Data, Information, and Analysis**: We research, collect, and analyze data and information to inform state energy planning, regulation, program administration, and policy development.
- **A Venue for Problem-Solving Oregon's Energy Challenges**: We convene constructive conversations about Oregon's energy challenges and opportunities that consider a diverse range of perspectives, foster collaboration and innovative solutions, and facilitate the sharing of best practices with consumers and stakeholders.
- **Energy Education and Technical Assistance**: We provide technical assistance, educational resources, and advice to support policy makers, local governments, industry, energy stakeholders, and the general public in solving energy challenges and meeting Oregon's energy, economic, and climate goals.
- **Regulation and Oversight**: We manage the responsible siting of energy facilities in the State, regulate the transport and disposal of radioactive materials, and represent Oregon's interests at the Hanford Nuclear Site.
- **Energy Programs and Activities**: We manage and administer statutorily authorized energy programs to save energy, support the State's decarbonization efforts, make communities more resilient, and position Oregon to lead by example.

The agency's 2023-25 Governor's Budget is driven by the priorities ODOE is responsible for fulfilling. This budget:

- Reinforces the agency's commitment to meeting the state's energy and climate goals using resources as efficiently as possible.
- Supports Oregon's transition to a clean energy future through grant and rebate programs.
- Supports the agency's ongoing leadership in implementing energy-related Executive Orders and responsibilities related to energy facility siting and energy policy development.
- Provides resources for the agency to gather data and serve as a central repository of energy information.
- Continues to ensure that Oregonians are safe from the risks associated with the Hanford Site cleanup and radioactive waste transport and disposal.

- Enables the agency to continue educating Oregonians – including individuals, businesses, tribes, nonprofits, schools, and others – about their energy use and how to save energy.
- Centers equity and provides outreach and assistance to rural, tribal, and other environmental justice communities.

Overview of Agency Performance and Outcome Measures

The Oregon Department of Energy's vision is to lead Oregon to a safe, equitable, clean, and sustainable future. To achieve our vision and mission the agency oversees diverse programs to meet the state's energy goals and policies. The areas covered by this biennium's key performance measures are important for meeting Oregon's energy goals. Areas not included in the KPMs are also critical, such as ODOE's Nuclear Safety and Emergency Preparedness division, which oversees Oregon's interests in the Hanford Nuclear Site cleanup and ensures that the state is prepared to respond to nuclear- and energy-related emergencies. Further, while the KPMs measure some of ODOE's work to support energy policy development and innovation – including home energy scores, greenhouse gas reductions, and zero emission vehicle adoption – other efforts are difficult to measure, such as promoting energy resilience, providing technical expertise on topics like residential energy codes and appliance standards, and tracking emerging issues like energy storage, renewable natural gas, and more.

ODOE updated our KPMs for the 2021-23 biennium to reflect our work more accurately. The new KPMs were developed, in part, from an analysis of the agency's programs presented to the Joint Ways and Means Committee during the 2020 Regular Session following a Budget Note request. Some of the changes reflect the fact that many of the previous measures were evaluating programs that have sunset, moved to other state agencies, or, in the case the Small-scale Energy Loan Program, no longer adding new loan activity. Since the development of the updated KPMs, ODOE has launched new incentive programs; ODOE may review KPMs in the next cycle to consider new measures for those activities.

The Oregon Context

ODOE oversees statewide energy policy and development, and the agency's work intersects with numerous stakeholders and partners. These include large-scale investor-owned utilities and smaller consumer-owned utilities, many of which provide incentives and other resources to their customers; non-governmental organizations that advocate on energy and climate issues and provide incentives and rebates; federal entities such as the Bonneville Power Administration; regional entities like the Northwest Power and Conservation Council; and many others. ODOE also reports to the Oregon Legislature through various annual reports. Many of the department's measures link to Oregon Benchmark #77: Carbon Dioxide Emissions.

Measuring Our Performance

The Oregon Department of Energy believes in continuous improvement across all program areas. Whether KPMs hold steady, improve, or decline, the agency seeks ways to improve processes and deliverables.

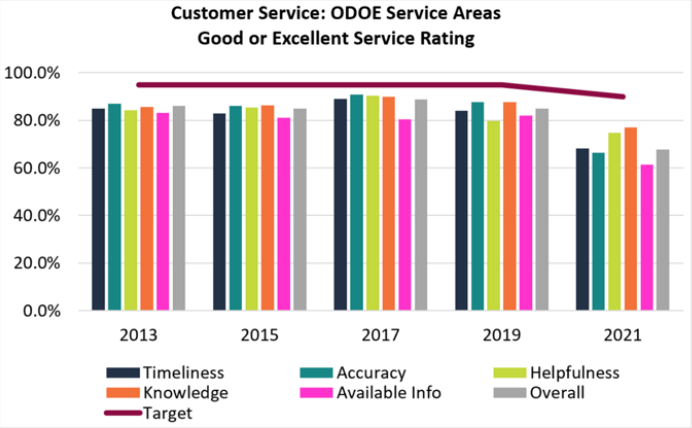
For the 2023-2025 biennium, the agency is reporting on seven key performance measures:

KPM
KPM 1: Customer Service
KPM 2: Zero Emission Vehicle Adoption in Oregon
KPM 3: Application Processing
KPM 4: Energy Use by State Buildings
KPM 5a-b: Greenhouse Gas Content of Oregon's Electricity
KPM 5c-d: Greenhouse Gas Content of Oregon's Stationary Fuel
KPM 6: Transportation Fuels Used in Oregon
KPM 7: Home Energy Scoring

KPM 1: Customer Service

Measure: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.

Target: 90% in each category.



The Oregon Department of Energy conducts a customer service survey every odd-numbered year to measure this Key Performance Measure. The last survey was conducted in August 2021, and the results are outlined in this report. Results represent the sum of all customer feedback with no weighting, by category. All categories showed a decline over the last biennium, and the agency is below the target goal of 90 percent.

The Legislative Fiscal Office updated the target to 90 percent for all service categories in 2021. In preceding years, the target was 95 percent. In the Oregon Department of Energy's 2021-2024 Strategic Plan, the agency also set a target to reach at least 95 percent good or excellent ratings. Customer service is an integral part of ODOE's work and an essential component of meeting the agency's mission. For day-to-day operations, the agency defines "customer" broadly – from community stakeholders to industry representatives to fellow State agencies. For the sake of this KPM, ODOE has historically surveyed external customers once each biennium using the standard customer service questions and process guidelines. ODOE issues targeted surveys for specific programs, adds additional questions to help us improve services, and in 2021 also added demographic questions (racial/ethnic background, geographic area, and household income) to better understand who we are serving.

The 2021 customer survey results show a measured drop in satisfaction over the last biennium. Several factors have likely influenced the drop, including changes to survey methodology, changes in ODOE programs resulting in fewer survey respondents who benefit directly from ODOE programs, and controversial energy facilities proposed by developers that are currently under review in our facility siting division.

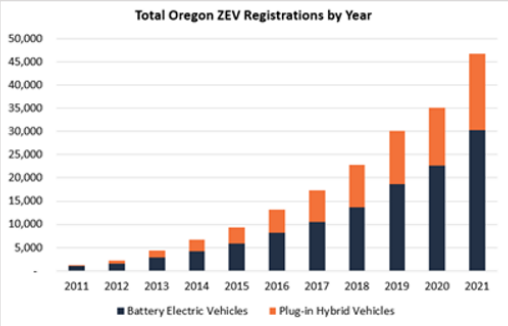
ODOE will continue to focus on providing outstanding customer service, and we hope results in our 2023 Annual Performance Report will improve as the agency develops and launches new incentive programs created by the Oregon Legislature, including funding to continue the Oregon Solar + Storage Rebate Program; funding to support energy-efficient rebuilding efforts following the 2020 wildfires; a $50 million community renewable energy grant program; and new rebate programs to expand access to heat pumps in Oregon homes.

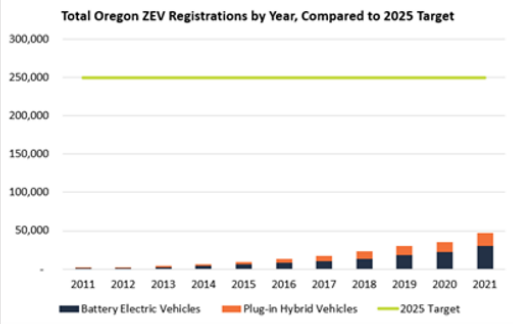
In ODOE's 2021-2024 Strategic Plan, we included the objective to achieve an at least 95 percent positive customer service rating. An initiative to support that goal is to create more targeted, timely surveys. ODOE will work to improve our customer service methodology to issue surveys to customers soon after we have interacted with them or provided a service, in an effort to increase participation and receive more constructive results.

KPM 2: Zero Emission Vehicle Adoption in Oregon

Measure: ZEV registrations in the light-duty vehicle sector statewide.

Target: SB 1044 ZEV targets, including at least 250,000 registered ZEVs in Oregon by 2025.





As of May 2022, there are 52,033 light-duty zero-emission vehicles registered in Oregon, comprising just over 1.4 percent of passenger vehicles. Of these, 18,172 were plug-in hybrids and 33,861 were battery electric vehicles. While the state did not achieve its original target of 50,000 registered ZEVs by the end of 2020, Oregon is well positioned to support increased ZEV adoption with policies and programs that support ZEV sales in Oregon, including incentives to help reduce up-front vehicle costs.

Oregon's overall greenhouse gas reduction goal is to significantly and rapidly reduce total GHG emissions. Governor Brown's Executive Order 20-04 established GHG reduction goals of 45 percent below 1990 levels by 2035, and at least 80 percent below 1990 levels by 2050. In 1990, Oregon's recorded levels totaled 56.4 million metric tons of carbon dioxide equivalent (MMT of CO2e). This means that Oregon's levels should be 12 MMT or lower by 2050. About 40 percent of Oregon's GHG emissions come from the transportation sector, and about a quarter of that comes from light-duty passenger vehicles. So far in Oregon, the use of ZEVs has avoided an estimated 338,000 metric tons of in-state CO2e emissions between 2010 and 2019.

Specific electric vehicle adoption targets for Oregon began with Governor Brown's Executive Order 17-21 and were further formalized with the passage of SB 1044 (2019). Those goals are:

- By 2020, 50,000 registered motor vehicles will be zero-emission vehicles;
- By 2025, at least 250,000 registered motor vehicles will be zero-emission vehicles;
- By 2030, at least 25 percent of registered motor vehicles, and at least 50 percent of new motor vehicles sold annually, will be zero-emission vehicles; and
- By 2035, at least 90 percent of new motor vehicles sold annually will be zero-emission vehicles.

SB 1044 also requires state agencies to procure 25 percent of eligible new light duty vehicles as ZEVs by 2025 based on availability.

The Department of Administrative Services (DAS) - Biennial Examination Required Under ORS 283.343 on the Use of State-Owned Vehicles, reports that state agencies owned 41 electric vehicles among their 7,218 light duty fleet vehicles, or 0.6 percent. In this report DAS notes charging infrastructure and first costs as limiting factors:

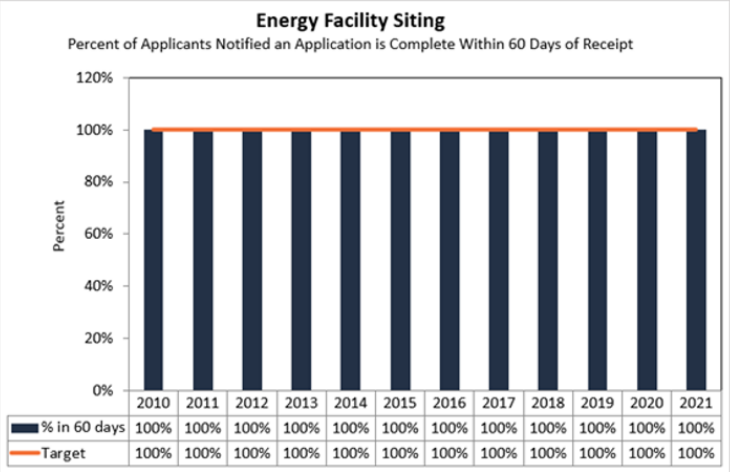
> *"To increase ZEV adoption in state fleets, a concerted effort to manage the cost and people resources to electrify the fleet should be considered. A recent DAS fleet electrification study showed that the total cost of ownership is favorable in many use cases for ZEV versions of vehicles out now and soon emerging on the market. However, the largest hurdles to fleet electrification is the cost and effort to install charging infrastructure and the incremental cost of the vehicles. Add to that the substantial cost of the people resources needed to manage the implementation of projects, and the cost is even higher."*

The DAS Fleet and Parking Services Manager reports that eight of the 510 light-duty vehicles purchased in 2020 were EVs. This represents 1.6 percent and shows an increase in the rate of EV acquisitions over the current fleet. Note that this occurred even in a year of reduced purchases due to the COVID-19 pandemic. With manufacturer pledges to provide increasing numbers of ZEV models in the next few years, achieving the 25 percent goal may be achievable, however supply chain issues continue to slow deliveries for all vehicle manufacturers regardless of fuel type.

KPM 3: Application Processing

Measure: Percent of applications reviewed and approved within administrative or statutory deadlines for Energy Facility Siting.

Target: Applications reviewed/approved within 60 days.



Part of the agency's commitment to stakeholders is providing reliable resources and services. To measure this, ODOE monitors the timeliness for processing application completeness reviews for energy facility siting, reflected by the percent of new energy facility applicants notified by ODOE whether an application is complete within 60 days of ODOE receiving it.

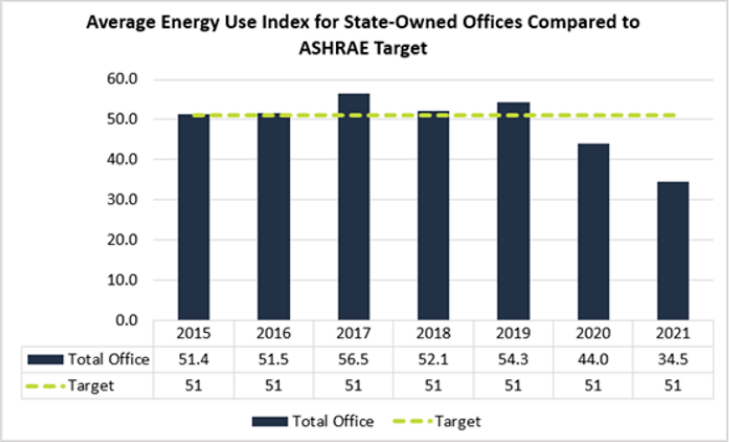
The Energy Facility Siting division met the application processing target at 100 percent.

KPM 4: Energy Use by State Buildings

Measure: Electrical and fossil fuel energy use in state-owned buildings by use, type and building area.

Target: 51.0 EUI or lower

*Because the target is a metric of energy use, an energy use index (EUI) **below the target** is the preferred goal.*



In 2021, the average Energy Use Index for State-owned office buildings was 34.5 kBTU per square foot, below the EUI target. Because the target is a metric of energy use, achieving an EUI below the identified target is the goal – a lower EUI means less energy use.

Energy use in state-owned office buildings in 2021 decreased from 2020. While improved data collection and evaluation have increased visibility into agency building energy use, the COVID-19 pandemic continues to affect building energy use patterns, making comparisons across years difficult. At the time of ODOE's 2022 KPM Report, 95 state-owned office buildings had reported their energy usage for 2021. This is down from 119 in 2020, due largely to staffing changes at ODOE that delayed outreach to state agencies requesting 2021 data. This KPM will be updated as additional agencies report their data.

In 2021, many state employees continued to work from home for most of the year. Other pandemic-related changes also continued to affect energy use:

- Building operators increased ventilation to reduce potential infections in buildings, therefore increasing energy use.
- With reduced staff in buildings, plug loads decreased.
- For workers who still used state facilities, operating hours and heating/cooling expectations remained the same. Fully occupied commercial buildings tend to use more energy for cooling and ventilation to maintain a comfortable temperature. But with fewer workers in buildings, heating demand increased instead to keep buildings comfortable.
- Energy use did not decline as much as anticipated, as building temperatures still need to be maintained for the limited staff in attendance. Many buildings are not zoned or do not have the ability to condition based on low attendance.
- Water use was a better indicator of the behavior change, as it declined dramatically in 2020.
- Night audits were suspended during the pandemic, eliminating a tool facility staffs use to identify potential behavior changes.

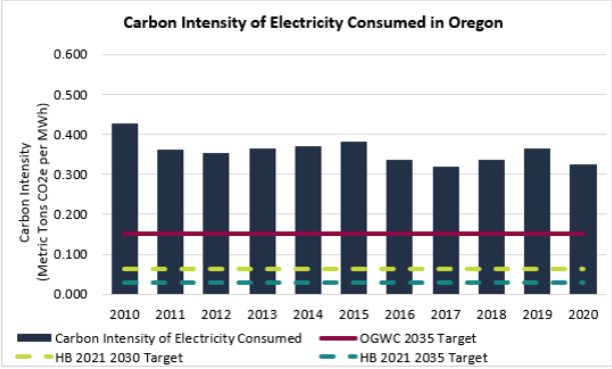
- IT took over computers and put them in sleep mode to retain updates from software companies, potentially increasing plug loads.

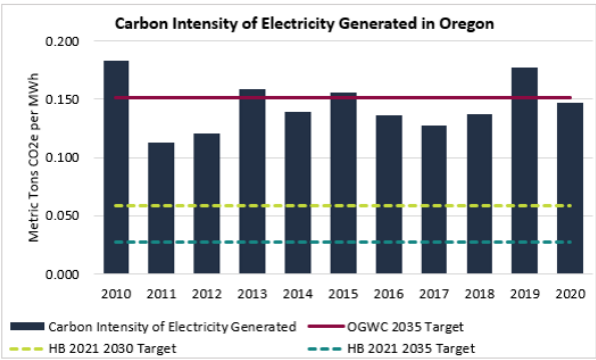
To make informed energy efficiency investment decisions, state agencies need data about energy use in their buildings and a method for comparing use to similar buildings. ODOE developed a comprehensive dataset for baseline energy use in state-owned facilities with the goal of continuous improvement of data quality and communication over time. In 2015, 20 state agencies reported building- or meter-level energy use into the ENERGY STAR® Portfolio Manager platform, establishing facility baseline energy use. Sixteen agencies provided 2021 energy use data for 279 state-owned buildings. Energy use in 2021 was compared against the baseline and an established energy use index (EUI) performance target for each building type. ODOE will deliver to each agency a report outlining the energy use of their buildings, and how they compare to previous years and to the performance targets. This report will also include data from agencies that have not yet reported but will before the end of 2022. In 2021, 143 state-owned buildings met the performance targets, while 136 did not. With this information and technical support from ODOE, agencies can identify opportunities for increased energy efficiency in their buildings and realize long-term savings in their operating budgets.

KPM 5 a-b: Greenhouse Gas Content of Oregon's Electricity and Stationary Fuels

Measure: Greenhouse gas emissions per unit of: a) Electricity used in Oregon; b) Electricity generated in Oregon.

Targets: 0.151 Metric Tons of CO2 per MWh represents the carbon intensity that Oregon's electricity resource mix would need to reach in 2035 for the sector to achieve its proportional share of the state's overall emissions reduction goal.





Overall, the carbon intensity of Oregon's electricity *consumption* has decreased from 0.427 metric tons of CO2e/MWh in 2010 to 0.325 metric tons of CO2/MWh in 2020. The carbon intensity remains higher than the 2035 interim - target recommended by the Oregon Global Warming Commission and reinforced by Governor Brown's Executive Order 20-04 (represented by the red line in the figure), as well as the new 2030 and 2035 electricity emissions targets for

Oregon's investor-owned utilities mandated in 2021 by HB 2021 (represented by the dashed lines). The carbon intensity of Oregon's consumption is likely to continue to improve as utilities:

- Phase out imports of electricity generated by coal-fired power plants from Oregon utility rates by 2030
- Continue to make progress toward meeting the 50 percent Renewable Portfolio Standard targets for 2040
  Take action to meet new electricity emissions targets for Oregon's investor-owned utilities established by HB 2021

The carbon intensity of Oregon's electricity *generation* has decreased from 0.183 metric tons/MWh in 2010 to 0.147 metric tons CO2e/MWh in 2020 including a 17% decrease from 2019 to 2020. The reduction in 2020 reflects increased adoption of non-emitting renewable energy facilities and the retirement of Oregon's sole remaining coal fired power plant in October of 2020. This KPM has been lower than the 2035 interim target for seven of the past 10 years. This is because of Oregon's significant in-state hydropower, wind, and other low- and zero-carbon resources. The carbon intensity of in-state generation is likely to continue to decrease as renewable energy facilities continue to displace coal and natural gas generation. Despite the overall downward trends in the carbon intensity of Oregon's electricity generation and its electricity consumption, year-to-year variations in these values occur and are mainly driven by fluctuating water resources available for hydropower generation due to natural variation in annual precipitation. This was the primary driver of the increase in carbon intensity from 2018 to 2019, with substantially lower-than-average precipitation in 2019, which reduced hydropower generation that was then replaced by carbon-emitting generation like natural gas.

Thanks to highly effective energy efficiency programs, Oregon's total electricity consumption has grown by only about 2 percent over the last decade despite population growth of about 10 percent. The Northwest Power & Conservation Council's 2021 plan, released March 2022, forecasts that energy efficiency acquisition will continue to play a critical role in meeting the region's future demand for electricity, as will renewable energy resource acquisition.

Until 2021, Oregon did not have a formal sector-specific target for the carbon intensity of electricity. ODOE derived an interim target for the purposes of this report from the greenhouse gas reduction goals in ORS 468A.205, the Oregon Global Warming Commission's Interim 2035 GHG reduction goal, and utility projections for future electricity loads. This target represents the carbon intensity that Oregon's electricity resource mix would need to reach in 2035 for the sector to achieve its proportional share of the state's overall emissions reduction goal. In 2015, the Oregon Global Warming Commission developed an interim greenhouse gas reduction goal for 2035, which is interpolated between the goals for 2020 and 2050 set in ORS 468A.205. Meeting this goal would require a 42.5 percent decrease in total greenhouse gas emissions from 1990 levels. If the electricity sector achieved an equivalent reduction from 1990 levels, emissions in 2035 would be 9.5 million metric tons CO2. Dividing this by forecasted utility loads in 2035 yields an interim carbon intensity target of 0.151 tons of CO2/MWh.

In 2021, the Oregon legislature passed HB 2021, mandating that Oregon's investor-owned utilities reduce greenhouse gas emissions compared to the average of their 2010, 2011, and

2012 emissions by 80 percent in 2030, 90 percent in 2035, and completely eliminate greenhouse gas emissions from retail electricity supply by 2040. ODOE will calculate a new target for 2030 during the next LFO review.

The electricity sector includes all in-state and out-of-state generation that serves Oregon's total annual electricity load. This includes electricity provided by investor-owned utilities, consumer-owned utilities, electricity service suppliers, and Independent Power Producers. In 2019, this sector accounted for approximately 29 percent of all greenhouse gas emissions in Oregon.

Carbon dioxide emissions released from the combustion of fossil fuels to generate electricity make up most of the greenhouse gas emissions from the electricity sector. CO2 emissions in the electricity sector can primarily be reduced in three ways:

- Implementing energy efficiency and conservation measures and demand response programs to reduce the amount of electricity required to be generated
- Replacing electric generating resources that have CO2 emissions with resources that have lower or zero-carbon emissions
- Adding storage that can be charged with electricity from a generating resource, or mix of generating resources, with low or zero-carbon emissions and discharging that stored electricity to replace electricity generated from resources with higher carbon emissions

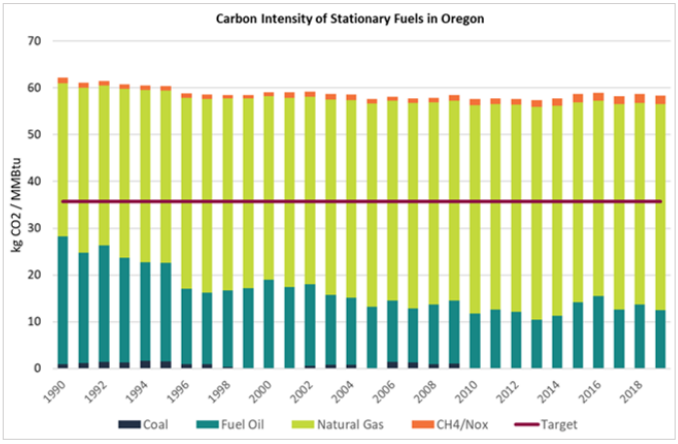
Energy efficiency, conservation, and demand response programs mainly help reduce the magnitude of CO2 emissions by reducing the total amount of electricity generated. These can reduce the carbon intensity (emissions per unit of energy) of electricity consumption if they reduce use of the highest-emitting resources like coal and natural gas peaker plants. Replacing generating resources that emit carbon with resources that emit lower or zero-carbon, either directly or with batteries charged by lower emission generating resources, helps reduce both the magnitude of carbon emissions and the carbon intensity of the electricity resource mix. Both approaches are used in Oregon to reduce greenhouse gas emissions and achieve other energy and environmental benefits in the electricity sector.

The carbon intensity of the electricity resource mix is expressed as metric tons of carbon dioxide equivalent per Megawatt Hour (MWh). Oregon has two different electricity resource mixes, the resource mix of the electricity it generates within the state, and the resource mix of the electricity it consumes (a combination of electricity generated both in-state and out-of-state). The two mixes are different because Oregon neither consumes all the electricity it generates, nor generates all the electricity it consumes. This is because competitive energy markets encourage Oregon to both import and export electricity across its borders. While much of the electricity consumed in Oregon is generated by Oregon's vast amount of zero-carbon hydropower resources, a significant portion of the electricity consumed in Oregon is also generated by out-of-state fossil-fuel resources. Oregon's consumption of out-of-state fossil fuel resources is one factor that leads to the carbon intensity of the electricity consumed in Oregon to be higher than the carbon intensity of the electricity generated in Oregon.

KPM 5 c: Greenhouse Gas Content of Oregon's Stationary Fuels

Measure: Greenhouse gas emissions per unit of the mix of other stationary fuels used in Oregon.

Targets: 35.7 kilograms of carbon dioxide equivalent per million metric British thermal units. This is the carbon intensity that Oregon's fuel mix would need to reach in 2035 for the sector to achieve its proportional share of the state's overall emissions reduction goal.



The carbon intensity of stationary fuels used in Oregon has remained relatively static since the mid-1990s and remains well above the state's 2035 interim target of 35.7 kilograms of carbon dioxide per million metric British thermal units (kilograms/MMBtu). The stationary fuels sector includes all fuels used in Oregon other than fuel used for electricity generation and transportation. This includes fuel used in Oregon's residential, commercial, and industrial sectors. Stationary fuels are used to cook, heat buildings, and support commercial and industrial manufacturing processes.

In 2019, the combustion of stationary fuels accounted for 15.7 percent of all GHG emissions in Oregon, down from 16.4 percent in 1990. Most of the reduction came from a shift from petroleum to natural gas in the industrial sector, resulting in fewer greenhouse gases (GHG) emitted per British thermal unit (Btu) due to natural gas' lower carbon density. Coupled with energy efficiency measures, the result was a 15 percent decrease in total emissions from industrial fuel use. This was partly offset by an increase in emissions from the residential and commercial sectors, driven primarily by population and economic growth. Please note the GHG intensity of the stationary fuel mix is expressed as kilograms of carbon dioxide equivalent (CO_2e) per Btu in the chart below to illustrate fuel changes and emission impacts over time.

Looking to the future, the U.S. Department of Energy's Energy Information Administration (EIA) forecasts national energy usage out to the year 2050, and they estimate an average annual increase of 0.56 percent in energy consumption of stationary fuels. EIA also predicts national CO_2 emissions from stationary fuels will decline by an average of 0.2 percent per year in the residential sector, while increasing by 0.2 percent per year in the commercial sector and increasing by 0.7 percent per year in the industrial sector.

While a sector-specific target has not been formally set for stationary fuels, ODOE has derived an interim target for this report based on GHG reduction goals in ORS 468A.205 and the stationary fuel use forecast developed by EIA. This target represents the carbon intensity Oregon's fuel mix would need to reach in 2035 for the sector to achieve its proportional share

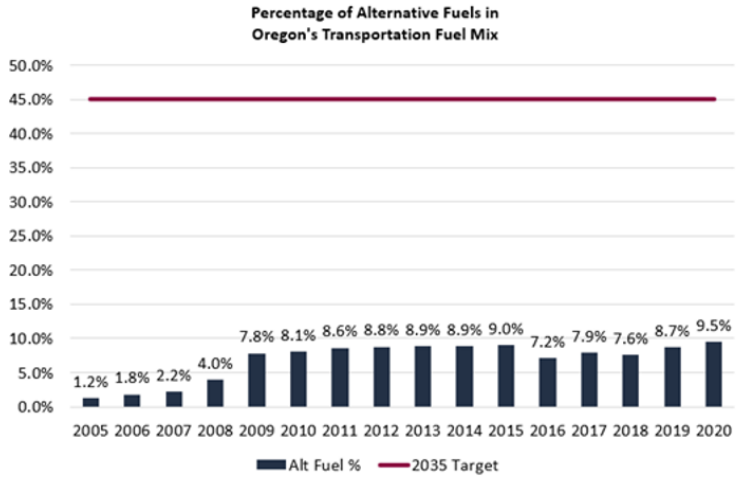
of the state's overall emissions reduction goal. Depending on the reductions achieved in other sectors, the stationary fuel sector may need to achieve more or less than this target to meet the state's overall goals in the future.

In 2019, Oregon's stationary fuels carbon intensity mix was 58.4 kilograms/MMBtu, a decrease of 6.54% from the mix of 62.2 kilograms/MMBtu in 1990. To meet the target of 35.7 kilograms/MMBtu, Oregon's stationary fuels carbon intensity mix will need to decrease another 38.8 percent by 2035. There is no legal requirement for the stationary fuel sector to meet this target, and technological barriers may limit the stationary fuel sector's ability to achieve this level of carbon intensity. Nevertheless, the interim target provides a point of reference to evaluate trends in stationary fuel carbon intensity.

KPM 6: Transportation Fuels Used in Oregon

Measure: Percentage of petroleum vs non-petroleum fuels used for on-road transportation in Oregon.

Targets: At least 45 percent of on-road transportation fuels come from alternative resources by 2035.



Overall, alternative fuel consumption and diversity have trended upward as a percentage of fuels consumed. In 2005, petroleum products, such as gasoline and diesel, accounted for 98.3 percent of the fuel consumed in the on-road transportation fuel mix, while just 1.2 percent came from alternative fuels. In 2020, alternative fuels increased to 9.45 percent. While alternative fuel use is trending upward, Oregon is well below the target of at least 45 percent coming from alternative resources. At the time of this report, ODOE does not yet have access to 2021 data. We expect to have new data to share in our 2023 report.

Most of the increase is due to the Oregon Renewable Fuels Standard program that blends biofuels into petroleum-based gasoline and diesel. Biofuels are also eligible to generate credits in the Oregon Department of Environmental Quality's Clean Fuels Program. Mixing alternative fuels with traditional petroleum-based fuels continues to be the most widely used source of alternative fuels in the state.

Alternative fuel diversity has increased since 2005. The 2020 fuel mix includes renewable diesel, bio-compressed natural gas, and bio-liquid natural gas, which were not available in 2005. Additional increases in alternative fuel use follow growth in the availability of alternative fuel

vehicles and the alternative fuels themselves. Electricity is experiencing rapid growth as a transportation fuel. As of May 2022, there are 52,033 electric vehicles registered in Oregon. In 2019, SB 1044 established new targets for zero-emission vehicle adoption in Oregon to reduce GHG emissions in the light-duty transportation sector, including at least 250,000 electric vehicles registered in Oregon by 2025. In 2021, the Oregon Legislature passed HB 2165, which modified income qualifications and doubles DEQ's Charge Ahead Rebate incentive from $2,500 to $5,000 for the purchase of a zero-emission vehicle.

The intent of this KPM is to assess the adoption rate of alternative fuels into the transportation fuel mix in Oregon. The adoption of alternative fuels, such as compressed natural gas, propane, and electricity has beneficial social, economic, and environmental effects on individuals and businesses in Oregon. ORS 468A.205 established a goal to reduce GHG emissions to 75 percent below 1990 emission levels by 2050. The transportation sector is responsible for about 40 percent of Oregon's GHG emissions, and traffic-related air pollution is linked to respiratory conditions like decreased lung function, wheezing, cardiovascular disease, and childhood asthma.

Because electricity and certain biofuels can be produced in state, these transportation fuels help retain more dollars in Oregon. Electricity and other alternative fuels do not use the same transportation system as traditional petroleum fuels, and therefore can increase the resilience of Oregon's fuel infrastructure in case of a catastrophic event.

The Oregon Department of Energy has set a Key Performance Measure target of at least 45 percent of on-road transportation fuels coming from alternative resources by 2035. In addition, several state programs and goals include the adoption of alternative fuels:

- The Oregon Department of Environmental Quality Clean Fuels Program has a goal to reduce GHG emissions from the transportation fuel sector by 10 percent over 10 years by creating a market for the sale of credits for lower carbon intensity fuels.
- In 2020, Governor Kate Brown directed DEQ and the Environmental Quality Commission to expand the Clean Fuels Program to achieve reductions in average carbon intensity of transportation fuels of at least 20 percent (relative to 2015) and 25 percent by 2035.
- The Oregon Renewable Fuels Standard requires most gasoline to blend 10 percent ethanol per gallon and 5 percent biodiesel to standard diesel per gallon.
- The Oregon DEQ Low-Emission Vehicle/Zero-Emission Vehicle (ZEV) Program currently requires battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) be approximately 6 percent (9.5 with transfers) of light-duty vehicle deliveries to Oregon auto dealers, with an increase to 16 percent (22 with transfers) in 2025.
- SB 1044 (2019) established aspirational goals on ZEV adoption in Oregon through 2035 and requires state agencies to procure 25 percent of eligible vehicles as ZEVs. In 2021, SB 2027 increased state procurement goals from 25 percent to 100 percent.
- In June 2021, the Oregon Department of Transportation completed a Transportation Electrification Infrastructure Needs Analysis, which assesses current EV infrastructure and identifies gaps for additional infrastructure to meet the state targets.
- The *Every Mile Counts* initiative is led by ODOT, with collaborating agencies ODOE, DEQ, and the Department of Conservation and Land Development. The initiative seeks to

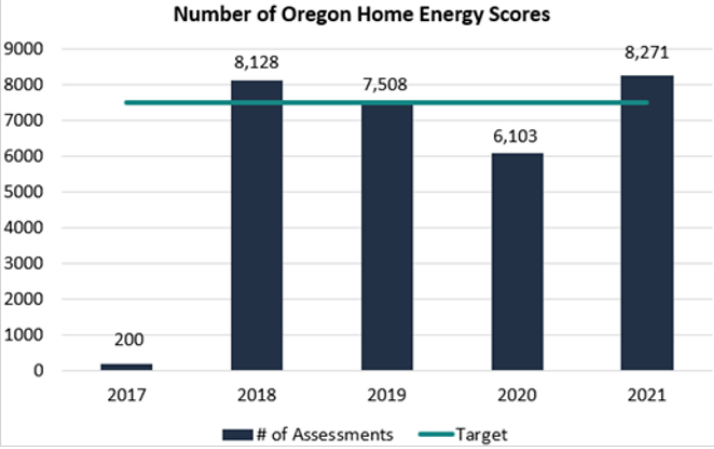
identify and implement interagency work to help reduce GHG emissions in the transportation sector. Among other activities, the four agencies will look at opportunities to increase EV adoption in the light-duty as well as medium- and heavy-duty sectors, identify optimal vehicle use cases for different forms of alternative fuel vehicles in the medium- and heavy-duty sector, and identify opportunities reduce emissions in the freight sector.

- As a member of the International ZEV Alliance, Oregon has established a goal that 100 percent of new passenger vehicles in Oregon will be ZEVs by 2050.
- The Oregon Department of Administrative Services signed onto the West Coast Electric Fleets Pledge, which currently asks for 10 percent of eligible new vehicle procurements be EVs by 2020.
- As a member of the multi-state ZEV Task Force, Oregon has agreed to a collective 10-state goal of 3.3 million EVs operating on state participant roadways.
- Oregon signed an MOU with 14 other states and the District of Columbia to develop a multi-state action plan to identify barriers and propose solutions to support electric medium- and heavy-duty vehicles.

KPM 7: Oregon Homes Receiving Home Energy Scores

Measure: Number of Oregon-approved home energy scores conducted within the state.

Targets: 7,500 scores conducted per year.



Data is reported by calendar year – in 2021, there were 8,271 total home energy scores performed in Oregon. This is based on data from the U.S. Department of Energy Home Energy Score System. The agreed-upon target with the Legislative Fiscal Office is 7,500 scores per year. This may be adjusted over time as the program continues to develop.

The COVID-19 pandemic slowed home energy scoring activity in Oregon in the past couple of years – for much of 2020 and part of 2021, state-certified assessors were unable to enter homes safely. Many assessor businesses, however, identified ways to conduct scores virtually. The state's largest scoring program, in Portland, temporarily lifted score requirements because of the pandemic, causing many homes to be listed for sale without a score. In October 2020, Milwaukie (population 21,000) adopted a mandatory scoring policy for homes put on the

market. In 2021, Hillsboro (population 108,000) adopted a mandatory scoring policy, which went into effect September 1, 2021.

The State of Oregon, through the Oregon Department of Energy, has built a statewide framework for residential home energy scoring activity. This framework provides regulations that prescribe necessary credentials for a professional assessor, outlines what must be included in a scoring report, and provides the calculating engine to determine a score. This framework has been essential for each Oregon city – it builds assurances that scoring activity is well supported, accurate, and consistent across the state. To ensure successful interest and uptake, the framework was also developed with the underlying premise that scores and scorecards would be produced at low cost ($125- $250), would include useful consumer information, and would be easy to understand. Comparable programs across the country have a higher cost of $500-$800 per score and include more detailed information than consumers may need.

Summary of Programs

Energy Planning & Innovation Division

The Energy Planning & Innovation (P&I) Division supports the agency mission by pursuing programs and policies that help Oregonians conserve energy, use energy more efficiently, and produce energy using renewable sources. Two sections in the division, Energy Efficiency & Conservation and Energy Technology & Policy, collaborate with the agency's other divisions and stakeholders to help support the development of clean energy resources and integrate those resources into the state's transmission and distribution system. The division offers energy expertise across sectors, including efficiency in buildings and manufacturing as well as alternative fuels and infrastructure, while helping Oregon build a more resilient energy system – one that is well prepared to respond to issues such as climate change and natural disasters. The division also helps the state pursue strategies to reduce greenhouse gas emissions through energy efficiency, renewable energy, and sustainable transportation.

Budget drivers for this program include an accelerated demand for energy efficiency, the continuing development of clean energy, increased interest in electric vehicle information, and the drive to reduce carbon emissions including new legislative reports on emerging energy topics. Oregonians increasingly want cleaner energy and lower emissions and they want information and resources to support this transition.

Two positions in the Northwest Planning and Conservation Council comprise the third section in the division and are funded through P&I's budget. Additional information on the NWPCC is available below.

Energy Development Services Division

The Energy Development Services (EDS) Division administers programs offering grants and rebates to tribes, businesses, households, nonprofits, and the public sector to help Oregonians implement conservation, energy efficiency, and renewable energy projects. In addition to expanding the Oregon Solar + Storage Rebate program (winner of a 2022 CESA State Leadership in Clean Energy award), ODOE launched the Community Renewable Energy Grant Program and the energy Efficient Wildfire Rebuilding Incentive program in 2022, and will launch the Community Heat Pump Deployment Program and Oregon Rental Home Heat Pump program in 2023. ODOE is also responsible for overseeing the close-out of legacy program-related projects. EDS also houses the Small-Scale Energy Loan Program, which includes a portfolio of energy-related projects across the state but is not currently lending. The Oregon Solar + Storage program is scheduled to sunset in January 2024. While the EEWRI and Heat Pump programs do not sunset this biennium, they require limitation authority to continue into the 2023-25 biennium.

Budget drivers for this division include continuing to administer incentive programs established or expanded in the 2021-2023 biennium, managing the cash flow deficit for the Small-Scale Energy Loan Program (SELP), and completion of Renewable Energy Development Grants, the staffing for which has to be supported without a revenue source.

SELP is both a driver and risk to ODOE's budget. While the program is no longer making new loans, staff are monitoring the existing loan portfolio and focusing on reducing SELP's legacy deficit. ODOE has taken numerous proactive steps to analyze, improve, and strengthen SELP over the last three biennia, including cutting operating costs and the use of bond refunding to reduce the program's debt service. $1.5 million General Fund will be needed for debt service in the 2023-25 biennium, the agency projects that SELP will not need general fund support after the 2023-2025 biennium.

ODOE will continue to manage the program to mitigate risk to the portfolio and reduce operating and debt service costs where and when possible. Nevertheless, the long anticipated but not yet realized cash deficit will continue to be a risk for ODOE's budget, and the state's General Fund.

Nuclear Safety and Emergency Preparedness Division

The Nuclear Safety and Emergency Preparedness Division protects the environment and Oregonians from exposure to hazards by monitoring and engaging in radioactive waste cleanup activities at the Hanford Nuclear Site; preparing and testing nuclear emergency preparedness plans; participating in emergency preparedness planning for Liquefied Natural Gas terminals; and overseeing the transport and disposal of radioactive materials in Oregon. The division also works to make sure that the federal government carries out its responsibility to protect Oregonians and the Columbia River from the 177 leaking underground storage tanks at Hanford because the Legislature (ORS 469.586) found that healthy, unpolluted river systems were essential to the well-being of Oregon. The division also leads the agency's work on energy

emergency preparedness and energy security planning; in the event of a petroleum shortage, the division will implement the state's *Oregon Fuel Action Plan* to ensure petroleum supply to emergency and essential services.

Budget drivers for this program include the failure of federal grant funding for the Hanford work to keep pace with the increased costs of completing the work, increased activities around regulation and enforcement to prevent radioactive material disposal in the state, and the growing demand and interest in emergency preparedness and Energy Security Planning. The Oregon Fuel Action Plan is scalable, and ODOE has implemented pieces of the plan during major winter storms and wildfires, including in the summer of 2021 when we coordinated jet fuel deliveries to support aerial wildfire fighting efforts. Other ODOE staff assist the Nuclear Safety and Emergency Preparedness Division in emergency response drills and exercises throughout the year.

Energy Facility Siting Division

The Energy Facility Siting Division works with energy facility developers, companies operating energy facilities, local jurisdictions, other state agencies, tribes, and other stakeholders across Oregon to meet the state's energy infrastructure and demand needs. The division's work ensures that large power plants, transmission lines, and natural gas pipelines proposed or built in Oregon meet state siting standards. The development of new technologies and investments in renewable energy generation has led to growth in energy siting and made this work a high priority for the agency.

Budget drivers for this program include renewable energy demand, the increasing complexity of siting projects, and long-term staffing needs in both permitting and compliance. Numerous market forces affect the type, number, and geographic diversity of energy siting projects, including creating greater resilience of the Western electric grid, increased population, Oregon's Renewable Porfolio Standard, federal and state tax credits, California's energy demand market, and the establishment of energy-dependent data centers. These and other market forces can change quickly, resulting in difficulty forecasting volume of applications.

Along with increased workload, the level of complexity and controversy surrounding siting activities has increased. The agency frequently consults with Oregon's natural resource agencies, state and federal land management agencies, local jurisdictions, and tribes. Discussions with multiple stakeholder groups about requirements have brought to light numerous issues that affect energy siting activities and policies. An emerging trend is amendments to existing projects to increase their power or make them a more consistent power source. This includes adding solar photovoltaic and battery components as well as increasing the size of wind turbine blades.

External factors also make it difficult to forecast long-term program and staffing needs, and it is critical for the division to maintain a qualified, competent workforce to be able to review application requests within the timelines mandated by statute. Historically, these positions have been difficult to recruit because of the specific skillsets needed for the work.

The Energy Facility Siting program is again asking for two limited duration positions to support the efficient and effective siting of energy projects.

Administrative Services

The Administrative Services budget covers a wide variety of functions, some of which are not traditional "administrative" activities. Included in this Division are the Director's Office and the Central Services section. The Director's Office includes strategic engagement, government relations, communications and outreach, and internal auditing functions. Central Services provides shared services for budgeting, accounting, payroll, contracting, federal grants management, information technology management, database development and management, facilities, records management, risk management, employee safety, and office reception. In addition, the budget for this division includes the agency's fixed expenditures associated with State Government Service Charges and all agency facilities costs. Administrative Services activities help ensure that the agency adheres to operational, financial and contracting policies; that program administration is appropriately managed; and that Oregon's energy needs and issues are represented in key local and national energy forums.

Budget drivers for this division include the need to maintain internal controls and standards to ensure accountability and the prudent use of funds. Several programs are fee-based and use a cost recovery model that must be tracked, invoiced, and collected. In addition, the agency receives operational funds from energy suppliers. It is imperative that operations are efficient, conducted in a deliberate manner, and fall within statutorily defined boundaries. Finally, this division's budget is affected by increases in the State Government Service Charge, which is set externally.

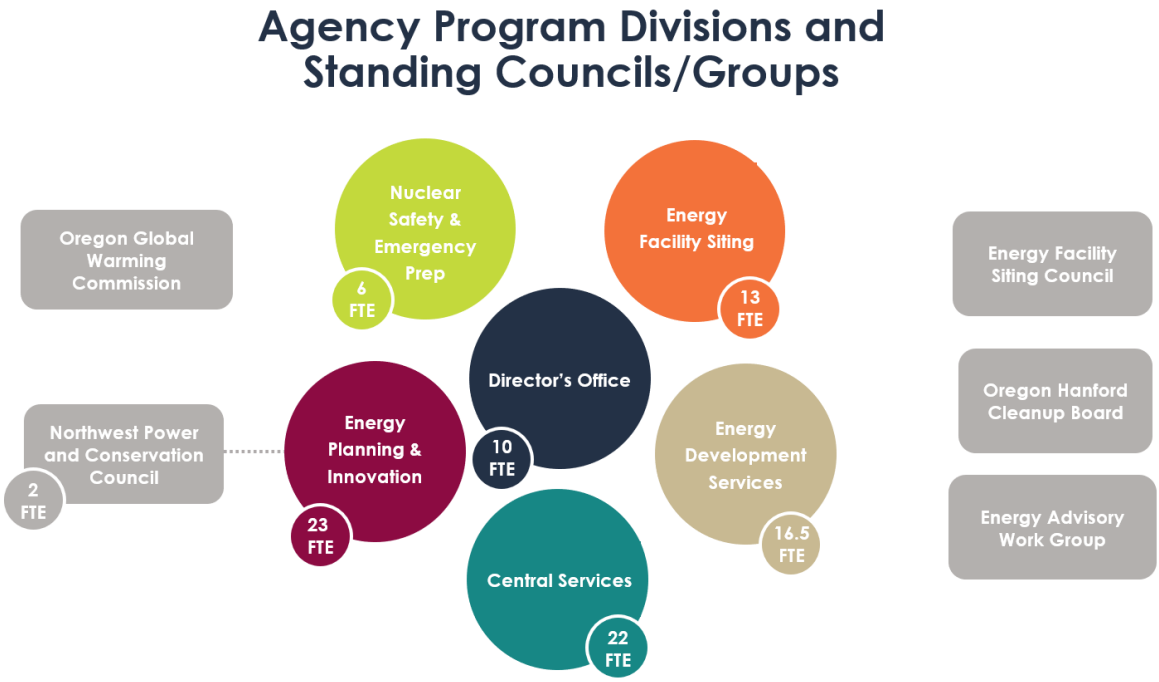
The Director's Office budget is affected by multiple stakeholders with diverse interests and has committed resources to increasing transparency and improving communication with its stakeholders. ODOE's strategic plans call for increased equity-centered outreach and communication, which aligns with Justice40 goals of expected federal funding. ODOE is committed to providing timely and complete responses to inquiries from policy makers, media, and anyone submitting a public records request. In addition, the agency is always seeking out and developing new ways to improve public access to energy-related information.

Northwest Power and Conservation Council

The Northwest Power and Conservation Council (NWPCC) was established by the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Public Law 96-501). The federal act directs the council to adopt a regional energy conservation and electric power plan and a program to protect, mitigate, and enhance fish and wildlife on the Columbia River and its tributaries. The act also sets forth provisions that the council administrator must follow in selling power, acquiring resources, implementing energy conservation measures, and setting rates for the sale and disposition of electricity. The council is a regional agency with two members each (serving three-year terms) appointed by the states of Idaho, Montana, Oregon,

and Washington. The Bonneville Power Administration provides ODOE with funding for the Oregon's NWPCC office and its two members, who are ODOE employees included within the Planning & Innovation Division's budget.

Agency Organizational Information



The divisions that make up ODOE are in the center of the organizational chart and have been discussed above. The grey boxes identify the boards, commissions, and councils ODOE works with or supports. The Northwest Power and Conservation Council's two Oregon representatives are employees of ODOE, funded by BPA, and the agency supports them administratively.

ODOE's Planning and Innovation Division supports the Oregon Global Warming Commission by staffing its meetings, providing technical support and energy expertise, running its website, and assisting in the publication of the Commission's biennial report to the legislature.

The Energy Facility Siting Council is a volunteer board, appointed by the Governor and confirmed by the Senate, which makes decisions on the siting of energy facilities. It is staffed by Energy Facility Siting Division staff.

The Oregon Hanford Cleanup Board was created to protect Oregon's interest in proposed use of the Hanford site and clean up issues. The 20-member Board is supported by the Nuclear Safety and Emergency Preparedness Division staff.

The Energy Advisory Work Group, which was established by statue, serves as a link with ODOE's stakeholders and interested parties as the agency develops its biennial budget and proposed legislation.

Budget Drivers and Risks

Budget drivers that are specific to each program have been include under the program discussion above.

Strategic Plan

An important driver for the entire agency over the next biennium will be its strategic plan, which was shaped by feedback from the public, peers, tribes, and stakeholders. Launched in 2021, the plan updated our mission, vision, and values and created measurable objectives and imperatives to guide ODOE's work and better deliver on our mission.

The agency identified five imperatives to guide its work:

- Expand and Improve Stakeholder Engagement
- Build Practices and Processes that Lead to Inclusive and Equitable Energy Outcomes
- Assess and Enhance Organizational Data Capabilities
- Assess and Modernize Agency Program and Activities
- Optimize Organizational Efficiency and Impact

While ODOE began implementation of the plan with existing resources, the agency has also identified areas that would benefit from additional resources to fully realize the imperatives such as the Community Engagement Specialist policy option package to improve stakeholder engagement and lead to inclusive and equitable outcomes. Additional resources may also be required in the future.

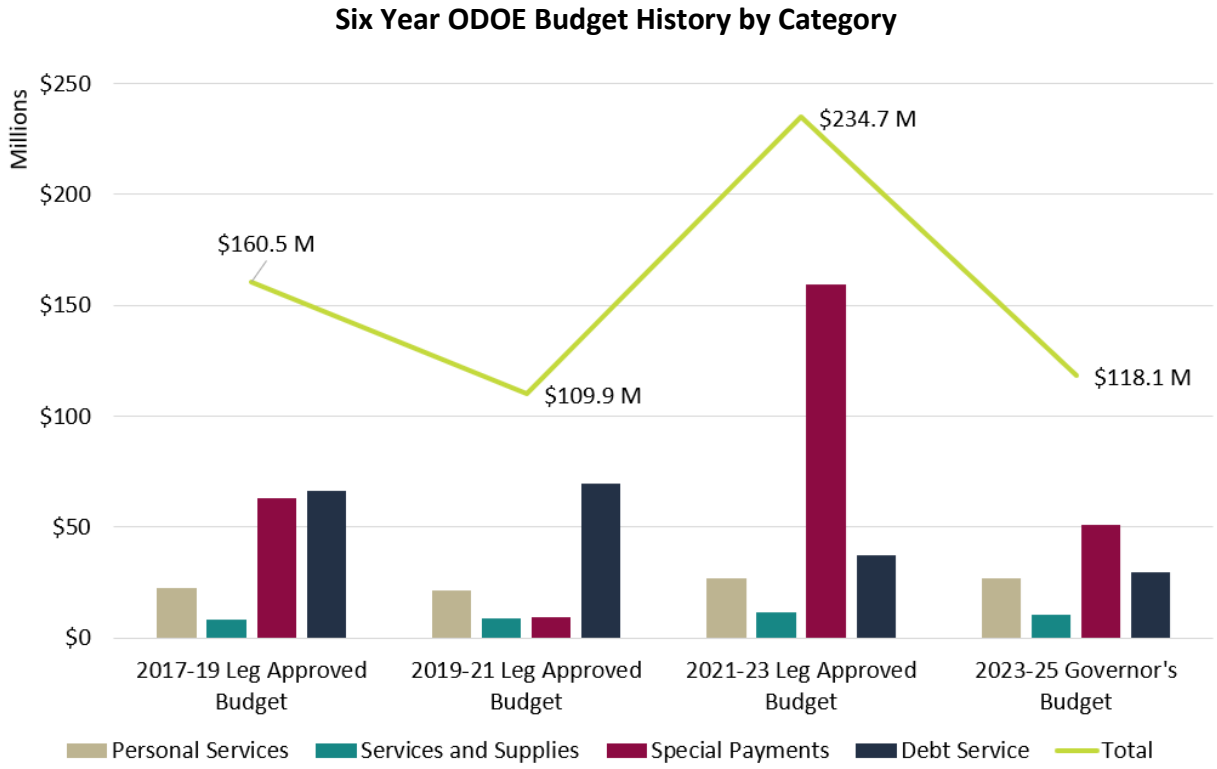
Personal Services Challenges

As with all state agencies, adjustments to personal service costs made in 2021-2023 biennium are fully implemented in the 2023-25 biennium and have a significant impact to ODOE's budget.

An ongoing risk to ODOE's budget is the requirement to operate energy incentive programs that sunset in 2017 but have a tail of tax credits that are still active; and the completion of Renewable Energy Development grants that were funded with tax credits sold prior to 2018. As the tax credits have sunset and the positions supporting these programs have been eliminated, staff from other programs have been supporting the programs to facilitate the wind down and close out. Historically, these programs supported Oregon's energy goals by helping businesses, government agency, and homeowners lower their long-term energy costs and develop local energy resources.

Major Changes to ODOE in Past Six Years

Agency-Wide



As the chart above shows, ODOE's budget declines in the 2023-2025 budget. The decline in Special Payments and Debt Service limitation between 2017-19 and 2019-21 biennium primarily reflects the sunset of several tax credit programs in 2017, and the end of bonding and lending in the SELP Program. The legislature made a significant one-time General Fund investment in new incentive programs during the 2021-2023 biennium, causing special payments to increase dramatically. Special payments continue to be a significant part of ODOE's budget in the 2023-2025 biennium as we continue to administer programs established or expanded in the current biennium. Personal Services and Services and Supplies have been relatively flat over the period even as ODOE's work has grown in scope and complexity.

Approximately half of the Operating Budget is supported by the Energy Supplier Assessment (ESA), which is charged to fuel providers and utilities supplying energy in Oregon. All Oregonians pay for the ESA when they pay for energy. The ESA is assessed annually on energy suppliers' Gross Operating Revenues and as specified in statute, cannot exceed 0.375 percent of their gross operating revenues. The amount of the ESA is determined by the Legislature through the budget process. ODOE estimates that the 2023-25 Governor's Budget ESA will be $16.5 million. The ESA amount for each payer will be determined after suppliers provide their gross revenues in spring of 2023.

The following tables show the six-year timeline for each division's budget.

Energy Planning & Innovation Division

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-25 Governor's Budget	% Change from 21-23 LAB to 23-25 GB
Personal Services	5,593,714	5,890,946	8,215,828	8,122,988	-1.13%
Services & Supplies	566,159	642,592	1,104,538	1,142,692	3.45%
Special Payments	-	57,431	20,000	20,840	4.20%
Debt Service	-	-	-	-	0.00%
Total Expenditures	**6,159,873**	**6,590,969**	**9,340,366**	**9,286,520**	-0.58%
Positions	23	21	26	25	
FTE	22.50	21.00	26.13	25.00	

The budget reflects the movement of the NWPPC positions to P&I in 2021-2023.

Energy Development Services Division

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-25 Governor's Budget	% Change from 21-23 LAB to 23-25 GB
Personal Services	2,867,118	1,414,495	3,711,876	3,956,863	6.60%
Services & Supplies	1,097,589	1,516,966	3,576,218	1,992,796	-44.28%
Special Payments	62,654,135	8,509,669	158,743,143	50,305,452	-68.31%
Debt Service	66,504,532	69,755,206	37,053,870	29,669,738	-19.93%
Total Expenditures	**133,123,374**	**81,196,336**	**203,085,107**	**85,924,849**	-57.69%
Positions	17	7	20	21	
FTE	14.25	5.25	16.88	16.52	

Nuclear Safety and Emergency Preparedness Division

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-25 Governor's Budget	% Change from 21-23 LAB to 23-25 GB
Personal Services	1,641,268	1,766,993	2,087,252	2,030,246	-2.73%
Services & Supplies	438,469	455,811	709,186	928,965	30.99%
Special Payments	170,965	175,495	163,510	182,269	11.47%
Debt Service	-	-	-	-	0.00%
Total Expenditures	**2,250,702**	**2,398,299**	**2,959,948**	**3,141,480**	6.13%
Positions	6	6	6	6	
FTE	6.00	6.00	6.00	6.00	

Energy Facility Siting

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-25 Governor's Budget	% Change from 21-23 LAB to 23-25 GB
Personal Services	2,708,936	3,433,374	3,674,830	3,688,018	0.36%
Services & Supplies	1,698,386	1,920,426	2,067,762	2,185,928	5.71%
Special Payments	321,943	712,943	452,629	347,799	-23.16%
Debt Service	-	-	-	-	0.00%
Total Expenditures	**4,729,265**	**6,066,743**	**6,195,221**	**6,221,745**	0.43%
Positions	11	13	13	13	
FTE	11.00	13.00	13.00	13.00	

Administrative Services

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-25 Governor's Budget	% Change from 21-23 LAB to 23-25 GB
Personal Services	9,635,139	9,039,381	9,143,776	9,167,719	0.26%
Services & Supplies	4,514,957	4,466,872	3,985,061	4,323,763	8.50%
Special Payments	61,858	116,709	-	-	0.00%
Debt Service	-	-	-	-	0.00%
Total Expenditures	**14,211,954**	**13,622,962**	**13,128,837**	**13,491,482**	2.76%
Positions	40	34	35	33	
FTE	40.12	34.00	32.81	32.00	

Actions to Contain Costs and Improve Programs

In the 2021-23 biennium ODOE stood up new incentive programs. Programs were developed with significant stakeholder engagement and improvement to help ensure their effectiveness. ODOE has contained costs by absorbing work within existing resources to the greatest degree possible and implementing controls to make sure funds are spent appropriately. ODOE has continued to deliver on its responsibilities by allowing staff to work across divisions, automating certain procedures, and focusing resources on ODOE's highest priorities such as publication of the Biennial Energy Report, supporting the responsible siting of energy facilities, ensuring the Hanford cleanup is protective of the Columbia River, and ensuring the state is prepared for emergencies.

Cost Containment

ODOE seeks to use technology solutions to automate processes where possible. ODOE will be working with DAS to develop an IT strategic plan to ensure technology resources are effectively leveraged to support the agency mission.

Where possible, ODOE also encourages cross-training of staff to provide additional program support within resources, if necessary. ODOE's structure and portfolio of issues also supports efficiencies by allowing the agency to draw upon existing staff expertise and leverage knowledge across divisions. For example, policy staff in the Planning and Innovation Division offer technical and subject matter expertise to program staff working to administer incentive programs. This ensures that programs are developed using the most up-to-date information.

Program Improvement

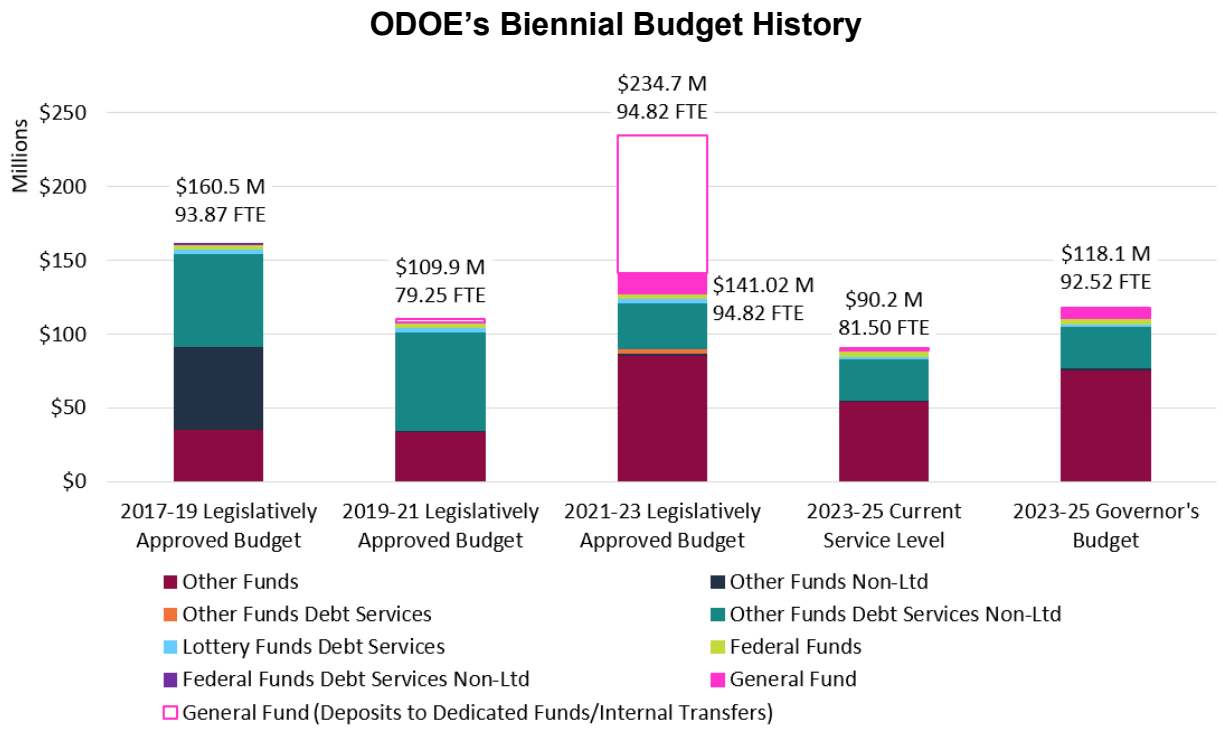
Actions to improve ODOE's programs are driven by our Strategic Plan. The agency is poised to implement the plan and will be seeking resources to improve our ability to be a source of energy data and information as well as a venue for addressing Oregon's energy challenges. We are now and want to continue to be a source of energy education, technical assistance, and advice in the rapidly changing energy arena.

The Governor's Recommended Budget includes two positions in the Energy Facility Siting Division budget which will increase the efficiency of siting of energy facilities in the state and ensure their compliance with state requirements. In addition, ODOE will continue to administer incentive programs that were launched in the 2021-23 biennium. ODOE has also proposed a Community Capacity Building position to help provide information about potential funding as well as technical assistance to rural, tribal, and other environmental justice communities as they develop energy projects and programs.

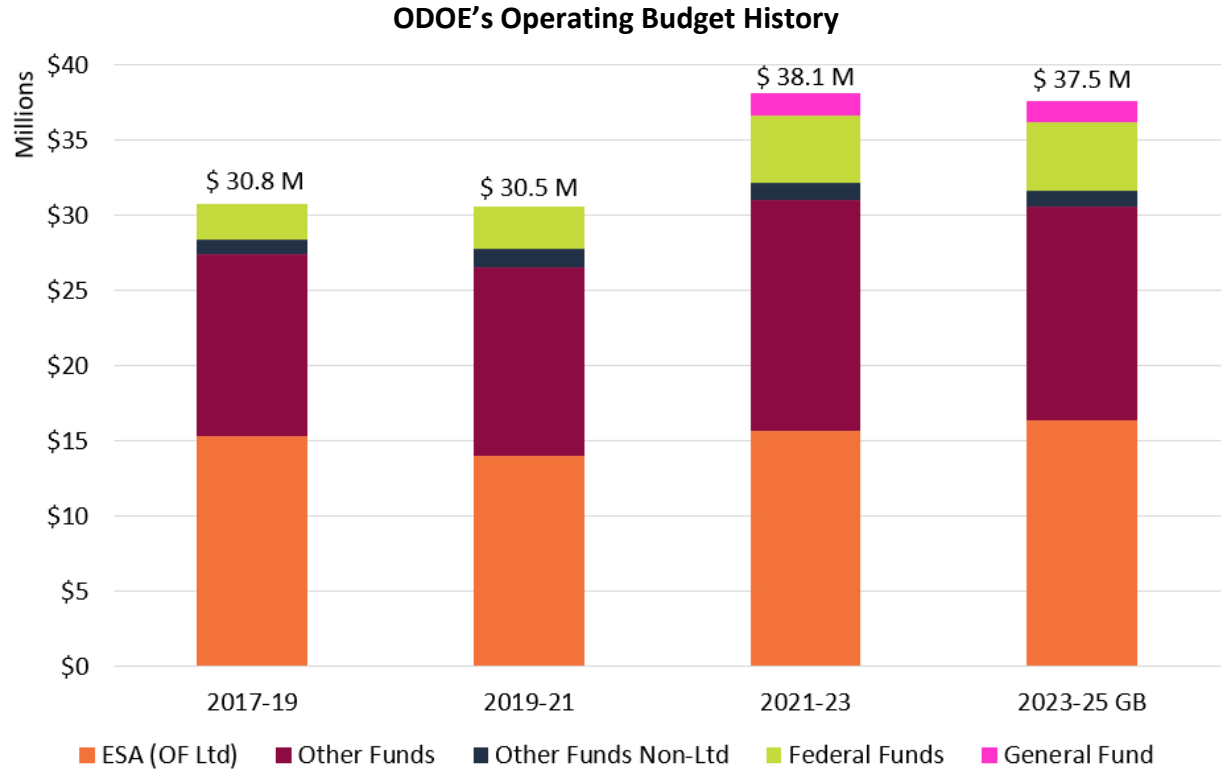
Major Budget Information

Expenditures

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	2021-23 Legislatively Approved Budget	2023-23 Current Service Level	2023-25 Governor's Budget
General Fund	-	1,940,000	107,145,789	1,582,333	7,825,230
Lottery Fund	3,023,630	3,023,365	3,022,570	1,439,160	1,439,160
Other Fund	35,609,279	33,621,773	85,819,041	54,192,131	75,875,894
Other Fund Debt Service	-	-	3,500,000	-	-
Other Fund Non-Ltd	55,905,959	1,210,647	1,128,074	1,126,131	1,107,445
Other Fund Debt Service Non-Ltd	63,376,902	66,627,841	30,531,300	28,230,578	28,230,578
Federal Funds Debt Service Non-Ltd	104,000	104,000	-	-	-
Federal Funds	2,455,398	3,347,683	3,562,705	3,588,286	3,587,769
Total Expenditures	160,475,168	109,875,309	234,709,479	90,158,619	118,066,076
Positions	97	81	100	83	98
FTE	93.87	79.25	94.82	81.50	92.52



ODOE's budget is significantly impacted by the SELP program's non-limited revenue and expenditures. However, most of those expenditures do not support the day-to-day operations of the department. The agency's operating budget is less than half its total budget. The operating budget is the funding that supports staff, and services and supplies. The operating budget is primarily funded with Other Fund revenue, including the ESA.



Revenues

ODOE's operations are predominately funded through the collection of fees for service, grants, and assessments. With multiple funding streams, forecasting can be difficult. Cost recovery programs, such as Energy Facility Siting, have billing models that are reviewed periodically to ensure sufficient revenues are being generated. In previous years, federal awards have remained reliable but flat with the exception of the State Energy Program grant, which increased slightly in the 2019-21 biennium. The increase in federal funds has meant decreased pressure on the Energy Supplier Assessment to support important agency work. In programs where federal funding has not increased, there is a heavier reliance on the Energy Supplier Assessment. ODOE monitors funding streams regularly, continues to look for new funding opportunities, and generates operational efficiencies whenever possible. More detailed information on revenue is below.

Lottery Fund Debt Service

- Energy Efficiency Financing: represents the debt service on bonding for this former program, which is no longer operational.

Other Funds Non-Limited

- Small Scale Energy Loan Program: represents the amount of bond proceeds the Department can raise and the repayment of loans in the current portfolio.

Other Funds Limited

- Energy Supplier Assessment: assessed on energy suppliers; supports programs throughout the agency.
- Energy Facility Siting Application Fees: application fees associated with the siting of facilities in Oregon. Fees also support cooperative agencies, local governments, and tribes.
- Public Purpose Charge: ODOE receives revenue from the public purpose charge to provide administrative and technical support to schools and to assist large industrial facilities.
- Renewable Energy Development Grant Program: tax credits were last sold by the Oregon Department of Revenue in 2017. Proceeds were transferred to the agency, and grants were awarded to projects. However, funds are not dispersed to awardees until the projects are completed.
- Northwest Power & Conservation Council: Bonneville Power Administration provides funding to the department to fund two council members.
- Energy Northwest: fees are collected for the department to prepare emergency preparedness plans and to conduct drills for this nuclear power facility.
- Other Revenues: the department collects revenues for a wide range of other activities including interest on cash balances, an agreement with Northwest Energy Efficiency Alliance to perform codes training, fees for the State Energy Efficient Design program, and fees for radioactive waste transportation oversight.

Federal Funds Limited

- Hanford Cleanup Oversight: grant awarded annually from the U.S. Department of Energy that funds ODOE's Hanford oversight activities as well as the Natural Resource Damage Assessment. Funds are limited to specific and approved activities related to the Hanford site.
- State Energy Program: formula grant awarded annually from the U.S. Department of Energy that has a 20 percent match. It partially funds the department's energy efficiency work, resilience activities, and alternative fuels policy development. Funds are limited to specifically funded activities.
- Competitive Awards: U.S. Department of Energy or other federal agencies issue competitive grant opportunities where ODOE can directly or cooperatively receive funds for specific projects. In the 2021-23 biennium, ODOE received a grant from the U.S. Department of Agriculture.
- ODOE received a partial allocation of its IIJA SEP formula funding for Energy Security Planning. ODOE has applied for the remainder of Oregon's IIJA SEP allocation that will impact the 2023-2025 biennium.
- Other revenues: includes federal funds not issued by the U.S. Department of Energy, such as the U.S. Department of Agriculture and the Western Interstate Energy Board.

Programs that Require Cooperation with Other Agencies

During the permitting process for a new energy facility, the Energy Facility Siting Division works with state agencies that serve as reviewing agencies. ODOE requests review, comments, and information on applicable state and local regulation and ordinances. In anticipation of the needed expertise ODOE often enters into intergovernmental agreements to assure the work is completed timely. The following agencies are identified as reviewing agencies: Department of Environmental Quality, Water Resources Department, Oregon Department of Fish and Wildlife, Department of Geology and Mineral Industry, Department of Forestry, Public Utility Commission, Department of Agriculture, Department of Land Conservation and Development, Northwest Power Planning Council, State Fire Marshall, Department of State Lands, State Historical Preservation Office, and Department of Aviation.

ODOE's Nuclear Safety and Emergency Preparedness Division works with partners in Washington State, FEMA, Oregon Health Authority, Oregon Department of Agriculture, Oregon State University, and Morrow and Umatilla counties to regularly test and evaluate the state's radiological emergency response plans and procedures for incidents at the Hanford Site or the Columbia Generating Station nuclear power plant in nearby Washington State. This includes participating in annual full-scale exercises, regular coordination drills, media coordination drills, and more.

ODOE and the Oregon PUC are the designated Primary State Agencies for Emergency Support Function 12: Energy. ODOE is the designated lead state for the petroleum, nuclear, and liquified

natural gas sectors and PUC is the lead for the electricity and natural gas sectors. Activation of an emergency response would require the support and cooperation of other state and local agencies as designated in the overall state Emergency Operations Plan, EOP.

Summary of Proposed Legislation Affecting ODOE

There are two bills in the Governor's Recommended Budget that affect ODOE. There are several introduced bills that could affect ODOE programmatically and fiscally.

Senate Bill 852

Summary: SB 852 establishes a program to provide information about potential funding resources and other technical assistance to rural, Tribal, and other environmental justice communities as they work to develop energy projects or build energy-related capacity.

Since 2021, the state legislature has created new energy programs and Congress has passed the both the Infrastructure Investment and Jobs Act and the Inflation Reduction Act — investments that will bring state and federal dollars for energy projects to Oregon communities. In many cases, these communities, especially rural and Tribal communities, do not have the resources, time, or capacity to apply for these funds. Language in those new federal and state laws has made it clear that energy dollars should flow to the communities that need them most.

For instance, the federal Infrastructure Investment and Jobs Act and Inflation Reduction Act are being implemented with the Justice 40 Initiative in mind. Justice 40 is a goal calling for 40 percent of federal investments to benefit disadvantaged communities. The initiative defines disadvantaged based "on a combination of variables that may include, but are not limited to, the following:

- Low income, high and/or persistent poverty
- High unemployment and underemployment
- Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
- Linguistic isolation
- High housing cost burden and substandard housing
- Distressed neighborhoods
- High transportation cost burden and/or low transportation access
- Disproportionate environmental stressor burden and high cumulative impacts
- Limited water and sanitation access and affordability
- Disproportionate impacts from climate change
- High energy cost burden and low energy access
- Jobs lost through the energy transition
- Access to healthcare"

In Oregon, the Community Renewable Energy Grant Program calls for prioritizing projects in environmental justice communities. The definition for these communities is in HB 2021 (2021). Environmental justice communities: "includes communities of color, communities experiencing

lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth, and persons with disabilities."

These same concerns arise when trying to bring more people from more communities, particularly those that have been traditionally underrepresented, to energy decision-making tables. Whether it's capacity to serve on a rulemaking advisory committee or study work group or capacity to apply for grant funding, there are obvious barriers to participation for communities. The Oregon Department of Energy's strategic plan calls for increasing the diversity of the agency stakeholder groups, increasing agency engagement with organizations representing historically and currently underserved populations and communities, and increasing the percentage of these same populations and communities participating in ODOE programs and services.

Status of legislation: Introduced

Budgetary Impact: This work will be supported by the position created by policy option package 452 Community Capacity Building which requests $396,229 in General Fund.

House Bill 5016

Summary: This is the 2023-25 biennial budget bill for ODOE. Historically, ODOE does not receive General Fund in its budget. However, during the 2019-21 biennium ODOE received $2 million in one-time General Fund to operate the Solar + Storage Rebate Program. In the 2021-23 biennium ODOE received $83,036 General Fund to implement the Radioactive Waste Oversight program, $3.5 million General Fund for SELP Debt Service, and $103.6 million one-time General Fund in the Energy Development Services Division primarily for the continuation of the Solar + Storage Rebate program and implementation of new energy incentive programs. ODOE will need $1.5 million in General Fund in the 2023-25 biennium to pay its April 2024 debt service payment. ODOE will need this funding to be included in its Legislatively Adopted Budget. The Governor's budget includes General Fund appropriation of $82,333 for continuation of the Radioactive Waste Oversight program, $373,315 for the implementation of a Community Engagement Specialist, and $5,869,582 for the continuation of the Energy Efficient Wildfire Rebuilding Program. The General Fund appropriation for the Wildfire Rebuilding program represents funding unspent from the one-time 2021-23 appropriation due to the timeline of rebuilding projects.

It should be noted that the $1.5 million Lottery Fund in ODOE's budget is debt service for the Energy Efficiency and Sustainable Technology Act (EEAST) program. The bond will be paid off in April 2024.

Most of the agency's operating budget is Other Funds Limited from several different revenue streams, but the largest source is the Energy Supplier Assessment. The Other Funds budget decreased $9.9 million from 2021-23 LAB, with the main driver being a reduction of Special Payments and Services & Supplies in the energy incentive programs. Five Other Fund Policy

Option Packages were included in the Governor's Budget. Three relate to the continuation of energy incentive programs: Oregon Solar + Storage Rebate Program, Residential Heat Pump Program, and Heat Pump Deployment Program. The revenue for these packages come from the one-time General Fund appropriation in 2021-23 deposited into the special funds established in statue which are spent as Other Funds. Another Policy Option Package is to establish an Energy Research Fund, and the last provides funding for two permanent positions and services and supplies in the Energy Facility Siting Division.

The Energy Supplier Assessment for the Governor's budget is anticipated to be $850,445 higher than the 2021-23 assessment. The biennial assessment is estimated at $16.5 million. Any changes made by the Legislature will impact the assessment amount.

The majority of the Other Funds Non-Limited is used for debt service in SELP, and a small part of it is used for administration of the program. The program has not made loans since 2015. The program's cashflow issues are addressed above, but at this point the program is projected to end with a positive balance in 2036.

The majority of Federal Funds are received on two federal grant awards: Hanford and the State Energy Program.

Status of legislation: Introduced

Budgetary Impact: Discussed above.

Governor's Budget Reductions

Reductions in ODOE's Governor's Budget primarily involve the phase-out of one-time General Fund appropriations from 2021-23. $3.5 million for SELP Debt Service and $102,801,159 in energy incentive programs. Of the $102.8 million in energy incentive programs, $90 million was deposited as Other Funds in 2021-23 into dedicated funds established in statute to operate the programs. Those funds will not be all spent in the 2021-23 biennium, and the Governor's Budget includes Other Fund limitation for the continued operation of those programs. The Oregon Solar + Storage Rebate and Residential Heat Pump programs set to sunset during the 2023-25 biennium. Other Fund limitation in the energy incentive programs is reduced by $10 million, representing the anticipated amount of available funds.

The agency's budget also includes a reduction of $5,972 in General Fund for startup costs for the Radioactive Waste Oversight program; a reduction of $356,798 in Other Funds for position-related Services & Supplies for limited duration positions ending in 2021-23; Personal Services reduction of $301,168 for vacancy savings; and reductions for Statewide adjustments totaling $241,579.

ODOE's detailed 15 percent Reduction List is in the Appendix to these materials.

Link to Oregon Department of Energy's Governor's Budget

State of Oregon: ABOUT US - Budget

Appendix

15 Percent Reduction Form

Secretary of State Audit Results

Program Prioritization Form

Other Fund Ending Balance Form

Department of Energy

2023 - 2025 Biennium

Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	8	10	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**OF**	**FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**											
1	1	330	300	Nuclear Safety & Emergency Preparedness	$4,124	$37,932	$116,238	**$ 158,294**	0	0.00	NO	Reduction impacts the division's ability to monitor radioactive waste disposal activities, collaborate with other agencies on emergency drills and provide emergency preparedness planning and training.
2	1	330	400	Energy Facility Siting	$0	$288,826	$0	**$ 288,826**	0	0.00	NO	Reduction will impact the ability to process applications and amendments for Energy Facilities in a timely manner, limit the divisions ability to work with other agencies and perform compliance activities.
3	1	330	100	Energy Planning & Innovation	$0	$347,826	$62,550	**$ 410,377**	0	0.00	NO	Reduces the capacity to provide sufficient resources to support the Planning and Innovation Division and may impact the ability to participate in outreach and collaboration opportunities, and flexibility in handling additional workload that may arise during the biennium.
4	1	330	500	Administrative Services	$0	$664,524	$775	**$ 665,299**	0	0.50	NO	Will impact the ability to ensure sufficient resources are available to support the department's activities including providing staff training, provide IT and telecommunication support to staff, and eliminates half a position.
5	1	330	200	Energy Development Services	$75,000	$1,332,633	$0	**$ 1,407,633**	0	0.00	NO	Reduction will impair the ability to make SELP bond payments, reduce agency ability to make grant payments, and impact the ability to administer the Energy Efficiency Financing and Small Scale Energy Loan Program.
				Subtotal 5%	**$ 79,124**	**$ 2,671,742**	**$ 179,563**	**$ 2,930,428**	**0**	**0.50**		

5% Target	$2,927,087
Difference	$3,341

Department of Energy

2023 - 2025 Biennium

Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	8	10	12	13	14	15	16
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**OF**	**FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Used in Gov. Budget Yes / No**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**											
6	2	330	200	Energy Development Services	$75,000	$1,337,158	$0	**$ 1,412,158**	0	0.50	NO	Reduction will impair the ability to make SELP bond payments, reduce agency ability to make grant payments, impact the ability to administer the Energy Efficiency Financing and Small Scale Energy Loan Program, and reduce staffing options in the case of increased workload and reduced the ability to provide timely administration of the SELP and Energy Efficiency Financing program. It eliminates 0.50 FTE of a position.
7	2	330	300	Nuclear Safety & Emergency Preparedness	$4,102	$35,174	$116,116	**$ 155,392**	0	0.00	NO	Reduction impacts the division's ability to monitor radioactive waste disposal activities, collaborate with other agencies on emergency drills and provide emergency preparedness planning and training.
8	2	330	400	Energy Facility Siting	$0	$288,607	$0	**$ 288,607**	0	0.00	NO	Reduction will impact the ability to process applications and amendments for Energy Facilities in a timely manner, limit the divisions ability to work with other agencies and perform compliance activities.
9	2	330	100	Energy Planning & Innovation	$0	$347,971	$62,393	**$ 410,364**	1	1.00	NO	Reduces the capacity to provide sufficient resources to support the Planning and Innovation Division and may impact the ability participate in outreach and collaboration opportunities, and flexibility in handling additional workload that may arise during the biennium. It also impact Divisions capacity to do planning and policy works and reduces the ability to contract for expertise to supplement division policy and planning work. It also eliminates a position.
10	2	330	500	Administrative Services	$0	$670,408	$775	**$ 671,183**	2	2.00	NO	Will impact the ability to ensure sufficient resources are available to support the department's activities including providing staff training, provide IT and telecommunication support to staff, and eliminate two positions.
				Subtotal 5% and 10%	**$ 158,226**	**$ 5,351,060**	**$ 358,846**	**$ 5,868,132**	**3**	**4.00**		

10% Target $5,854,174

Difference $13,958

Department of Energy

2023 - 2025 Biennium

Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	8	10	12	13	14	15	16
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes
Dept	Prgm/ Div											
11	2	330	300	Nuclear Safety & Emergency Preparedness	$4,127	$37,450	$116,190	**$ 157,767**	0	0.00	NO	Reduction impacts the division's ability to monitor radioactive was disposal activities, collaborate with other agencies on emergency drills and provide emergency preparedness planning and training.
12	2	330	400	Energy Facility Siting	$0	$285,864	$0	**$ 285,864**	0	0.00	NO	Reduction will impact the ability to process applications and amendments for Energy Facilities in a timely manner, limit the divisions ability to work with other agencies and perform compliance activities.
13	2	330	100	Energy Planning & Innovation	$0	$350,104	$62,455	**$ 412,559**	1	1.00	NO	Reduces the capacity to provide sufficient resources to support the Planning and Innovation Division and may impact the ability participate in outreach and collaboration opportunities, and flexibility in handling additional workload that may arise during the biennium. It also impact Divisions capacity to do planning and policy works and reduces the ability to contract for expertise to supplement division policy and planning work. It also eliminates a position.
14	2	330	500	Administrative Services	$0	$653,697	$775	**$ 654,472**	2	1.00	NO	Will impact the ability to ensure sufficient resources are available to support the department's activities including providing staff training, provide IT and telecommunication support to staff, and eliminate two positions.
15	2	330	200	Energy Development Services	$75,000	$1,327,821	$0	**$ 1,402,821**	0	0.00	NO	Reduction will impair the ability to make SELP bond payments, reduce agency ability to make grant payments, impact the ability to administer the Energy Efficiency Financing and Small Scale Energy Loan Program, and reduce staffing options in the case of increased workload and reduced the ability to provide timely administration of the SELP and Energy Efficiency Financing program. It eliminates 0.50 FTE of a position.
				Total of 5%, 10% and 15%	**$ 237,353**	**$ 8,005,996**	**$ 538,266**	**$ 8,781,615**	**6**	**6.00**		

15% Target $8,781,261

Difference $354

Results of all Secretary of State audits

The Secretary of State conducted its annual audit of the Small-Scale Energy Loan program (SELP). For the periods ending June 30, 2020 and June 30, 2021, SOS found the SELP financial statements and related footnotes were fairly presented in all material respects and in accordance with generally accepted accounting principles. A concurrent review of SELP internal controls did not detect any material deficiencies or instances of non-compliance in financial reporting controls.

The audit of the period ending June 30, 2022 is anticipated to begin in February of 2023.

Oregon Department of Energy
Program Prioritization

1	2	3	4	5	6	7	8		9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**OF DS NL**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm / Div**																					
1	1	ODOE	Nuc	**Hanford Oversight & Emergency Response** ensures that the federal government carries out its responsibility to clean up Hanford while protecting the Columbia River, and that state and local responders are properly prepared to deal with an emergency in the event of a nuclear accident or energy emergency affecting Oregon.	KPM 2 Fed. Measures	10	$ 82,333			$ 735,529		$ 2,323,618		$ 3,141,480	6	6.00	N	Y	S, FM	ORS 469.525-619; CFR Title 10, Part 50.47,	Federal government requires operators of nuclear power plants to work with host and adjoining states to ensure that there is an Emergency Preparedness Plan in place in the event of an accident.	
2	1	ODOE	SIT	**Energy Facility Siting Program & Energy Facility Siting Council** ensures that existing and future energy facilities meet the State's siting standards subject to Energy Facility Siting Council jurisdiction.	KPM 2 & 3	6				$ 6,221,745		$ -		$ 6,221,745	13	13.00	Y	Y	S	ORS 469.320-520		GB includes package 401 that intends to re-estalishes one LD Utililty & Energy Analyst 2 position as permenent and establish a Perm Utility and Energy Analyst 3.
3	1	ODOE	P&I	**Energy Efficiency & Conservation** provides technical assistance, information and education to promote and develop conservation and energy efficiency strategies in the industrial, commercial, and residential sectors. includes SB 1149 Schools and Industrial Self-direct programs.	KPM 1,2, & 4	9				$ 2,839,734		$ 969,436		$ 3,809,170	13	11.00	N	Y	S	ORS 469.030, ORS 469.097, ORS 469.135, ORS 469.229-261 ORS 276.900-915 ORS 757.612 ORS 470.815		
4	2	ODOE	P&I	**Energy Technology & Policy** develops energy policies and plans that ensure Oregon's future demands for clean, reliable and affordable energy are met. This program provides leadership and technical assistance on renewable energy, clean fuels and transportation, and options to meet Oregon's greenhouse gas emission reduction goals.	KPM 2, 5 & 6 Inter. Measure	9				$ 4,376,967		$ 279,370		$ 4,656,337	10	12.00	Y	Y	S	ORS 469.030, 469.060		GB includes package102 to establish the Energy Research Fund
5	1	ODOE	EDS	**Small Scale Energy Loan Program (SELP)** provides loan financing for innovative or traditional conservation and renewable energy projects, which support regional and local community energy needs.	KPM 1 & 2	6	$ 1,500,000	$ 28,230,578		$ 763,584	$ 1,107,445	$ -		$ 31,601,607	2	2.00	N	Y	C, D	CONST Article XI-J; ORS 470.060	State of Oregon credit may be loaned and indebtedness incurred for creating a fund to provide financing for the development of small scale local energy projects. Secured repayment shall be a prerequisite to the advancement of money from the fund.	
6	2	ODOE	EDS	**Energy Incentives Program (EIP) provides** tax credits to the business community for projects that conserve or create energy by traditional or renewable methods. Some Renewable Energy Development Grants funds remain to be distributed once projects are completed.	KPM 1, 2 & 3	6	$ 5,849,582			$ 47,033,192		$ -		$ 52,882,774	19	14.52	Y	Y	S	ORS 469B.270 thru 306 Cons; ORS 469B.250 thru 265 Renew; ORS 469B.320 thru347 and ORS315.336 Tran		GB includes packages 202 for the Oregon Solar + Storage Rebate Program, Package 204 for the Wildfire Rebuilding Program Extension, and packages 205 & 206 for the Heat ump programs.
7	3	ODOE	EDS	**Energy Efficient Financing Activity** Debt Service on funds received during the 2015-17 and 2017-19 biennia for energy efficiency investments.	KPM 2	2			$ 1,439,160	$ 1,308				$ 1,440,468	0	0.00	N	N	D	ORS 469.960 thru 46.96		
NA	NA	ODOE	ADM	**Director's Office** - agency direction, communication, government relations and internal auditing.	KPM 2	4	$ 393,315			$ 3,712,534		$ 15,345		$ 4,121,194	10	10.05	N	Y		ORS 469.030		GB includes Package 452 for Community Capacity Building
NA	NA	ODOE	ADM	**Central Services** provides resources for shared support services and director's office activities.	KPM 2	4				$ 9,370,288		$ -		$ 9,370,288	23	21.95	N	Y				
NA	NA	ODOE	P&I	**Northwest Power and Conservation Council** responsible for adopting regional energy conservation and electric power plans	KPM 2	9				$ 821,013		$ -		$ 821,013	2	2.00	N	N	S			
							$ 7,825,230	**$ 28,230,578**	**$ 1,439,160**	**$ 75,875,894**	**$ 1,107,445**	**$ 3,587,769**	**$ -**	**$ 118,066,076**	**98**	**92.52**						

PROGRAM LEGEND

NUC	Nuclear Safety & Energy Emergency Preparedness
EDS	Energy Development Services
P&I	Energy Planning & Innovation
SIT	Energy Facility Siting
ADM	Administrative Services

The Department identified the following criteria hierarchy to determine program prioritization:
* Public Safety - activities ensure Oregon is protected from nuclear waste and that new energy facilities are safely sited.
* Constitutional Obligations - activities directed by the Oregon Constitution are ranked higher than statutory or federal obligations.
* Statutory or Federal Obligations - activities directed by statute or recent legislation, mission-centered priorities, federal obligations and areas where programs were scheduled to sunset in statute.
* Role in achieving the State's energy and climate goals.
* Fulfills the department's unique responsibility for leading Oregon to a safe, clean, reliable, affordable and sustainable energy future.

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements
S Statutory

***UPDATED* OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA**

Agency: Oregon Department of Energy
Contact Person : Monty Schindler - 503-480-5036

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Other Fund Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or Statutory reference**	**2021-23 Ending Balance In LAB**	**2021-23 Ending Balance Revised**	**2023-25 Ending Balance In CSL**	**2023-25 Ending Balance Revised**	**Comments**
Limited	100 - Planning, Policy and Technical Analysis	00401 Oregon State General Fund	Other, Public Purpose Charge - Industrial	ORS 757.612, 469.040, OAR 330-140-0140	34,118	39,518	21,594	21,594	Fee based on a percentage of the project.
Limited	100 - Planning, Policy and Technical Analysis	00401 Oregon State General Fund	Other, Public Purpose Charge - Schools	ORS 757.612(3)(c)	542,502	517,849	1,516,605	690,697	Administrative cost recovery for services provided for school districts
Limited	100 - Planning, Policy and Technical Analysis	00401 Oregon State General Fund	State Energy Efficient Design	ORS 276.900-915	0	12,553	(11,431)	1,122	Fee for service. Very little/no activity anticipated. There is a small operating balance.
Limited	200 - Development	00401 Oregon State General Fund	Operations: Energy Incentive Program (EIP)	ORS 469B.164, 469B.294, 469B.335	(415,000)	(426,000)	0	0	Fee based cost recovery program that sunset January 1, 2018 and did not generate enough revenue to cover expenses. ESA may be moved to reduced deficit.
Limited	200 - Development	01433 Renewable Energy Development Fund	Grant Fund: Renewable Energy Development Program	ORS 469B.253, 469B.256, 469B.259	2,392,994	3,176,379	1,630,301	1,630,301	Separate treasury fund, grants are obligated to projects, but funds are not distributed until projects are completed. Balance changes are due to timing/completion of projects.
Limited	300 - Nuclear Safety	00401 Oregon State General Fund	Other, Radioactive Waste Transport Fee	ORS 469.605, 469.611	61,197	61,197	49,406	49,406	Reserves are held to adequately cover the agency's response to accidents in transporting radioactive waste in the State.
Limited	400 - Energy Facility Siting	00401 Oregon State General Fund	Energy Facility Siting Fees	ORS 469.421(1) and (6)	1,778,381	2,568,409	2,028,359	2,028,359	Cost recovery, billed by hourly rate for agency staff and actual expenditures incurred.
Limited	500 - Admin Services	00401 Oregon State General Fund	Other, Energy Supplier Assessment (ESA)	ORS 469.421	3,371,374	5,287,588	4,535,704	4,535,704	Assessment. Target minimum ending balance is $2.4M which represents 4 months of expenditures. Significant savings during pandemic. Balance in excess of target balance will be applied as credit to next biennial assessment.
Non-Limited and Non-Limited Debt Service	200 - Development	00493: Small Scale Local Energy Loan Fund 00494: Small Scale Local Energy Proj Admin & Bd	Loan Program, Small Scale Energy Loan Program	Oregon Constitution XI, ORS 470.090 & .091	3,403,500	4,235,978	5,875,550	4,875,550	SELP Non-Limited and Non-Limited Debt Service funds are constitutionally dedicated and cannot be used for any purposes other than indenture and constitutional bond requirements until all bonds are paid off and no longer outstanding. Variance in the ending balance is attributed to the changes in activity . AY19 budgeted $4.3M GF Debt Service cash infusion needed in April 2021.
Limited	200 - Development	00401 Oregon State General Fund: Program Administration	Operations Small Scale Energy Loan Program	Oregon Constitution XI, ORS 470.090 & .091	185,042	185,042	223,105	223,105	Funding from SELP fees, SELP is no longer generating significant fees.
Limited	200 - Development	00401 Oregon State General Fund: Rooftop Solar Incentives - OF	Rooftop Solar Incentive Grant Program	ORS 469.040 & Oregon Laws 2019 chapter 655 (House Bill 2618)	0	0	0	0	Program sunset 1/2/2024.
Limited	200 - Development	00401 Oregon State General Fund: Community Renewable Investment Fund - OF	Community Renewable Investment Grant Program	Oregon Law 2021 Ch. 508, HB 2021 S. 33	22,691,244	26,500,000	19,256,125	3,000,000	Program sunset 12/31/2025. Slow hiring & start up of program delaying distibution of funds
Limited	200 - Development	00401 Oregon State General Fund: Heat Pump Deployment Fund - OF	Heat Pump Deployment Grant Program	ORS 469.040, ORS 469.255 & ORS 469.261	4,240,681	8,965,000	5,000,000	0	No Legislative sunset date. Slow hiring & start up of program delaying distibution of funds.
Limited	200 - Development	00401 Oregon State General Fund: Residential Heat Pump Fund - OF	Residential Heat Pump Rebate & Grant Program	ORS 469.040, ORS 469.255 & ORS 469.261	8,336,167	13,750,000	0	0	Program sunset 1/2/2025 Slow hiring & start up of program delaying distibution of funds.

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2023-25 Current Service Level expenditures, considering the updated 2021-23 ending balance and any updated 2023-25 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or $50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.