

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3378 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires State Department of Energy to establish grant program for development of energy resilience plans.

Government Unit(s) Affected:

Public Utility Commission, Department of Energy, Counties

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Department of Energy		
General Fund		
Personal Services	\$195,437	\$37,227
Services and Supplies	\$107,890	\$20,789
Special Payments	\$1,800,000	\$0
Total General Fund	\$2,103,327	\$58,016
Total Fiscal Impact	\$2,103,327	\$58,016
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	0.17

Analysis:

HB 3378 - A states that counties should be prepared to maintain basic services and functions in the event of major grid disruption. Counties may develop and adopt an energy resilience plan, and incorporate the energy resilience plan into the county's natural hazard mitigation plan. The measure outlines requirements for the energy resilience plans.

This measure also directs the Oregon Department of Energy (ODOE) to establish a program for awarding grants to counties to cover the costs of developing energy resilience plans. Counties may receive up to \$50,000, and may combine funds together to develop plans. ODOE is to report on the program, and opportunities to incorporate county plans into the state energy resilience plan, to the interim committees of the Legislative Assembly related to energy no later than September 15, 2025. The grant program sunsets January 2, 2026. The measure appropriates \$2 million General Fund to ODOE to be used to provide grants. The measure takes effect on the 91st day after the Legislature adjourns sine die.

ODOE anticipates hiring one limited duration, full time Program Analyst 3 (0.88 FTE in 2023-25, 0.17 FTE in 2025-27) to design and oversee the grant program, coordinate with counties and with state agencies involved in resilience planning- including collaboration within ODOE for current work to develop the state energy resilience plan and to report to the Legislature. Costs of this position are estimated at \$303,327 General Fund in the 2023-25 biennium, and \$58,016 General Fund in the 2025-27 biennium. This amount includes position-related services and supplies, as well as indirect costs equivalent to 49.73% of personal services costs. This rate is negotiated

biennially with federal partner agencies and costs included here reflect the indirect rate for the 2021-23 biennium, not the rate for the 2023-25 biennium. Costs of this measure could change based on the agency's actual indirect rate for next biennium.

It would cost \$1.8 million to provide every county in Oregon with a grant of \$50,000. It is not clear what the actual costs of developing an energy resilience plan in each county will be, and if this amount is sufficient for adoption of energy resilience plans in each county; or if each county will choose to adopt an energy resilience plan since the measure permits but does not require counties to do so. This fiscal impact statement does not consider the costs of updating energy resilience plans, as that is assumed to be outside of the two biennia purview of the fiscal impact statement.

There is no fiscal impact to counties, since this measure provides funding for county development of energy resilience plans and does not require these plans. There is no fiscal impact for the Public Utility Commission.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of the impact on the state's General Fund.