



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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Bill Title: Relating to energy technology; prescribing an effective date.

Government Unit(s) Affected: Department of Administrative Services, Department of Energy, Oregon Business Development Department

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000	2	1.00
Department of Administrative Services	\$ -	\$ -	\$ 106,926	\$ -	\$ 106,926	1	0.25
Total Fiscal Impact	\$ 20,000,000	\$ -	\$ 106,926	\$ -	\$ 20,106,926	3	1.25

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ -	\$ -	\$ -	2	2.00
Department of Administrative Services	\$ -	\$ -	\$ 178,561	\$ -	\$ 178,561	1	0.50
Total Fiscal Impact	\$ -	\$ -	\$ 178,561	\$ -	\$ 178,561	3	2.50

- The table does not include the duplicate Other Funds expenditure limitation necessary to expend General Fund deposited by the measure into the Oregon Clean Energy Technology Manufacturing Opportunity Fund.

Measure Description

This measure directs the Department of Administrative Services (DAS) to adopt rules to govern procurements from clean energy technology manufacturing companies that DAS conducts on behalf of state agencies. Companies are to be permitted to submit and receive preference for an employment plan in which the company proposes to extend benefits to Oregon, or other states or regions if federal funds are used for the procurement. DAS may enter into cooperative procurements and intergovernmental agreements in which procurements are conducted in combination with other governmental bodies as a market incentive to create and retain manufacturing jobs.

The measure establishes the Oregon Clean Energy Technology Manufacturing Opportunity Fund which is continuously appropriated to the Oregon Business Development Department (OBDD). The Department is to develop a program to award grants and make low-interest loans in order to attract and support clean energy technology manufacturing companies and foster job creation.

The measure also directs the Governor to establish the 15-member Clean Energy Technology Leadership Advisory Council, within the Office of the Governor. The Council is to advise OBDD on the use of the Oregon

Clean Energy Technology Manufacturing Opportunity Fund and advise on polices or other methods to expand clean energy technology manufacturing in the state. DAS is to provide staff support to the council.

The measure appropriates \$20 million General Fund to OBDD for deposit in the Oregon Clean Energy Technology Manufacturing Opportunity Fund.

Fiscal Analysis

The total fiscal impact is estimated to be \$20 million General Fund and \$106,926 Other Funds in the 2023-25 biennium, and \$178,561 Other Funds in the 2025-27 biennium.

Oregon Business Development Department

The estimated fiscal impact for OBDD is \$20 million General Fund in the 2023-25 biennium. The fiscal impact does not include the duplicate Other Funds expenditure limitation necessary to expend General Fund deposited by the measure into the Oregon Clean Energy Technology Manufacturing Opportunity Fund. The expenditure limitation will need to be established to properly budget for the impact of the measure if it is adopted.

Of the funds appropriated, an estimated \$18.9 million would be distributed by OBDD in support of clean energy technology manufacturing projects. The remaining \$1.1 million would be used for administrative costs, equivalent to \$393,430 in the 2023-25 biennium and \$753,459 in the 2025-27 biennium.

Administrative costs include hiring two new full-time positions, an Operations and Policy Analyst 4 and a Program Analyst 4 (both 0.50 FTE in 2023-25 and 1.00 FTE in 2025-27). The Operations and Policy Analyst 4 will serve on the Council and develop the financial assistance program. The Program Analyst 4 will be responsible for soliciting private and public sector funds to support OBDD's clean energy technology manufacturing program and provide other program support. In addition to the position costs and position-related services and supplies, the fiscal impact assumes expenses for travel that will occur in support of this program. Costs associated with legal review, accounting, and administrative support comprise expenses totaling \$75,500 in the 2023-25 biennium, and \$150,500 in the 2025-27 biennium.

Department of Administrative Services

DAS costs are anticipated to total \$106,926 Other Funds in the 2023-25 biennium, and \$178,561 Other Funds in the 2025-27 biennium. The agency would hire one permanent, part-time Operations and Policy Analyst 4 position (0.25 FTE in 2023-25, 0.50 FTE in 2025-27) to provide staff support to the Clean Energy Technology Leadership Advisory Council. In addition to position costs and position-related services and supplies, DAS will also have minimal legal costs related to the new rules to govern procurements. These costs are estimated at \$27,500. Other Funds are sourced from assessments DAS charges to state agencies.

Other entities

There is minimal fiscal impact for the Department of Energy and the Office of the Governor.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The Council is to submit a report to an interim committee of the Legislative Assembly related to energy technology not later than May 31 each year.

The Council sunsets December 31, 2033.