

SB 5518 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Gorsek

Joint Committee On Ways and Means

Action Date: 05/23/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 6 - Broadman, Campos, Frederick, Lieber, Manning Jr, Sollman

Nays: 5 - Anderson, Bonham, Girod, McLane, Smith DB

House Vote

Yeas: 7 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Valderrama

Nays: 4 - Breese-Iverson, Cate, Drazan, Smith G

Exc: 1 - Owens

Prepared By: Sione Filimoehala, Department of Administrative Services

Reviewed By: Katie Bannikov, Legislative Fiscal Office

Department of Energy

2025-27

Budget Summary*

| | 2023-25 Legislatively Approved Budget ⁽¹⁾ | 2025-27 Current Service Level | 2025-27 Committee Recommendation | Committee Change from 2023-25 Leg. Approved | |
|-------------------------------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| General Fund | \$ 61,635,512 | \$ 11,006,002 | \$ 15,851,279 | \$ (45,784,233) | (74.3%) |
| Lottery Funds Debt Service | \$ 1,439,160 | \$ - | \$ - | \$ (1,439,160) | (100.0%) |
| Other Funds Limited | \$ 154,233,658 | \$ 40,554,198 | \$ 105,948,313 | \$ (48,285,345) | (31.3%) |
| Other Funds Nonlimited | \$ 1,126,131 | \$ 1,126,131 | \$ 1,126,131 | \$ - | 0.0% |
| Other Funds Debt Service Nonlimited | \$ 28,230,578 | \$ 24,036,276 | \$ 24,036,276 | \$ (4,194,302) | (14.9%) |
| Federal Funds Limited | \$ 40,910,310 | \$ 22,392,421 | \$ 79,074,786 | \$ 38,164,476 | 93.3% |
| Total | \$ 287,575,349 | \$ 99,115,028 | \$ 226,036,785 | \$ (61,538,564) | (21.4%) |

Position Summary

| | | | | |
|--------------------------------------|--------|--------|--------|------|
| Authorized Positions | 134 | 108 | 131 | (3) |
| Full-time Equivalent (FTE) positions | 123.99 | 107.50 | 128.43 | 4.44 |

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Department of Energy (ODOE) is funded primarily by Other Funds derived from previous General Fund monies deposited into Other Fund accounts for the Community Renewable Energy Project program, as well as Other Funds derived from the Energy Supplier Assessment (ESA), Energy Siting Application Fees, and Public Purpose Charge. General Fund revenues support targeted programs including the Oregon Climate Action Commission, Community Navigator Program, Building Performance Standards program, and the Columbia River Basin Initiative, as well as providing matching funds for the federal Grid Resilience grant. ODOE also receives Federal Funds to support grant work under the Solar for All grant program, the Home Efficiency Rebate Program (HOMES), and the Home Electrification and Appliance Rebate Program (HEAR), as well as ongoing work related to the State Energy Program and Hanford Cleanup oversight program. Finally, ODOE receives Nonlimited Other Funds revenue from the bond proceeds of the Small-Scale Energy Loan Program (SELP), which no longer provides loans but services a remaining debt portfolio. The SELP program is inactive beyond the servicing of existing debt.

Summary of Natural Resources Subcommittee Action

The mission of ODOE is to lead Oregon to a safe, equitable, clean, and sustainable future, which the Department operationalizes through provisions of a central repository of energy data, information, and analysis; a venue for problem-solving Oregon's energy challenges; energy education and technical assistance; regulation and oversight; and energy programs and activities. The Department does not have a single

overarching governance commission; however, ODOE staffs eight policy related commissions, task forces, and work groups, which provide policy guidance and recommendations to the Governor and the Department. ODOE also participates in several other groups hosted by other agencies.

The Subcommittee recommended a budget of \$226,036,785 total funds, which includes \$15,851,279 General Fund, \$105,948,313 Other Funds expenditure limitation, \$79,074,786 Federal Funds, \$25,162,407 Other Funds Nonlimited, and 131 positions (128.43 FTE), which represents a total funds decrease of \$61,538,564 (21.4%) from the 2023-25 legislatively approved budget.

Energy Planning & Innovation

The Energy Planning and Innovation Program administers four areas aimed at providing information to Oregonians and maintaining a resilient and affordable energy system: Energy Efficiency & Conservation, which houses eight distinct programs; Energy Technology & Policy, which focuses on analysis, visualization, and reporting; Codes & Standards, which focuses on appliance and equipment standards, building energy codes, the Building Performance Standards Program, the Green Energy Technology Program; and Climate Change, which supports climate activities within ODOE and the Oregon Climate Action Commission. The Program also provides support for Oregon's two members of the Northwest Power and Conservation Council.

The Subcommittee recommended a budget of \$26,762,520 total funds which includes \$10,441,447 General Fund, \$10,545,008 Other Funds expenditure limitation, \$5,776,065 Federal Funds expenditure limitation, and 41 positions (40.42 FTE).

The Subcommittee recommended the following package:

Package 801, LFO Analyst Adjustments. This package continues one limited duration position (0.42 FTE) to complete the work associated with the Oregon Energy Strategy as required in House Bill 3630 (2023).

Additionally, this package establishes one permanent full-time Research Analyst 3 position (1.00 FTE) that supports the Oregon Climate Action Commission and greenhouse gas emission reduction goals for tracking and reporting as required in HB 3409 (2023).

This package reappropriates \$1.0 million General Fund to support the building performance standards program database creation for energy tracking as required in House Bill 3409 (2023). This is one-time funding, and the Agency will need to address the ongoing maintenance and operating costs of the database once established during the 2027-29 budget development process.

This package reappropriates \$250,000 General Fund on a one-time basis to complete contracted work authorized in House Bill 3409 (2023) relating to carbon accounting and a workforce training study to support natural climate solutions.

Lastly, the package reduces the inflation on special payments in the amount of \$109,200 General Fund relating to building performance standards incentives that have not been implemented.

Energy Development Services

The Energy Development Services Program administers programs that provide financing and incentives to homeowners, renters, businesses, organizations, nonprofits, tribes, schools, consumer-owned utilities, and public bodies installing projects that increase energy efficiency, generate renewable energy, encourage community resilience or support the alternative fuels market. The Subcommittee recommended a budget of \$166,516,998 total funds, which includes \$4,250,388 General Fund, \$69,923,516 Other Funds expenditure limitation, \$67,180,687 Federal Funds expenditure limitation, \$25,162,407 Other Funds Nonlimited, and 26 positions (25.38 FTE).

The Subcommittee recommended the following packages:

Package 201, Energy Development Services Staffing. This package establishes seven permanent full-time positions (7.00 FTE) that were previously limited duration. Positions extended by the package will support the Community Renewable Energy Grant Program (C-REP), which was established in House Bill 2021 (2021). The fund that supports the grant program was anticipated to be fully expended by the end of the 2023-25 biennium; however, additional General Fund resources were appropriated one-time for deposit into the Fund in Senate Bill 5506 (2023). As of April 2025, there is an unobligated fund balance of \$23.6 million. The program is ongoing, subject to available resources.

Package 203, Grid Resilience Match GF Carryforward. This package reappropriates \$1.5 million General Fund, which represents the matching funds for the federal Grid Resilience grants that were unspent during the 2023-25 biennium. Additionally, the package adds \$1.0 million General Fund for the match of anticipated tranches of grant funds to be awarded. Two permanent full-time positions (2.00 FTE) are established to support the program anticipated to continue through April 2032. This brings program support to four positions, which will need to be reevaluated once the grant program has concluded.

Package 204, C-REP OF Carryforward. This package increases Other Funds expenditure limitation, one-time, by \$44.4 million for the Community Renewable Investment Fund to carry forward the unspent funds related to the Community Renewable Energy Grant Program, or C-REP, to continue providing grants to public bodies and Tribes for planning and constructing renewable energy and resilience projects.

Package 801, LFO Analyst Adjustments. This package establishes two limited duration positions (1.75 FTE) and \$19.0 million Other Funds expenditure limitation one-time to implement the Climate Pollution Reduction Grant. The funds flow to the Department from the U.S. Environmental Protection Agency through the Department of Environmental Quality and the grant period continues through the 2027-29 biennium. Any remaining grant funds unused will need to be addressed as part of the 2027-29 budget development process.

Additionally, this package establishes seven limited duration positions (6.63 FTE) and \$56.7 million Federal Funds expenditure limitation one-time to implement and carry out the requirements in the Solar For All, HOMES, and HEAR programs. The grants have varying end dates between 2028 and 2030. Any remaining grant funds will need to be addressed as part of the 2027-29 budget development process.

Nuclear Safety & Emergency Response

The Nuclear Safety and Emergency Response Program provides safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure decisions regarding cleanup protect the Columbia River. The Program also provides emergency preparedness for potential hazards including a nuclear reactor accident, the transport of radioactive materials through Oregon, the potential operation of Liquefied Natural Gas import terminals, and potential petroleum shortages. Any of these events could impact emergency and essential services. The Program has also worked to develop the state's Energy Security Plan and the Oregon Fuel Action Plan, which will help ensure fuel is considered emergency and essential services, and there is access to fuel during a fuel shortage.

The Subcommittee recommended a budget of \$4,095,645 total funds including \$179,870 General Fund, \$786,123 Other Funds expenditure limitation, \$3,129,652 Federal Funds expenditure limitation, and seven positions (6.25 FTE). The Subcommittee recommended the following package:

Package 301, County Energy Resilience GF Carryforward. This package continues one limited duration position (0.25 FTE) to support the County Energy Resilience grant program established in House Bill 3630 (2023). The program sunsets January 2, 2026.

Energy Facility Siting

The Energy Facility Siting program works with energy facility developers and operating energy facilities to meet the state's energy needs by ensuring large power plants, transmission lines, and natural gas pipelines are built to meet Oregon siting requirements. The Program provides staff to the seven-member Energy Facility Siting Council (EFSC), coordinates the energy facility siting process, oversees compliance with existing site certificates, and coordinates federal energy siting projects for the state. The Program coordinates input from other state agencies, tribes, local governments, contractors, and the public.

The Subcommittee recommended a budget of \$7,410,569 Other Funds expenditure limitation and 14 positions (13.88 FTE). The Subcommittee recommended the following package:

Package 401, Facility Siting Staffing. This package increases Other Funds expenditure limitation by \$226,291 and establishes one full-time permanent position (0.88 FTE) to support energy facility siting work. The package is supported primarily by Other Funds revenue derived from charges for services.

Administrative Services

The Administrative Services program consists of the Director's Office and the Central Services Program. The Director provides operational and policy leadership and direction for the Department. The Director's Office functions include internal audits, communications and outreach, human resources management, and government relations. Central Services supports the agency by providing management and business support functions to aid in the efficient delivery of services and to ensure the financial integrity of program operations.

The Subcommittee recommended a budget of \$21,251,053 total funds including \$979,574 General Fund, \$17,283,097 Other Funds expenditure limitation, \$2,988,382 Federal Funds expenditure limitation, and 43 positions (42.50 FTE). The Subcommittee recommended the following package:

Package 081, May 2024 Emergency Board. This package establishes one permanent full-time position (1.00 FTE) that was authorized in the May 2024 meeting of the Emergency Board to support the Columbia Basin Restoration Initiative.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Energy
Sione Filimoeahala -- (971) 707-8779

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|-----------------|------------------|----------------|---------------|---------------|------------|-----------------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2023-25 Legislatively Approved Budget at Jan 2025 * | \$ 61,635,512 | \$ 1,439,160 | \$ 154,233,658 | \$ 29,356,709 | \$ 40,910,310 | \$ - | \$ 287,575,349 | 134 | 123.99 |
| 2025-27 Current Service Level (CSL)* | \$ 11,006,002 | \$ - | \$ 40,554,198 | \$ 25,162,407 | \$ 22,392,421 | \$ - | \$ 99,115,028 | 108 | 107.50 |
| <u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u> | | | | | | | | | |
| SCR 100 - Energy Planning & Innovation | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ 390,886 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 390,886 | 2 | 1.42 |
| Services and Supplies | \$ 1,412,123 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,412,123 | | |
| Special Payments | \$ (109,200) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (109,200) | | |
| SCR 200 - Energy Development Services | | | | | | | | | |
| Package 201: Energy Development Services Staffing | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 1,678,102 | \$ - | \$ - | \$ - | \$ 1,678,102 | 7 | 7.00 |
| Services and Supplies | \$ - | \$ - | \$ 81,592 | \$ - | \$ - | \$ - | \$ 81,592 | | |
| Package 203: Grid Resilience Matching GF Carryforward | | | | | | | | | |
| Personal Services | \$ 454,747 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 454,747 | 2 | 2.00 |
| Services and Supplies | \$ 2,069,129 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,069,129 | | |
| Package 204: CREP OF Carryforward | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ 44,430,000 | \$ - | \$ - | \$ - | \$ 44,430,000 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 448,130 | \$ - | \$ 1,590,719 | \$ - | \$ 2,038,849 | 9 | 8.38 |
| Services and Supplies | \$ - | \$ - | \$ - | \$ - | \$ 2,329,924 | \$ - | \$ 2,329,924 | | |
| Special Payments | \$ - | \$ - | \$ 18,530,000 | \$ - | \$ 52,761,722 | \$ - | \$ 71,291,722 | | |
| SCR 300 - Nuclear Safety & Emergency Response | | | | | | | | | |
| Package 301: County Energy Resilience GF Carryforward | | | | | | | | | |
| Personal Services | \$ 63,771 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 63,771 | 1 | 0.25 |
| Services and Supplies | \$ 27,134 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,134 | | |
| SCR 400 - Energy Facility Siting | | | | | | | | | |
| Package 401: Facility Siting Staffing | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 214,635 | \$ - | \$ - | \$ - | \$ 214,635 | 1 | 0.88 |
| Services and Supplies | \$ - | \$ - | \$ 11,656 | \$ - | \$ - | \$ - | \$ 11,656 | | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|-----------------|------------------|----------------|---------------|---------------|------------|-----------------------|--------|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 500 - Administrative Services | | | | | | | | | |
| Package 081: May Emergency Boards | | | | | | | | | |
| Personal Services | \$ 525,031 | \$ - | \$ - | \$ - | \$ - | \$ - | 525,031 | 1 | 1.00 |
| Services and Supplies | \$ 11,656 | \$ - | \$ - | \$ - | \$ - | \$ - | 11,656 | | |
| TOTAL ADJUSTMENTS | \$ 4,845,277 | \$ - | \$ 65,394,115 | \$ - | \$ 56,682,365 | \$ - | 126,921,757 | 23 | 20.93 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 15,851,279 | \$ - | \$ 105,948,313 | \$ 25,162,407 | \$ 79,074,786 | \$ - | 226,036,785 | 131 | 128.43 |
| % Change from 2023-25 Leg Approved Budget | (74.3%) | (100.0%) | (31.3%) | (14.3%) | 93.3% | 0.0% | (21.4%) | (2.2%) | 3.6% |
| % Change from 2025-27 Current Service Level | 44.0% | 0.0% | 161.3% | 0.0% | 253.1% | 0.0% | 128.1% | 21.3% | 19.5% |

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 5/20/2025 4:14:15 PM

Agency: Department of Energy

Mission Statement:

The Oregon Department of Energy is leading Oregon to a safe, clean, and sustainable energy future.

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2026 | Target 2027 |
|---|---|----------------|----------------------|-------------|-------------|
| 1. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information. | a) Timeliness | Approved | 79.50% | 90% | 90% |
| | b) Accuracy | | 83.20% | 90% | 90% |
| | c) Helpfulness | | 88.80% | 90% | 90% |
| | d) Expertise | | 86.30% | 90% | 90% |
| | e) Availability of Information | | 73.30% | 90% | 90% |
| | f) Overall | | 79.70% | 90% | 90% |
| 2. ZERO EMISSION VEHICLE ADOPTION IN OREGON - Total ZEV registrations in the light-duty vehicle sector | | Approved | 84,938 | 250,000 | 250,000 |
| 3. APPLICATION PROCESSING - Percent of Energy Facility Siting applications reviewed and approved within administrative or statutory deadlines. | | Approved | 100% | 100% | 100% |
| 4. ENERGY USE BY STATE BUILDINGS - Electrical and fossil fuel energy use in state owned buildings by use type and building area. | | Approved | 45.600 | 45 | 44 |
| 5. GREENHOUSE GAS CONTENT OF OREGON'S ELECTRICITY AND STATIONARY FUEL - Carbon intensity of emissions in Oregon's electricity and stationary fuels. | a) Greenhouse gas emissions per unit of electricity used in Oregon. | Approved | 0.300 | 0.151 | 0.151 |
| | b) Greenhouse gas emissions per unit of electricity generated in Oregon. | | 0.128 | 0.151 | 0.151 |
| | c) Greenhouse gas emissions per unit of the mix of other stationary fuels used in Oregon. | | 65.801 | 35.700 | 35.700 |
| 6. TRANSPORTATION FUELS USED IN OREGON - Percentage of petroleum vs non-petroleum fuels used for on road transportation in Oregon | | Approved | 10.10% | 45% | 45% |
| 7. HOME ENERGY SCORING - Number of Oregon population receiving a state authorized home energy score. | | Approved | 6,608 | 8,500 | 8,500 |

LFO Recommendation:

The Legislative Fiscal Office recommends the proposed Key Performance Measures and targets.

SubCommittee Action:

The Natural Resources Subcommittee approved the Key Performance Measures and targets, as presented.