

Natural Resources

OFFICE OF ENERGY

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$1,425,000	\$0	\$491,000	\$0
Lottery Funds	0	0	0	0
Other Funds	11,245,202	14,785,812	15,227,667	16,979,264
Federal Funds	4,897,050	7,043,665	7,139,629	7,495,674
Other Funds (Nonlimited)	112,765,266	142,638,525	142,638,525	152,439,524
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$130,332,518	\$164,468,002	\$165,496,821	\$176,914,462
Positions	79	79	79	85
Full-time Equivalent	77.55	77.94	77.55	82.77

Overview

The mission of the Office of Energy is to protect Oregon's environment by saving energy, developing an adequate supply of energy with an emphasis on clean energy resources, and cleaning up nuclear wastes. The agency accomplishes this mission by encouraging investment in energy conservation, promoting the development of new energy resources that are more environmentally friendly and cost effective, protecting citizens from nuclear wastes, and licensing new energy facilities while protecting the environment.

A major focus of the office activities is on the Hanford clean-up in southeast Washington. Hanford is only 35 miles from Oregon's border and directly threatening the Columbia River. More than a third of the underground tanks have leaked so far. Most tanks have just a single wall of steel encased in concrete for containment. These tanks, which range in size from 55,000 to 1,000,000 gallons, were never intended for long-term storage. The waste in Hanford's underground tanks presents the most urgent, complex challenge for the agency.

Balanced Budget

The Governor's balanced budget for the Office of Energy is \$176.9 million total funds. This is a 6.9 percent increase from the Legislatively Approved through the Fifth Special Session. The balanced budget eliminates General Fund. Much of the increase is related to the Energy Loan Program. Of the small scale energy loans made, 17 percent go to schools, cities, and counties.

The agency's workload has increased in several areas. Residential Tax Credit Program applications have increased steadily. Information on energy efficiency can help Oregonians save money during hard economic times. Though the likelihood of an energy crisis is much less anticipated in the 2001-03 biennium, there is more siting activity projected in the next biennium as industry perceives a potential for unmet energy demand. Issues related to

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construction of a natural gas pipeline will also increase agency workload. Nuclear waste problems at Hanford continue. In order to meet these workload needs, the budget continues several of the agency's positions that would have ended in June 2003. The budget adds four permanent positions for Residential Tax Credit processing, school energy efficiency audits, facility siting, and accounting for Senate Bill 1149 (1999). The budget adds three limited-duration positions for energy efficient design, conservation activities, and office support.

Revenue

The 2001-03 Legislatively Approved Budget General Fund was from a special purpose appropriation for Oregon Museum of Science and Industry (OMSI) debt service payments. This funding was phased-out in the 2003-05 Current Service Level. Other Fund revenues are from various assessments, tax credits, and fees. The largest source of Other Funds is from the Small Scale Energy Loan Program, which generates revenue from general obligation bond sales, loan repayments, and interest earnings. The loan program reserves will absorb OMSI debt service payments for the 2003-05 biennium. This is a one-time action, as reserves cannot sustain OMSI payments on an ongoing basis. Federal Fund revenues are anticipated to increase by \$452,009 from the 2001-03 Legislatively Approved Budget. Federal Funds revenue sources include the U.S. Department of Energy, the Bonneville Power Administration, and small amounts from other federal agencies.