Developing ODOE’s 2021-23 Agency Request Budget

Energy Advisory Work Group Meeting
June 29, 2020
Developing a State Agency Request Budget

March 5
- Cost of Living Adjustments
- Merit Step Increases

May 11
- 2021-23 Base Budget
- Vacancy Savings
- Temp & Differential Inflation
- Phase In/out

May 29
- Inflation
- Fund Shifts
- Technical Adjustments
- 2021-23 Current Service Level
- Policy Option Packages

July 31
- 2021-23 Agency Request Budget
Developing ODOE’s 2021-23 Budget

2021-23 Draft Agency-wide CSL

- Administrative Services: $13 M
- Energy Facility Siting: $6 M
- Energy Development Services: $40 M
- Nuclear Safety/Emergency Prep: $3 M
- Planning & Innovation: $8 M

Total: $68.9 Million

2021-23 Draft Agency Operating CSL

- Planning & Innovation: 26%
- Energy Development Services: 9%
- Nuclear Safety/Emergency Prep: 8%
- Energy Facility Siting: 17%
- Administrative Services: 40%

Total: $30.9 M
History of ODOE’s Biennial Budgets
Funding ODOE’s 2019-21 LAB Budget

- **General Fund**: $2.0M, 2.3%
  - General Fund Debt Service: $4.3M, 5.1%
  - Lottery Funds Debt Service Ltd: $3.0M, 3.5%
  - Other Funds Non-Ltd: $1.0M, 1.2%
  - Other Funds Debt Service Non-Ltd: $40.0M, 46.8%

- **Federal Funds**: $2.2M, 2.6%
  - Federal Funds Debt Service: $0.1M, 0.1%

- **Other Funds Ltd**: $32.8M, 38.4%
  - (Energy Efficiency and Sustainable Tech Program)
  - (State Energy Program Grant, Hanford Grant)

- **EFSC Fees, Public Purpose Charge, ESA, Other Fees, Solar + Storage Rebate Program**
  - Funding ODOE’s 2019-21 LAB Budget
Draft 2021-23
Current Service Level Budget and
Policy Option Packages
by ODOE Program Divisions
Agency Program Divisions and Standing Councils/Groups

- Central Services
- Nuclear Safety & Emergency Prep
- Director's Office
- Energy Planning & Innovation
- Energy Development Services
- Energy Facility Siting

- Northwest Power and Conservation Council
- Oregon Global Warming Commission
- Energy Facility Siting Council
- Oregon Hanford Cleanup Board
- Energy Advisory Work Group
Energy Planning & Innovation

Provide data analysis, research, and expertise on Oregon’s energy system – everything from energy resources and resilience to efficiency and conservation.

<table>
<thead>
<tr>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
<th>Sustainable Transportation</th>
<th>Climate Change and Resilience</th>
</tr>
</thead>
</table>
| • Help state agencies, schools, tribes, businesses, nonprofits, industries, and farmers **improve energy efficiency**  
• Secure Oregon’s continued high ranking on the list of **most energy-efficient states**  
• Guide implementation of **Home Energy Scoring**  
• Staff commercial building **codes advice** hotline  
• Implement **Executive Order 17-20**, Accelerating Efficiency in Oregon’s Built Environment to Reduce GHG Emissions | • Promote the responsible development of **diverse energy resources**  
• Address renewable energy **market challenges and opportunities**  
• Provide research and technical assistance on **emerging technologies** like smart grid, demand response, and energy storage  
• Review and certify generating facilities for the **Renewable Portfolio Standard**  
• Developed a **Renewable Natural Gas Inventory** for Oregon. | • Provide **research and analysis** on alternative fuels and reducing fuel consumption  
• Assist **fleet managers** with the use of alternative fuel vehicles  
• Advance projects to expand the **supply of and infrastructure for alternative transportation** fuels such as locally-produced biofuels, electricity, and renewable natural gas  
• Implement **Executive Order 17-21**, Accelerating Zero Emission Vehicle Adoption in Oregon to Reduce GHG Emissions | • Staff and provide climate change **policy expertise** and administrative support to the Oregon Global Warming Commission  
• Implement programs across the agency that **reduce GHG emissions** or mitigate the effects of climate change, including Executive Order 20-04.  
• Work to **improve the resilience** of Oregon’s energy sector. |
Energy Planning & Innovation
CSL Budget and Estimated Funding

**Budget Breakdown**
- Energy Efficiency & Conservation: 42%
- Energy Technology & Policy: 48%
- NW Power & Conservation Council: 10%

**Funding Sources**
- ESA: 64%
- Other Funds: 22%
- Federal Funds: 14%
Energy Development Services

State incentives for clean energy and energy efficiency.

<table>
<thead>
<tr>
<th>Solar Rebate Program</th>
<th>RED Grants</th>
<th>Small-Scale Energy Loan Program</th>
<th>Legacy Tax Credit Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Established in 2019 by HB 2618</td>
<td>• Provided grants of up to $250,000 for businesses, public bodies, schools, nonprofits, and tribes that install and operate renewable energy systems</td>
<td>• Manage existing loan portfolio and continue to reduce SELP’s legacy deficit</td>
<td>• Tax credit programs that sunset at the end of the 2017 tax year have required careful stewardship to close down</td>
</tr>
<tr>
<td>• Developed administrative rules in Fall 2019, effective January 1, 2020</td>
<td>• Since 2012, ODOE awarded over $9 million for 92 renewable projects statewide, including solar, hydropower, biogas, and geothermal</td>
<td>• Staff the Small-Scale Energy Loan Program Advisory Committee</td>
<td>• Monitoring and oversight will continue through the “tail” of each program</td>
</tr>
<tr>
<td>• Contractor registration opened January 1, 2020</td>
<td>• Grants issued upon project completion, including site visit by ODOE for compliance</td>
<td>• Agency refunded existing SELP bonds in April 2020</td>
<td>• Agency worked closely with the Secretary of State’s Office on a final report on legacy incentive programs that noted the many ways we have improved oversight and performance</td>
</tr>
<tr>
<td>• Rebate reservation requests initially opened on January 22, 2020.</td>
<td>• All program funding has been allocated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• ODOE released its second bucket of non-income restricted funding on April 15, and it was completely reserved within 25 minutes.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Energy Development Services
CSL Budget and Estimated Funding

Budget Breakdown
- Small Scale Energy Loan Program 87%
- Energy Incentive Program 5%
- Energy Efficiency Financing 8%

Funding Sources
- SELP Loan Repayment 81%
- Lottery Funds 7%
- RED Grant Fund, Interest and Fees 12%
- Total Budget Breakdown 100%
Energy Development Services
Proposed Policy Option Package

Oregon Solar + Storage Rebate Program

- POP would expand the 2019-21 one-year program to two years
- $3 million in additional rebates
- 2.5 FTE
- Estimated cost: $3.6 million
- General Fund
Represent Oregon’s interests in the Hanford nuclear facility cleanup and prepare for nuclear- and energy-related emergencies.

**Hanford Cleanup**
- Monitor and influence cleanup decisions
- Review and comment on proposed actions and cleanup plans at the country’s largest contaminated site
- Interact with regulators and counterparts in Washington and at the USDOE
- Facilitate Oregon Hanford Cleanup Board meetings

**Emergency Preparedness**
- Lead emergency preparedness for nuclear safety, radioactive waste transport, and proposed LNG facilities
- Conduct frequent exercises to test and improve Oregon’s emergency preparedness plans
- Train and work with state government to ensure employees are prepared to respond to different types of energy- and climate-related emergencies

**Radioactive Materials**
- Oversee safe and uneventful transport of radioactive materials through Oregon
- Manage training of emergency responders throughout the state to ensure a swift, effective response in the event of an accident
- Implement state rules and regulations regarding disposal of radioactive materials

**Oregon Fuel Action Plan**
- Implement Oregon Fuel Action Plan, which details how ODOE supports emergency services during a fuel shortage
- Continue to refine plan, originally released in 2017, through presentations, conferences, workshops, and trainings
- Activate plan as necessary, such as during 2017 eclipse and 2019 winter storms in Oakridge and near Brookings
Budget Breakdown
- Nuclear Emergency Preparedness: 12%
- Non-Nuclear Emergency Preparedness: 11%
- Radioactive Transportation: 8%
- Hanford Oversight: 69%

Funding Sources
- Federal Funds: 64%
- Fees: 25%
- ESA: 11%

Nuclear Safety and Emergency Preparedness
CSL Budget and Estimated Funding
Radioactive Waste Disposal Monitoring

- POP would provide General Fund to support staff work to monitor and enforce compliance regarding the disposal of radioactive materials in Oregon, and provide technical assistance to landfill operations and other parties.
- Estimated Cost: $52,000
- General Fund
Energy Facility Siting

Ensure that proposed energy facilities meet specific statewide and local standards and are considered with public input and participation.

**Energy Facility Review**
- Coordinate state review of proposed and amended energy facilities
- Division is seeing an increase in the number of new applications and amendments and more complex projects
- Number of amendments per facility can vary: some facilities have never been amended, while other developers have sought multiple amendments

**Rulemaking**
- Rulemaking activities are prioritized and approved by the Energy Facility Siting Council
- Usually involve establishing broadly representative rulemaking advisory committees to help division staff draft proposed rules
- Recent rulemakings include siting of solar facilities and updating carbon dioxide standard

**Compliance**
- Monitor facilities throughout their lifecycle to ensure site certificate conditions are met
- Oversight activities include:
  - Reviewing annual reports
  - Conducting site visits
  - Issuing wildlife mitigation reports
  - Ensuring bonds and letters of credit for decommissioning are adjusted annually for inflation

**Energy Facility Siting Council**
- Staff the Governor-appointed, Senate confirmed Energy Facility Siting Council
- Council meets approximately 10-12 times per year in communities located near proposed facilities
- Council meetings include public engagement and comment opportunities
Energy Facility Siting
CSL Budget and Estimated Funding

Budget Breakdown
- Monitoring 9%
- Federal Coordination 5%
- Siting Certification 42%
- Energy Facility Siting Council 44%

Funding Sources
- Fees 72%
- ESA 28%
Energy Facility Siting
Proposed Policy Option Package

Two Limited Duration Facility Siting Positions

- POP would add two limited duration Utility and Energy Analysts.
- One position will enable the agency to process and review applications and amendments within statutory timeframes if the division’s workload increases. The second position will address compliance work within the program.
- These positions will be filled only if the Siting Division’s workload requires it.
- Estimated cost: $487,000
Administrative Services
Support all agency divisions and functions with high-quality, essential services to meet the agency’s business needs.

**Director’s Office**
- An internal audit function, which has been identified as a priority in most agencies
- Communications and outreach work is central to the agency’s role in developing and communicating energy policies and programs.
- A Strategic Engagement and Development Director and a Government Relations Coordinator ensure we are engaged with our stakeholders, citizens, and elected officials at all levels.

**Central Services**
- Provides business support functions to efficiently deliver services and ensure the financial integrity of program operations
- Develops budget, monitors cash flow, and is responsible for contract development, grants management, financial services, purchasing, and facilities
- Information Technology (IT) services for both operational and business needs
- Provides Human Resources services for recruitment, retention, training, policy development, and more
Administrative Services
CSL Budget and Estimated Funding

Budget Breakdown

Funding Sources

Central Services 75%
Director’s Office 25%
Indirect 75%
Federal Funds 1%
ESA 24%
# Developing ODOE’s 2021-23 Agency Request Budget

## Draft 2021-23 Agency-wide Current Service Level Budget

<table>
<thead>
<tr>
<th>Program</th>
<th>Sub-Program</th>
<th>2017-19 Actuals</th>
<th>2019-21 LAB</th>
<th>2021-23 CSL</th>
<th>Approximate % ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>Director’s Office</td>
<td>4,951,397</td>
<td>4,249,901</td>
<td>3,192,937</td>
<td>99%</td>
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<tr>
<td>Central Services</td>
<td></td>
<td>7,703,124</td>
<td>8,499,734</td>
<td>9,566,982</td>
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<tr>
<td>Total Admin Services Program</td>
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<td>12,654,521</td>
<td>12,749,635</td>
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<tr>
<td>FTE</td>
<td></td>
<td>39.39</td>
<td>34.00</td>
<td>31.77</td>
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<tr>
<td>Energy Development Services</td>
<td>Small Scale Energy Loan Program</td>
<td>49,198,124</td>
<td>46,282,060</td>
<td>34,650,800</td>
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<td>Energy Efficiency Financing</td>
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<td>3,024,704</td>
<td>3,028,405</td>
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<td>Energy Incentive Programs</td>
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<td>2,049,211</td>
<td>9,471,048</td>
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<td>Total EDS Program</td>
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<td>54,213,049</td>
<td>58,781,511</td>
<td>40,639,317</td>
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<tr>
<td>FTE</td>
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<td>14.11</td>
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<tr>
<td>Nuclear Safety &amp; Emergency Preparedness</td>
<td>Hanford/Nuclear Oversight</td>
<td>1,334,710</td>
<td>1,562,498</td>
<td>1,735,463</td>
<td>9%</td>
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<tr>
<td>Nuclear Emergency Preparedness</td>
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<td>237,657</td>
<td>229,828</td>
<td>302,087</td>
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<tr>
<td>Non-Nuclear Emergency Preparedness</td>
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<td>317,206</td>
<td>309,815</td>
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<td>Radioactive Waste Transportation</td>
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<td>198,896</td>
<td>215,644</td>
<td>211,415</td>
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<td>Total Nuclear Program</td>
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<td>2,088,469</td>
<td>2,317,785</td>
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<tr>
<td>Energy Siting</td>
<td>Large-Scale Energy Facility Siting</td>
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<td>Monitoring</td>
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<td>338,189</td>
<td>491,845</td>
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<td>Federal Siting Coordination</td>
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<td>180,575</td>
<td>244,628</td>
<td>246,422</td>
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<tr>
<td>Energy Facility Siting Council</td>
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<td>1,641,490</td>
<td>2,333,990</td>
<td>2,411,546</td>
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<tr>
<td>Total Siting Program</td>
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<td>5,676,255</td>
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<tr>
<td>FTE</td>
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<td>11.00</td>
<td>13.00</td>
<td>11.00</td>
<td></td>
</tr>
<tr>
<td>Energy Planning &amp; Innovation</td>
<td>Energy Efficiency &amp; Conservation</td>
<td>2,345,695</td>
<td>2,938,484</td>
<td>3,469,905</td>
<td>45%</td>
</tr>
<tr>
<td>Energy Technology &amp; Policy</td>
<td></td>
<td>3,042,157</td>
<td>3,275,282</td>
<td>3,882,619</td>
<td>93%</td>
</tr>
<tr>
<td>NW Power Planning Council</td>
<td></td>
<td></td>
<td></td>
<td>800,904</td>
<td>0%</td>
</tr>
<tr>
<td>Total P&amp;I Program</td>
<td></td>
<td>5,387,852</td>
<td>6,213,766</td>
<td>8,353,428</td>
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<tr>
<td>FTE</td>
<td></td>
<td>23.00</td>
<td>21.00</td>
<td>24.00</td>
<td></td>
</tr>
<tr>
<td><strong>Agency Total</strong></td>
<td></td>
<td><strong>76,181,840</strong></td>
<td><strong>85,499,106</strong></td>
<td><strong>68,946,142</strong></td>
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<tr>
<td>FTE</td>
<td></td>
<td><strong>93.50</strong></td>
<td><strong>79.25</strong></td>
<td><strong>76.77</strong></td>
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</tr>
</tbody>
</table>

*Updated June 16, 2020*
Questions, Comments, and Discussion

2021-23 Budget Public Meeting
July 16, 2020
3 – 5 p.m.

www.oregon.gov/energy/About-Us/Pages/Budget.aspx