

# Developing ODOE's 2019-21 Agency Request Budget

Energy Advisory Work  
Group Meeting  
June 20, 2018



# Developing the ODOE Budget: 2016 vs 2018

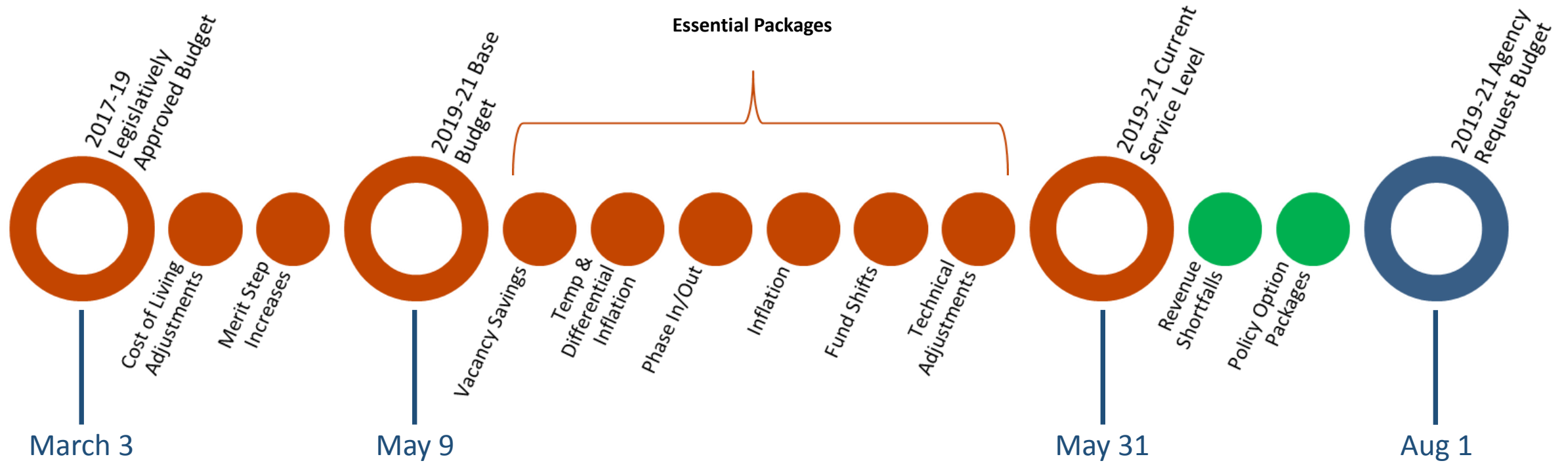
## 2016 - development of our 2017-19 budget:

- Joint Committee on Oregon Department of Energy Oversight had just started meeting
- We were anticipating the sunset of our tax credit programs
- We were no longer lending through our Small-Scale Energy Loan Program
- We had just come off a 2015-17 budget that slashed positions and closed offices

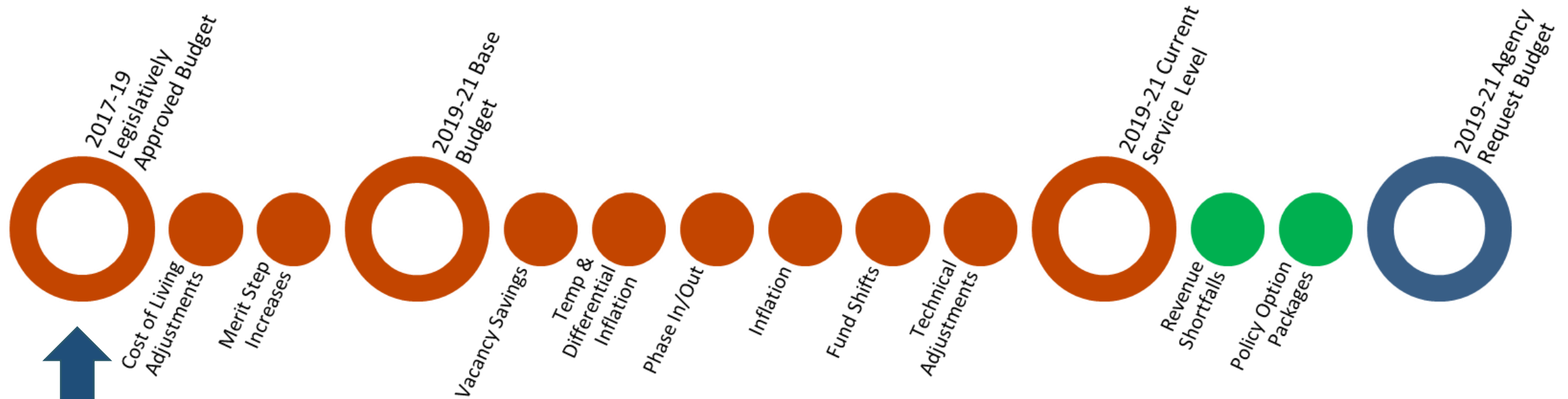
## 2018 - looking ahead to the 2019-21 biennium:

- We're overseeing the tail end of our tax credit programs and reducing staff
- We're taking a leadership role on electric vehicles and net-zero buildings
- We're taking on the review of more proposed energy facilities, including new utility-scale solar and large projects with a federal nexus
- We're continuously improving resources we provide Oregonians, from an interactive Electricity Resource Mix tool to a new Biennial Energy Report

# Developing a State Agency Request Budget



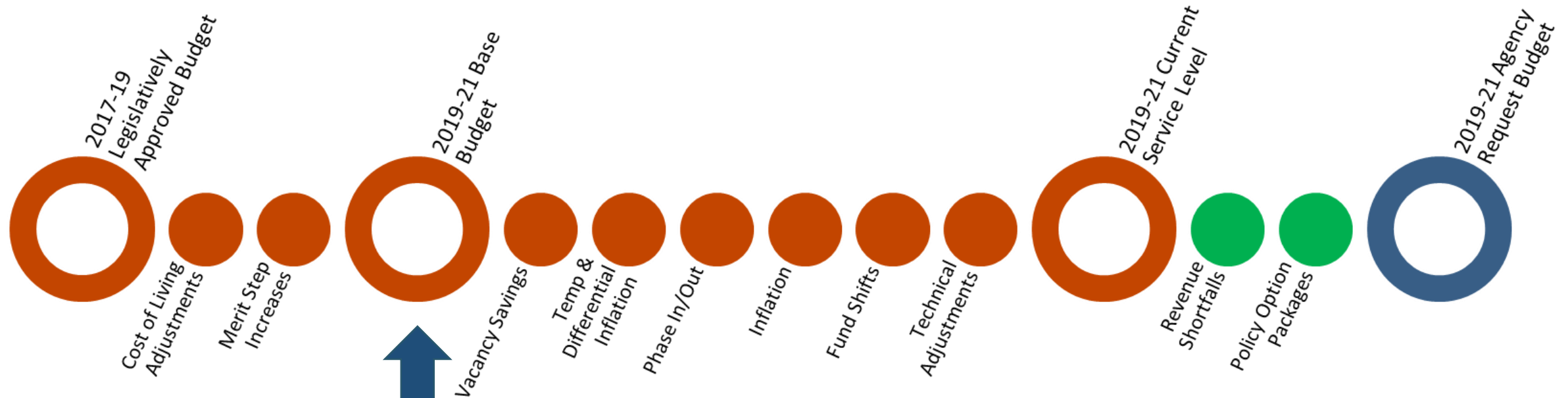
# Developing a State Agency Request Budget



March 3:

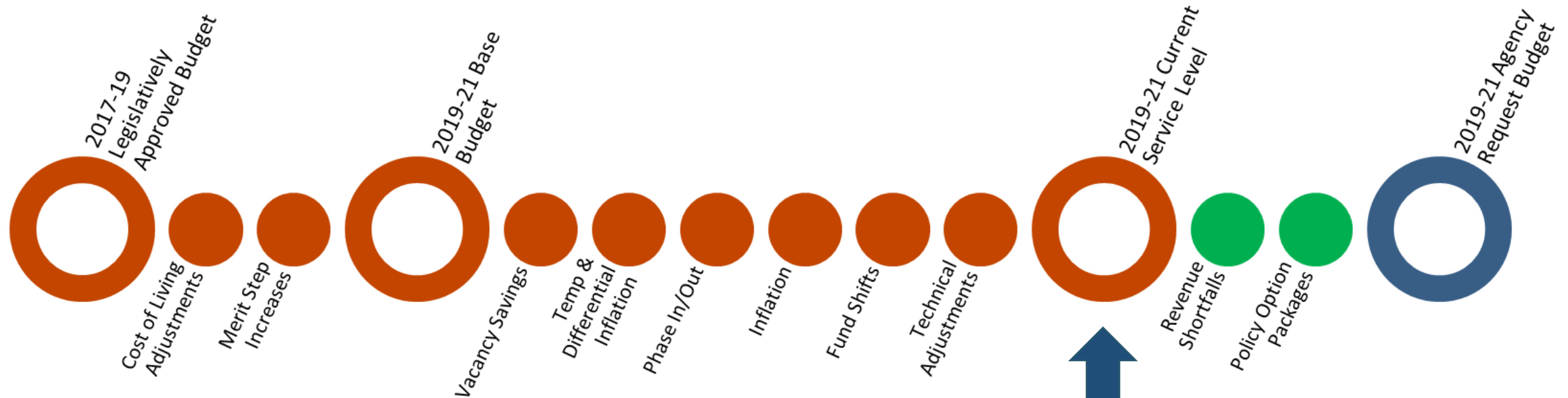
We began developing the 2019-21 budget starting with the 2017-19 LAB. Cost of living adjustments and merit step increases are enacted by the Oregon Department of Administrative Services.

# Developing a State Agency Request Budget



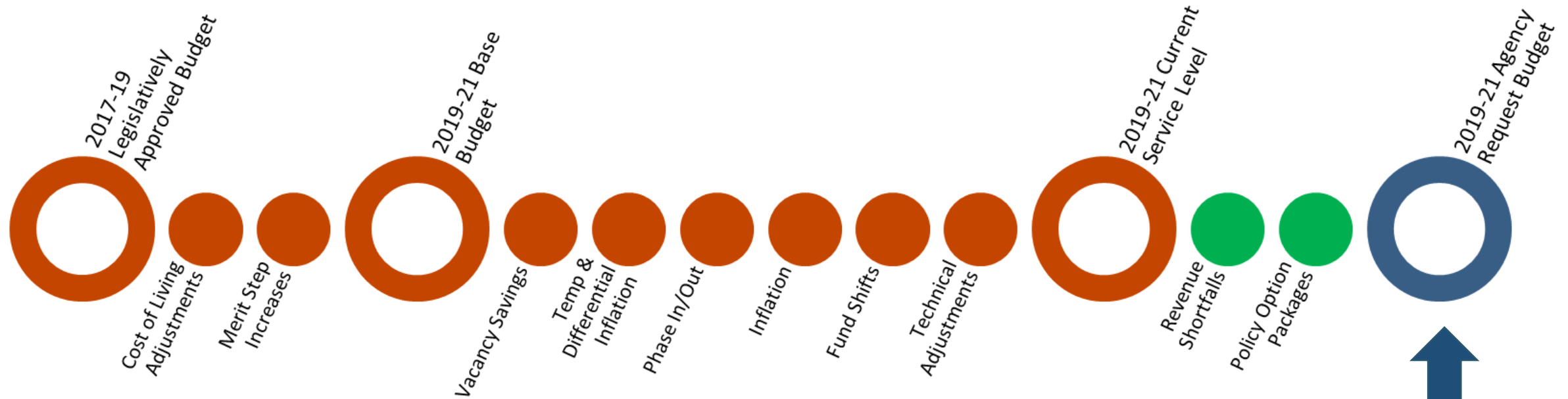
May 9:  
The base budget is evaluated, and adjustments are made, leading to the “Current Service Level,” or CSL.

# Developing a State Agency Request Budget



May 31:  
The CSL includes estimates of the costs to continue administering legislatively approved programs in the next biennium.

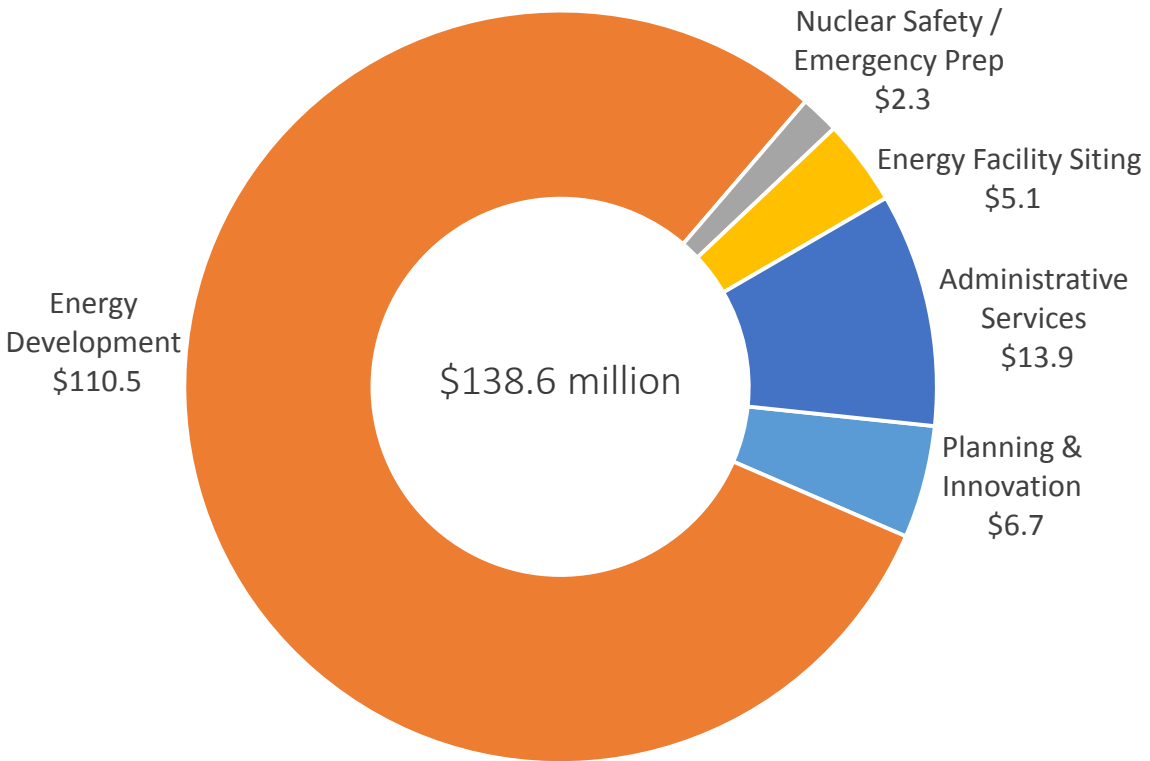
# Developing a State Agency Request Budget



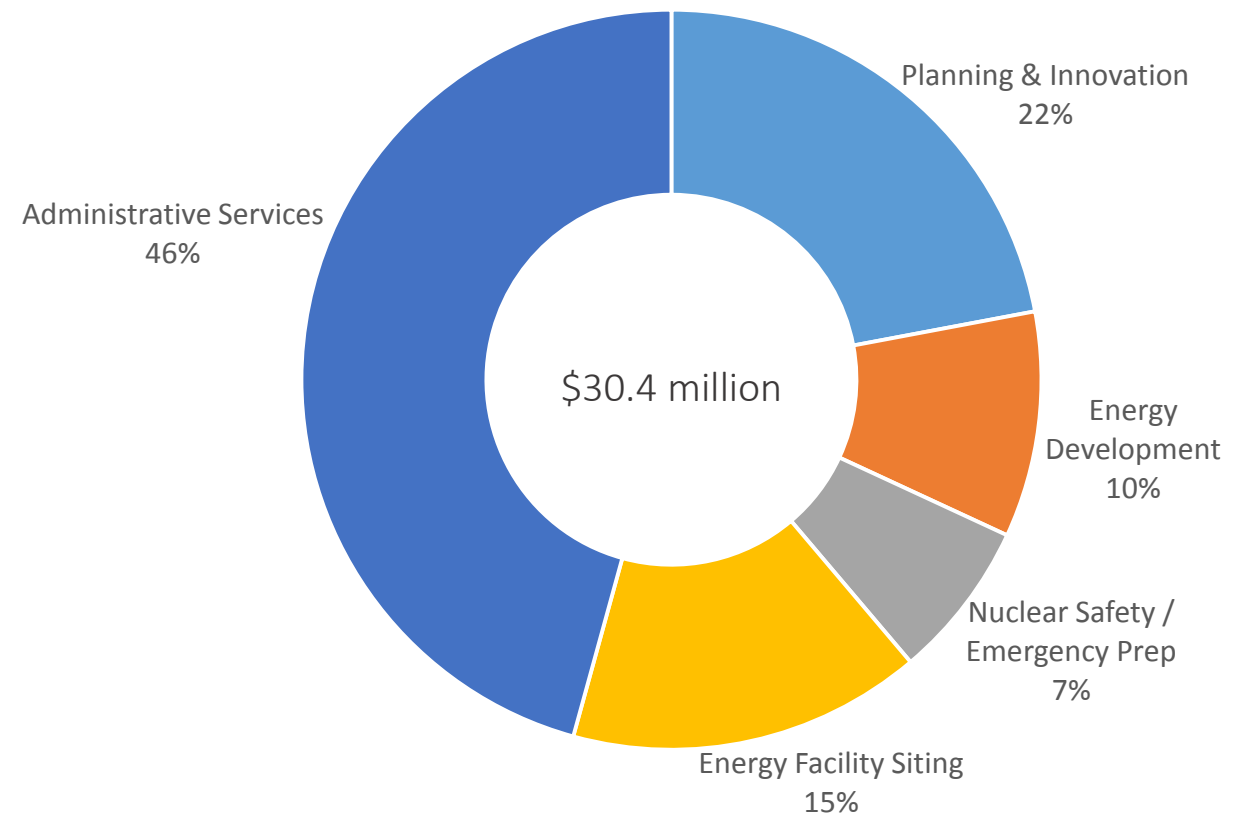
By August 1:  
CSL is evaluated, revenue needs are identified, and Policy Option Packages – or POPs – are developed, identifying changes to current programs that may require additional resources.

# Developing ODOE's 2019-21 Budget

## 2019-21 Agency-wide CSL

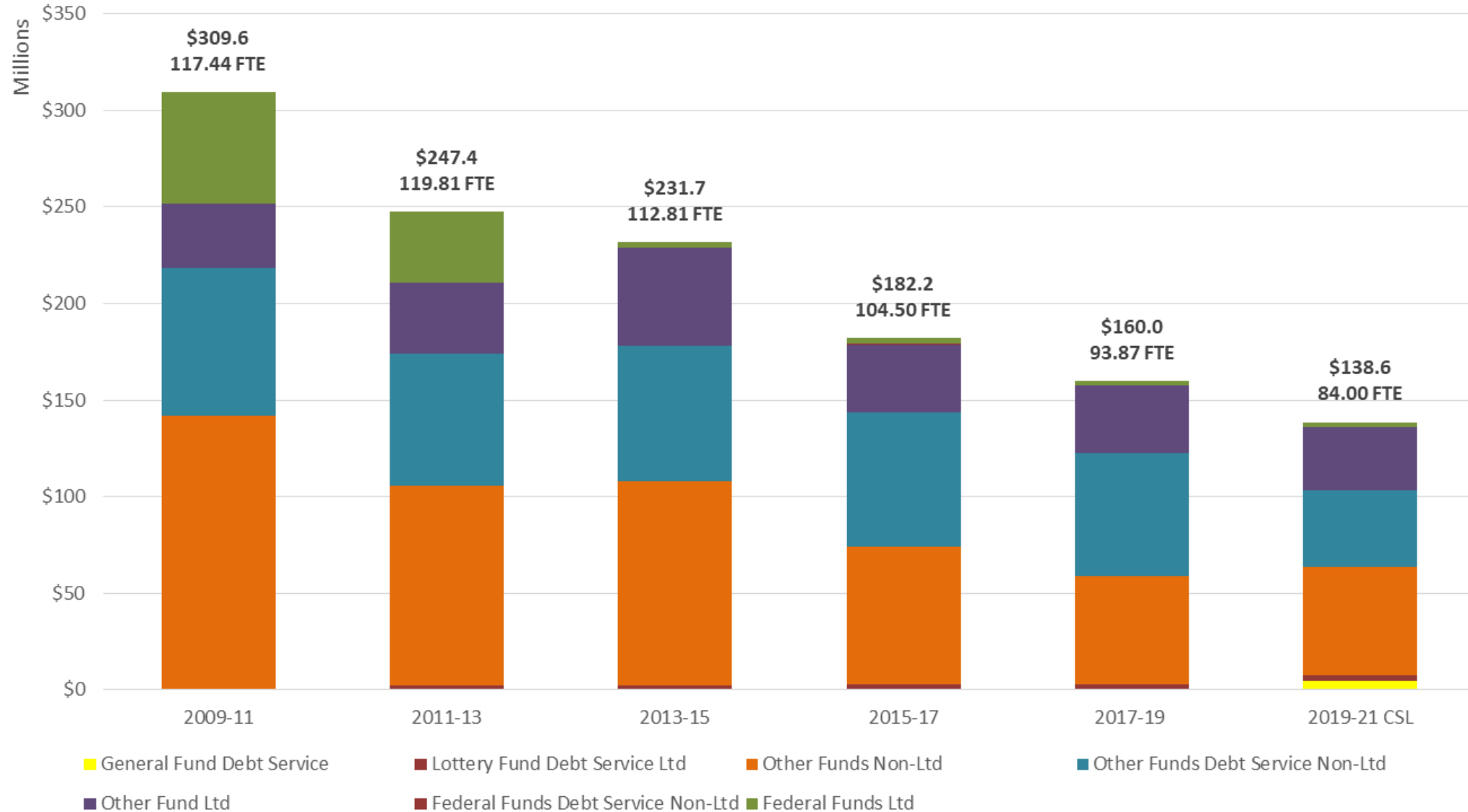


## 2019-21 Agency Operating CSL





# History of ODOE's Biennial Budgets



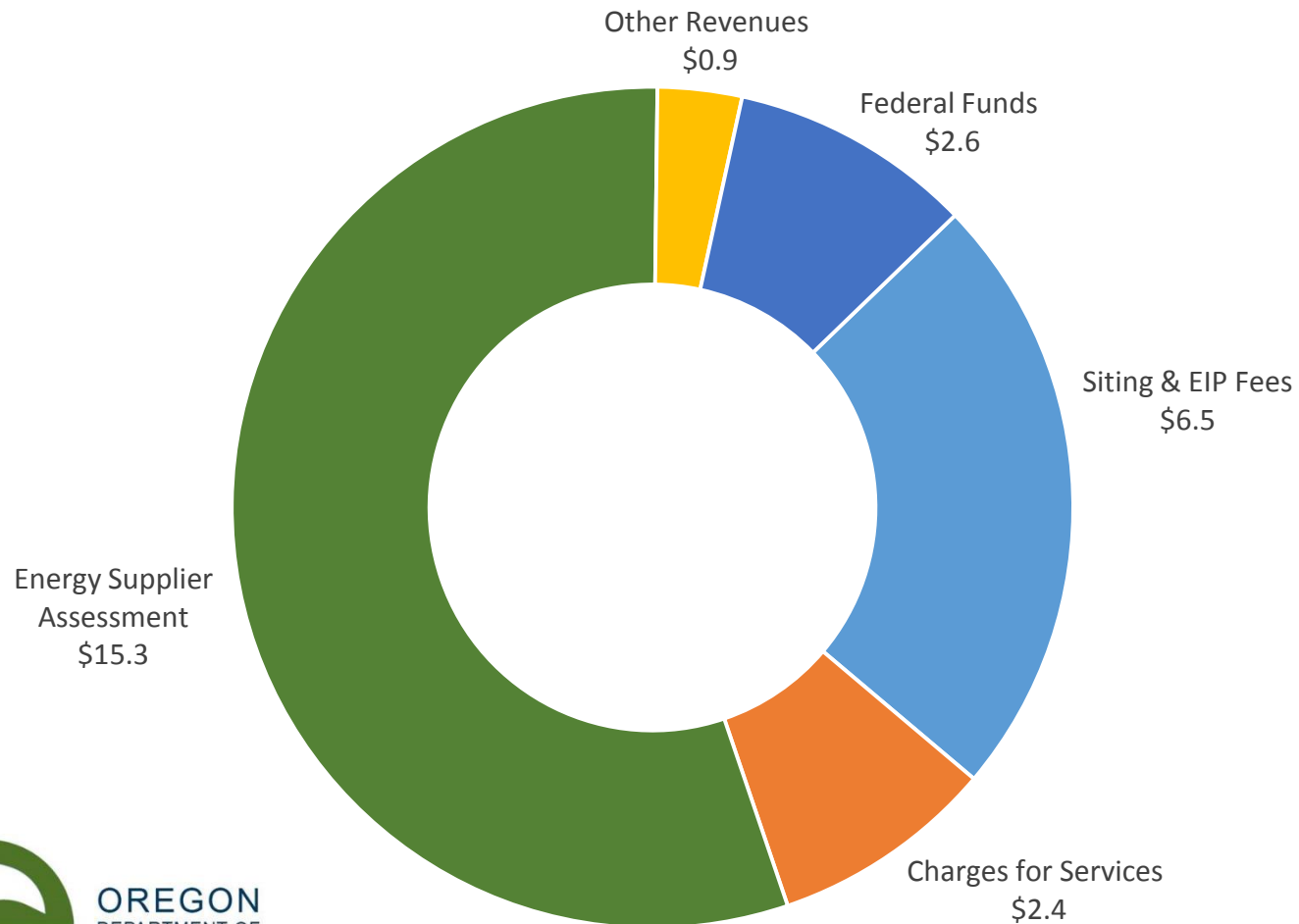
# Funding the ODOE Budget

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- Funding sources:
  - Federal funds
  - Fees for services
  - Energy Supplier Assessment
  - SELP borrowers paying off their principals plus interest
  - General Fund for SELP debt service
- We actively seek out new federal funds and carefully manage our fees for services
- ESA is charged to every fuel provider and utility selling energy in the state, with exemptions built in

# Funding ODOE's 2017-19 Budget

## ODOE's 2017-19 Legislatively Approved Budget



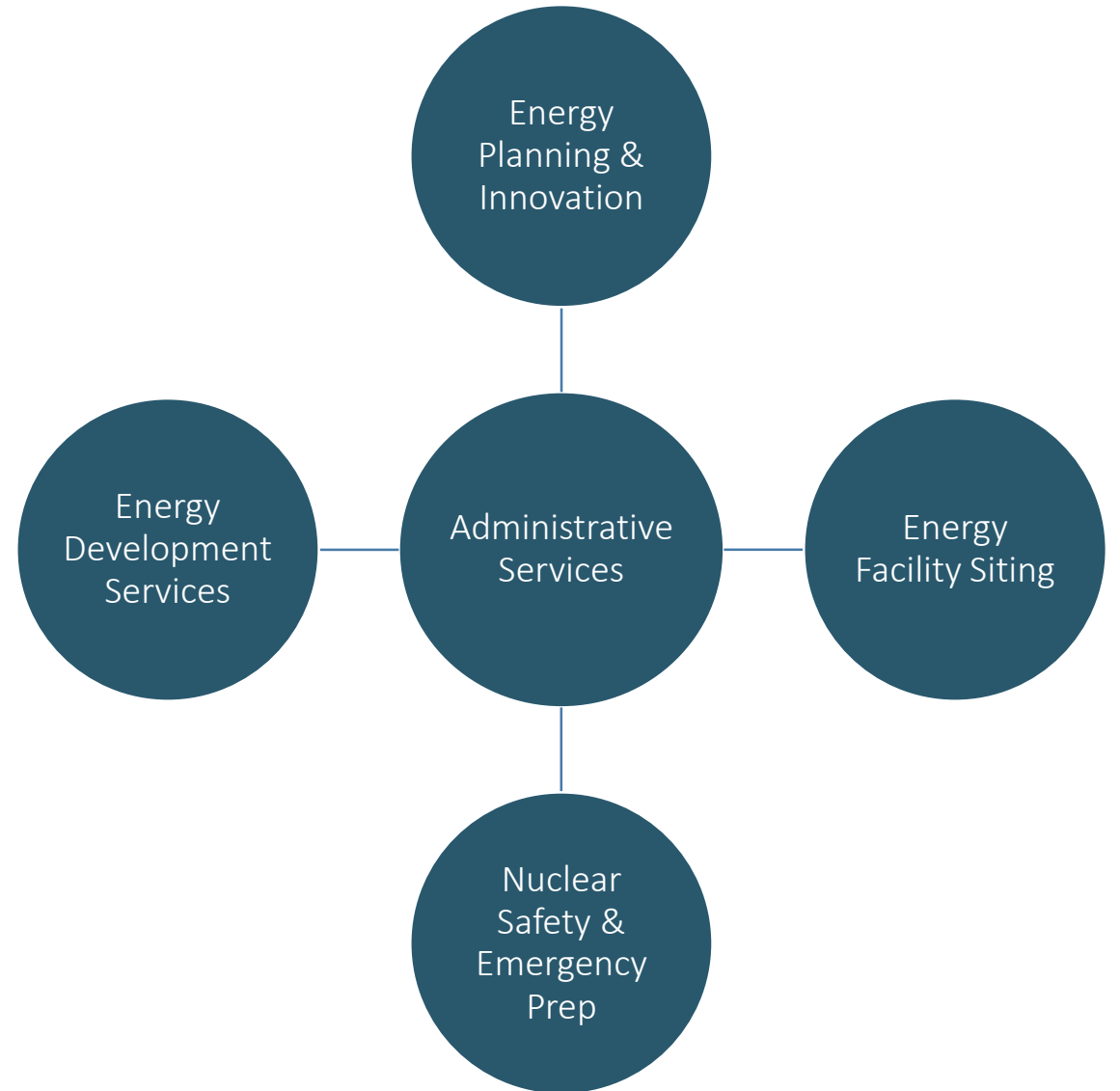
- Chart shows 2017-19 revenues excluding SELP
- We expect 2019-21 funding to look similar, with the exception of EIP fees, which will decrease
- Final revenue numbers will be calculated by and shared at the July public budget meeting

# Developing ODOE's 2019-21 Budget



Draft 2019-21  
Current Service Level Budget and  
Policy Option Packages  
by ODOE Program Divisions

# ODOE's Five Program Divisions



# Administrative Services – What We Do

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Provide efficient resources and reliable customer service across the agency to facilitate good governance and strong fiscal management.

## Director's Office (12.0 FTE)

- Communications
- Human Resources
- Government Relations
- Internal Audit

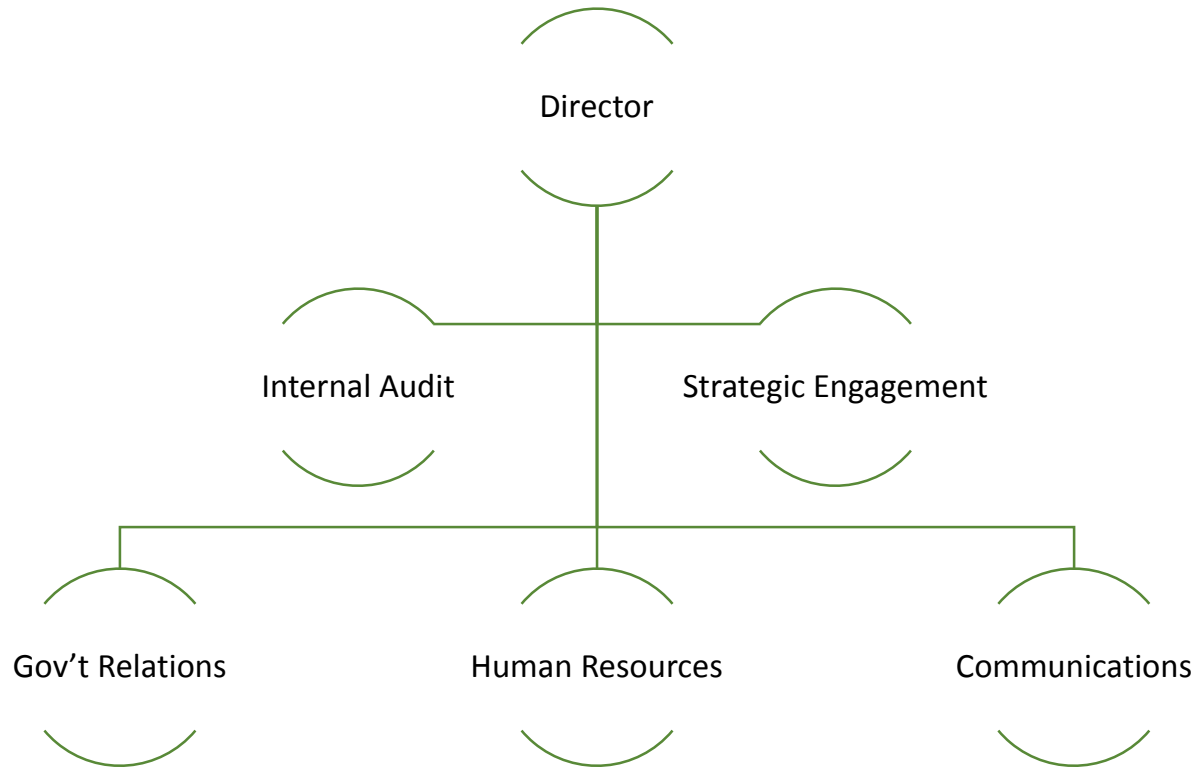
## Central Services (23.0 FTE)

- Finance & Operations
- Information Technology
- Budget
- Federal Grants

## Northwest Power and Conservation Council (2.0 FTE)

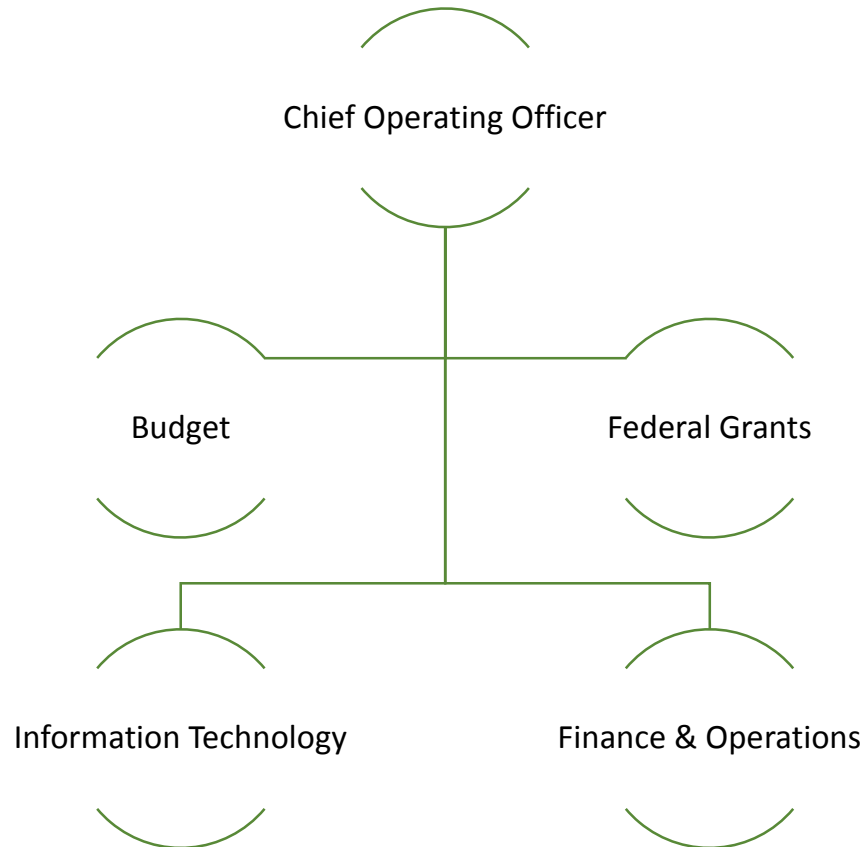
- Two positions funded by Bonneville Power Administration

# Director's Office – Our Team



- 14 staff, includes two Northwest Power and Conservation Council members
- 17% of ODOE employees
- Employees provide resources and services agency-wide

# Central Services – Our Team

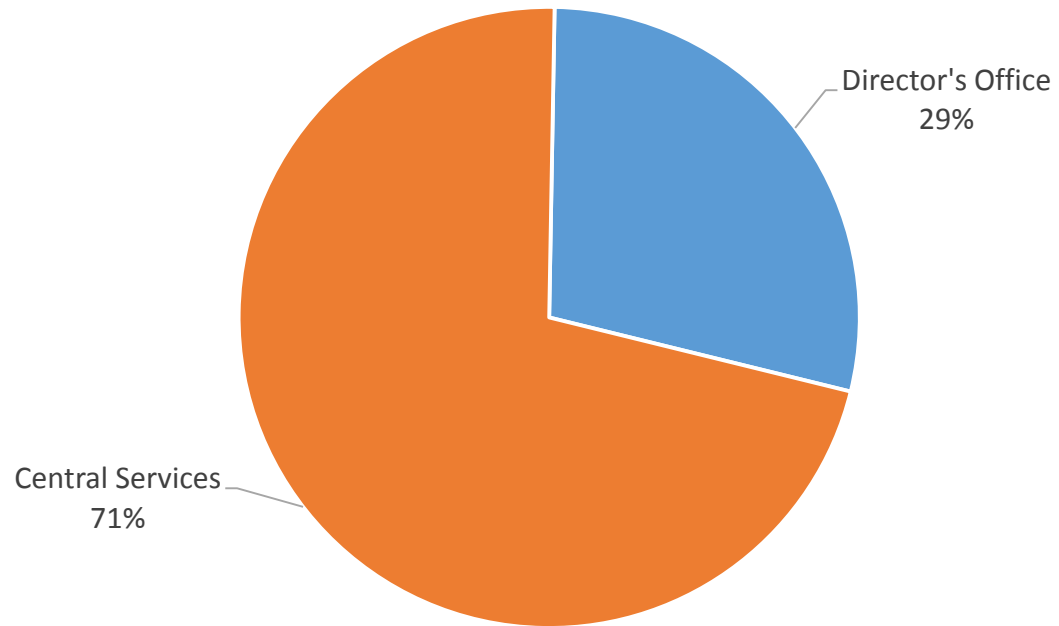


- 23 staff
- 27% of ODOE employees
- Includes payroll, contracts and procurement, grant management, accounting, and other agency-wide services
- IT team is implementing last biennium's POP to modernize agency software

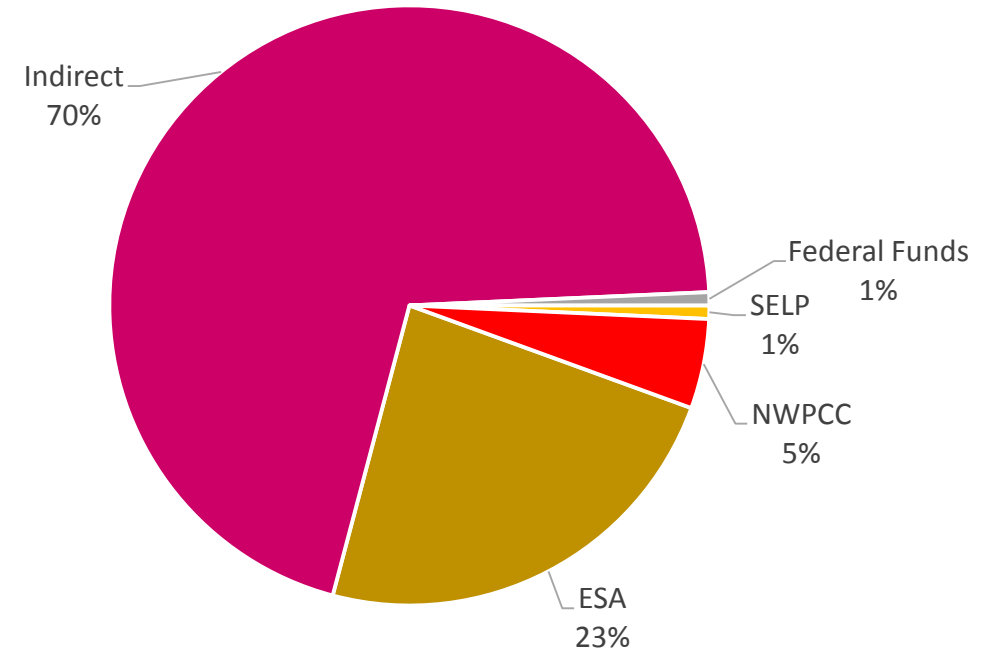


# Administrative Services – CSL Budget + Estimated Funding

## Budget Breakdown



## Funding Sources



# Administrative Services – Proposed Policy Option Packages

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## PROJECT-SPECIFIC THIRD-PARTY STUDIES

POP would be used to contract for studies, research, and analysis services.  
Estimated cost: \$200,000

## INTERNSHIPS

POP would fund six paid internship opportunities over two years.  
Estimated cost: \$50,000

# Energy Development Services – What We Do

Provide energy loans and grants to help Oregon residents, public agencies and schools, nonprofits, businesses, and tribes.

## Small-Scale Energy Loan Program 92% (5.0 FTE)

- Loan Activity
- Administration

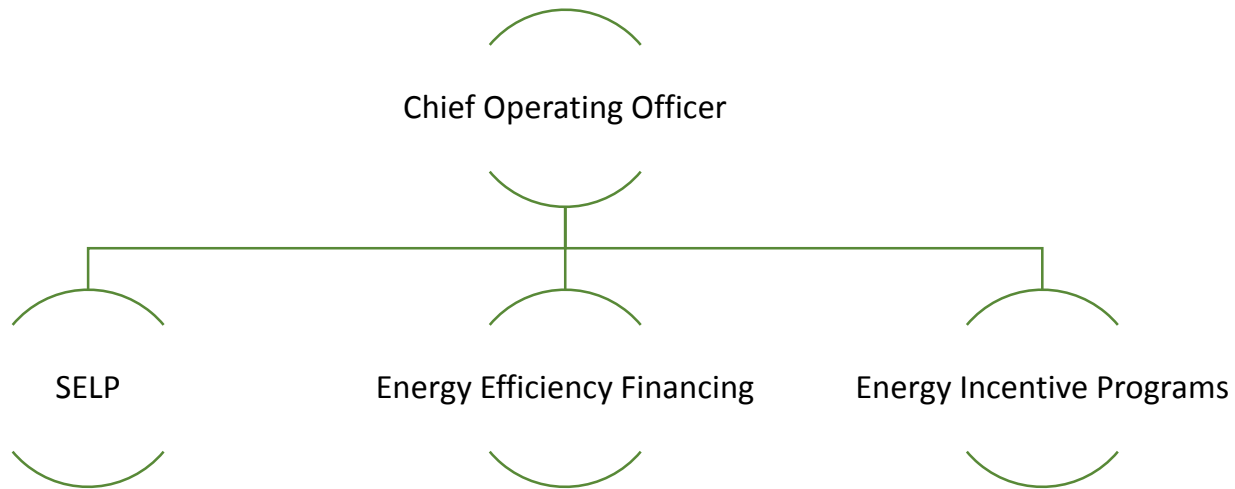
## Energy Efficiency Financing 3%

- Clean Energy Deployment Fund
- Energy Efficiency & Sustainable Technology (EEAST) – inactive
- ~~Alternative Fuel Vehicle Loan Program~~

## Energy Incentive Programs 5% (2.0 FTE)

- Renewable Energy Development Grants
- Tax Credit Sunset Administration
- ~~Residential Energy Tax Credits~~
- ~~Transportation and Conservation Tax Credits~~
- ~~Biomass Tax Credits~~
- ~~State Home Oil Weatherization Program~~

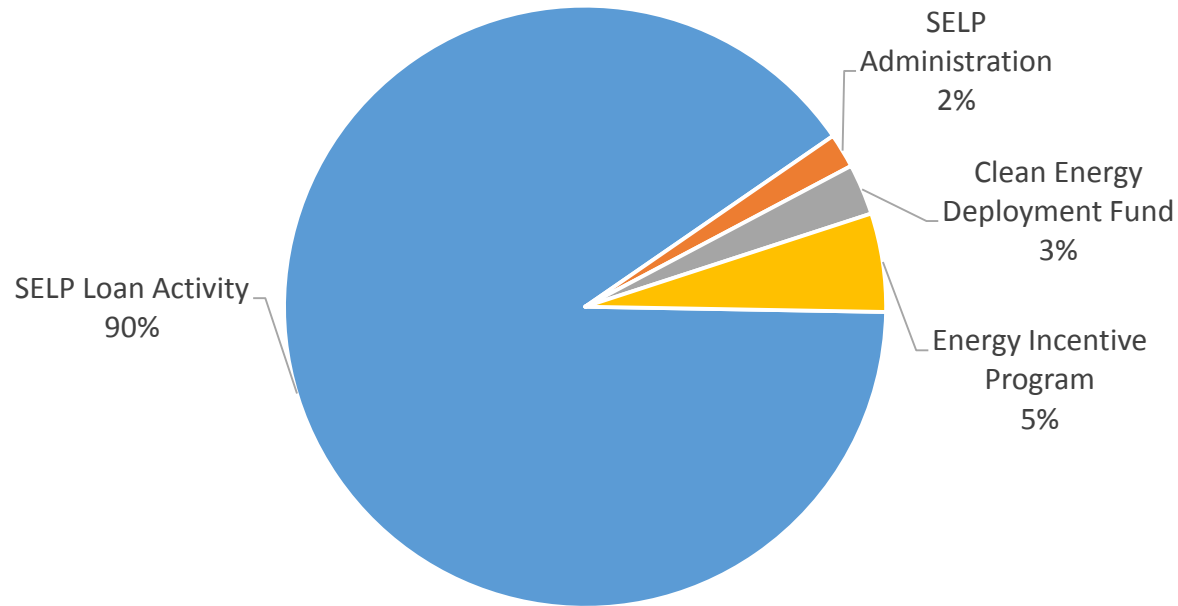
# Energy Development Services – Our Team



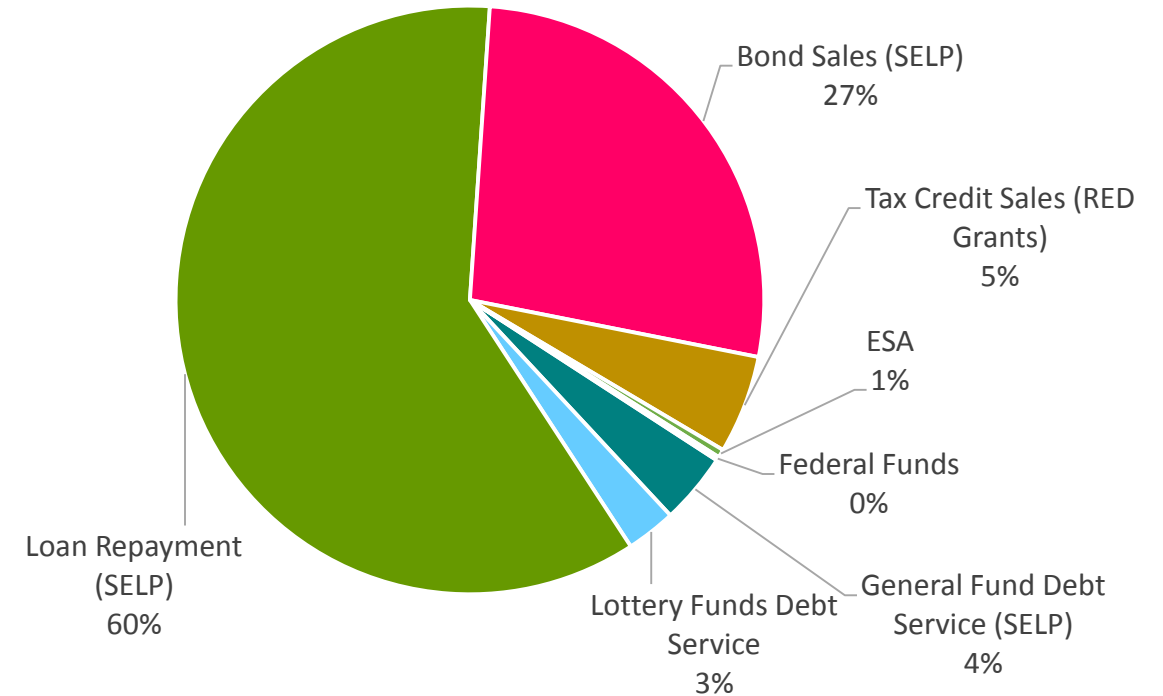
- Down from 26 staff to 7
- 8% of ODOE employees
- ODOE pursuing legislative concept to continue lending through SELP
- Staff attrition timed to manage tail-end of incentive programs

# Energy Development Services – CSL Budget + Estimated Funding

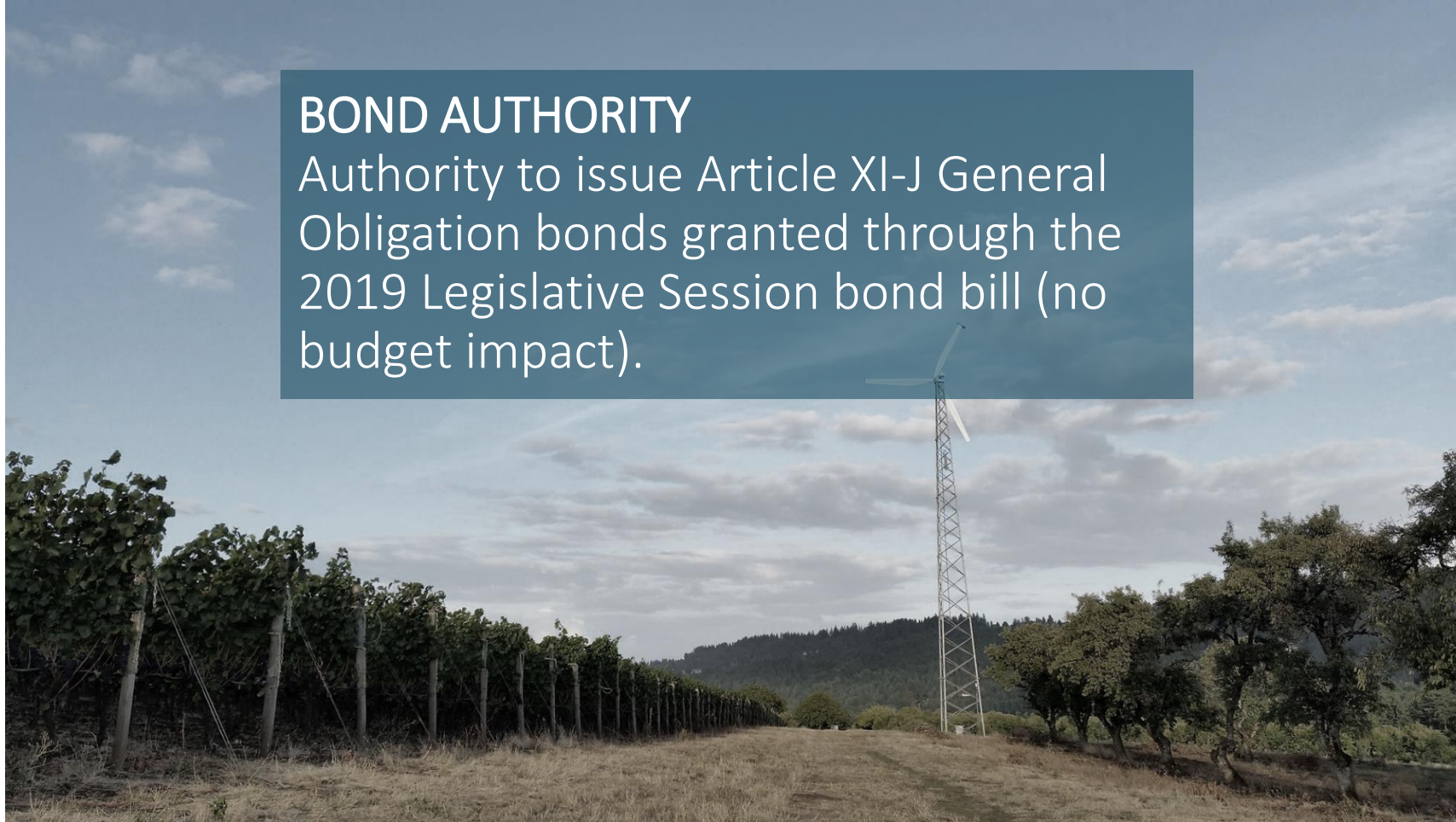
## Budget Breakdown



## Funding Sources



# Energy Development – Proposed Policy Option Package



## **BOND AUTHORITY**

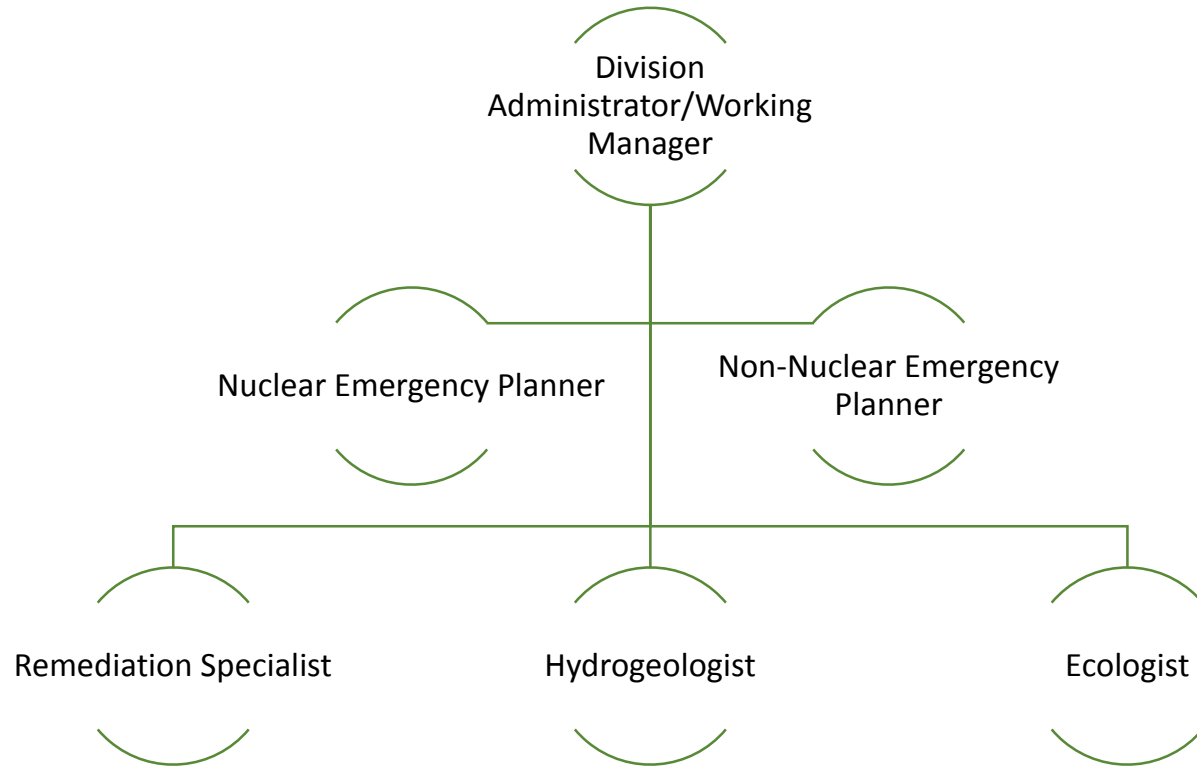
Authority to issue Article XI-J General Obligation bonds granted through the 2019 Legislative Session bond bill (no budget impact).

# Nuclear Safety & Emergency Prep – What We Do

Oversee Oregon’s interests in the Hanford nuclear facility cleanup and prepare for nuclear and energy-related emergencies.

Hanford/Nuclear Oversight 58%	Nuclear Emergency Preparedness 15%	Non-nuclear Emergency Preparedness 18%	Radioactive Waste Transportation 9%
<ul style="list-style-type: none"><li>• Hanford cleanup oversight</li><li>• Hanford Natural Resource Trustee</li><li>• Uranium mining and mill cleanup</li><li>• Radioactive waste disposal</li></ul>	<ul style="list-style-type: none"><li>• Columbia Generating Station</li><li>• Former Trojan nuclear plant</li></ul>	<ul style="list-style-type: none"><li>• Petroleum contingency planning/Oregon Fuel Action Plan</li><li>• Liquefied Natural Gas export facility</li></ul>	<ul style="list-style-type: none"><li>• Transport of radioactive materials through Oregon</li></ul>

# Nuclear Safety & Emergency Prep – Our Team

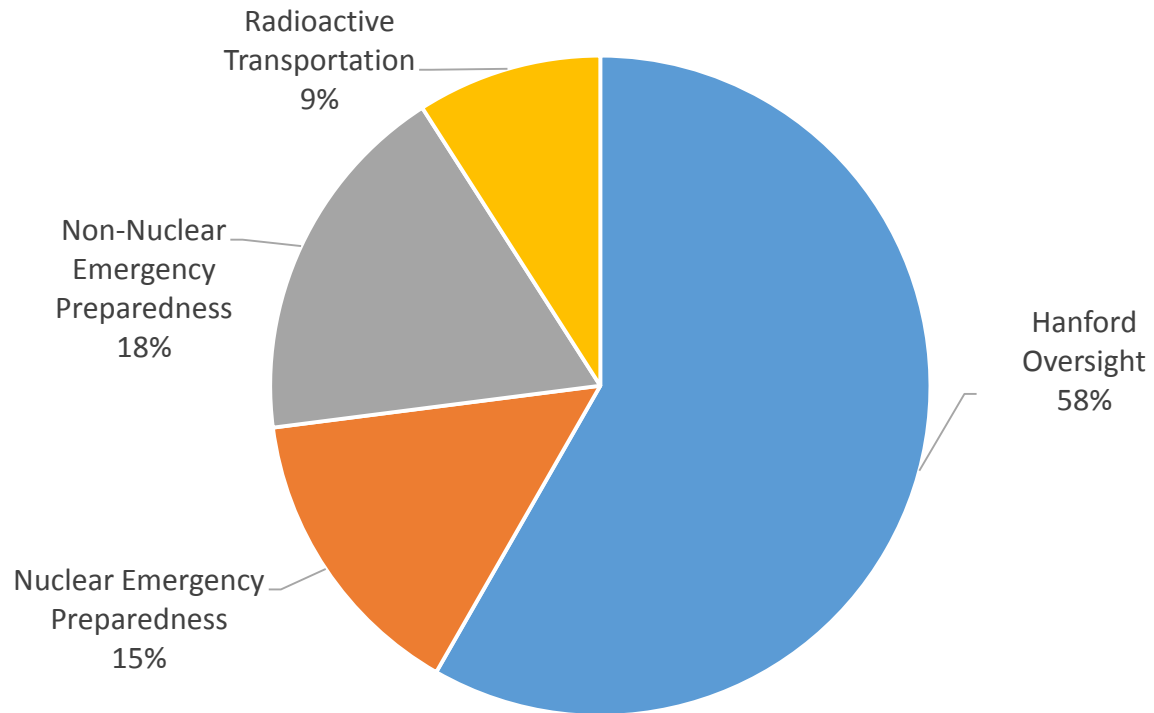


- 6 staff
- 7% of ODOE employees
- Employees have extensive technical background
- Recent retirements have taken considerable institutional knowledge (45 years experience in three employees)
- Agency-wide effort to meet emergency preparedness responsibilities

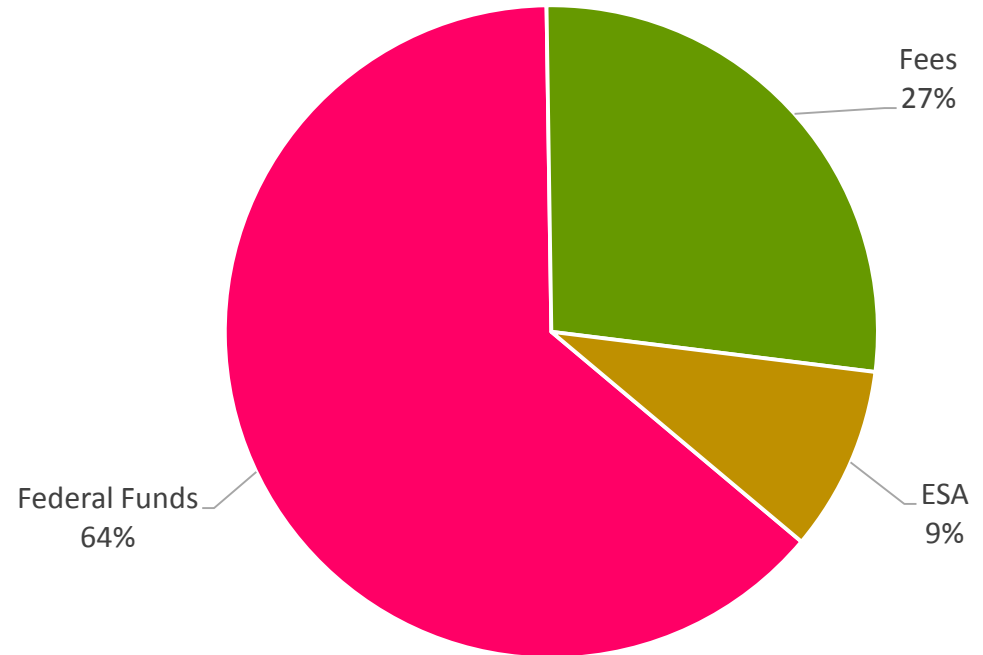


# Nuclear Safety and Emergency Prep – CSL Budget + Estimated Funding

## Budget Breakdown



## Funding Sources



# Energy Facility Siting – What We Do

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

## Large-Scale Energy Facility Siting 55% (5.5 FTE)

- Coordinate consolidated state energy facility review
- Provide decision-makers with information

## Monitoring 6% (1.0 FTE)

- Conduct regular compliance visits
- Inspections include facilities under construction
- Anyone may ask ODOE to inspect an EFSC-jurisdiction facility

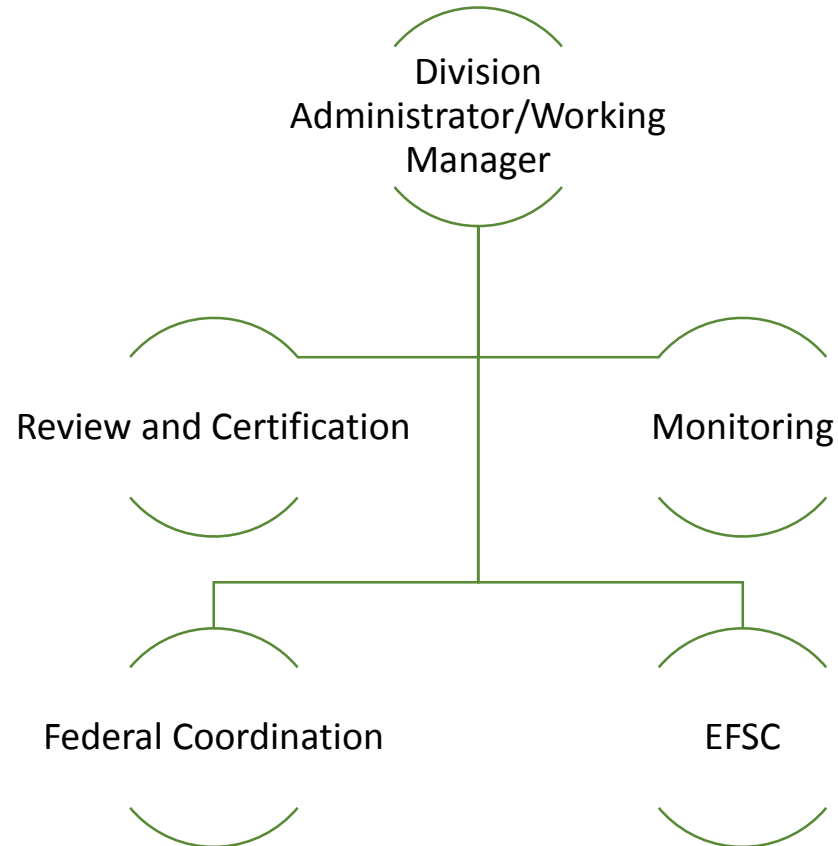
## Federal Siting Coordination 2% (0.25 FTE)

- Coordinate state agency response on federal projects

## Energy Facility Siting Council 37% (4.25 FTE)

- Staff to EFSC
- Provide information, research, and recommendations
- Coordinate meetings, public notices, and public comment

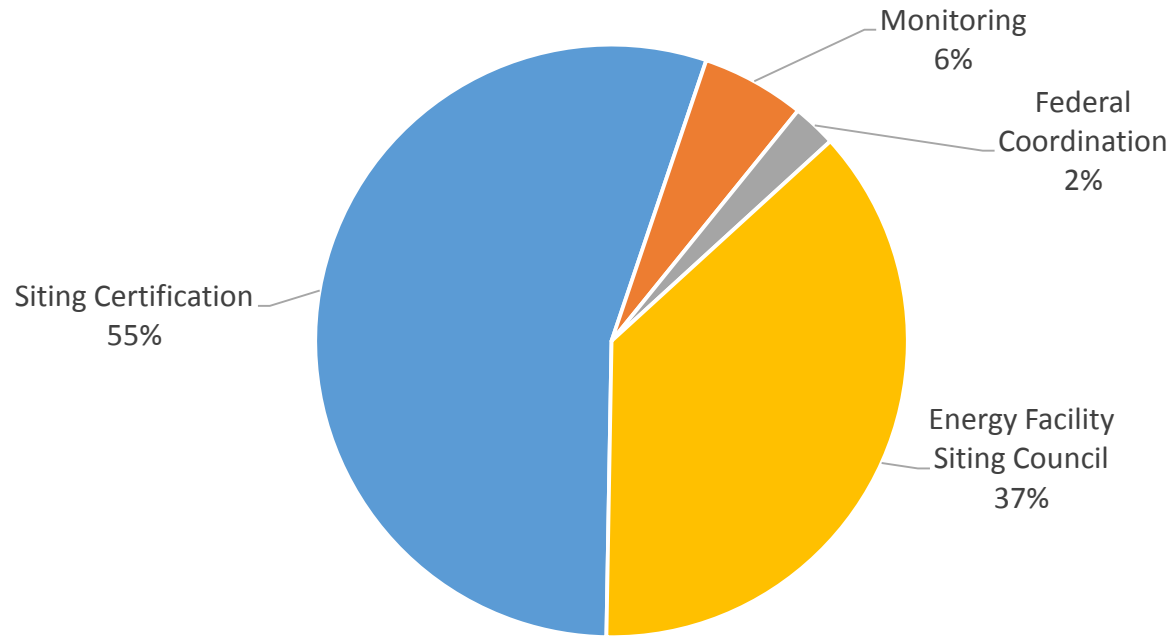
# Energy Facility Siting – Our Team



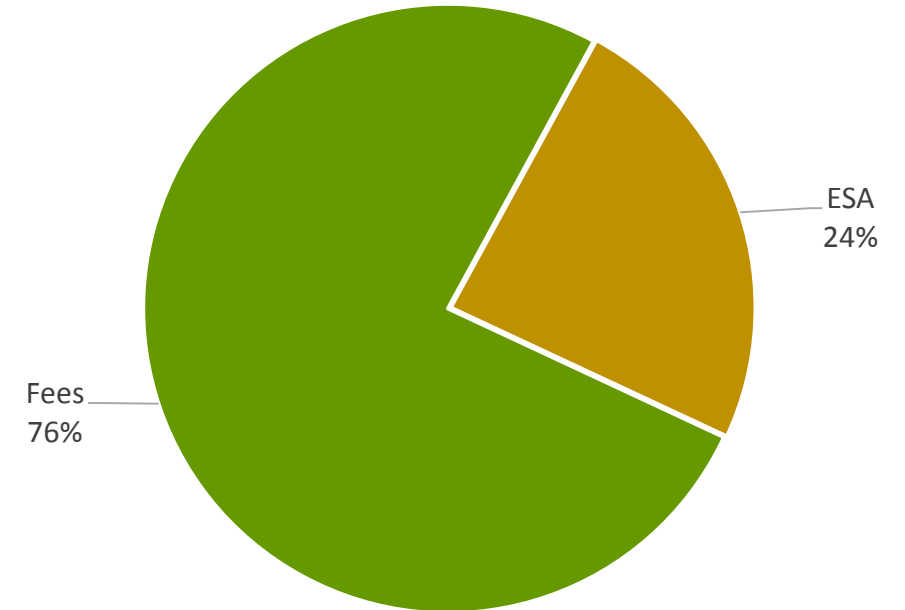
- 11 staff
- 13% of ODOE employees
- Siting analysts provide subject matter expertise to review applications and amendments
- Program area staffs the Energy Facility Siting Council
- Staff also include a rulemaking coordinator and a compliance officer

# Energy Facility Siting – CSL Budget + Estimated Funding

## Budget Breakdown



## Funding Sources



# Energy Facility Siting – Proposed Policy Option Package



# Planning & Innovation – What We Do

## Technology & Policy

- Renewables
- Electricity Systems and Planning
- Thermal Energy
- Climate
- Transportation

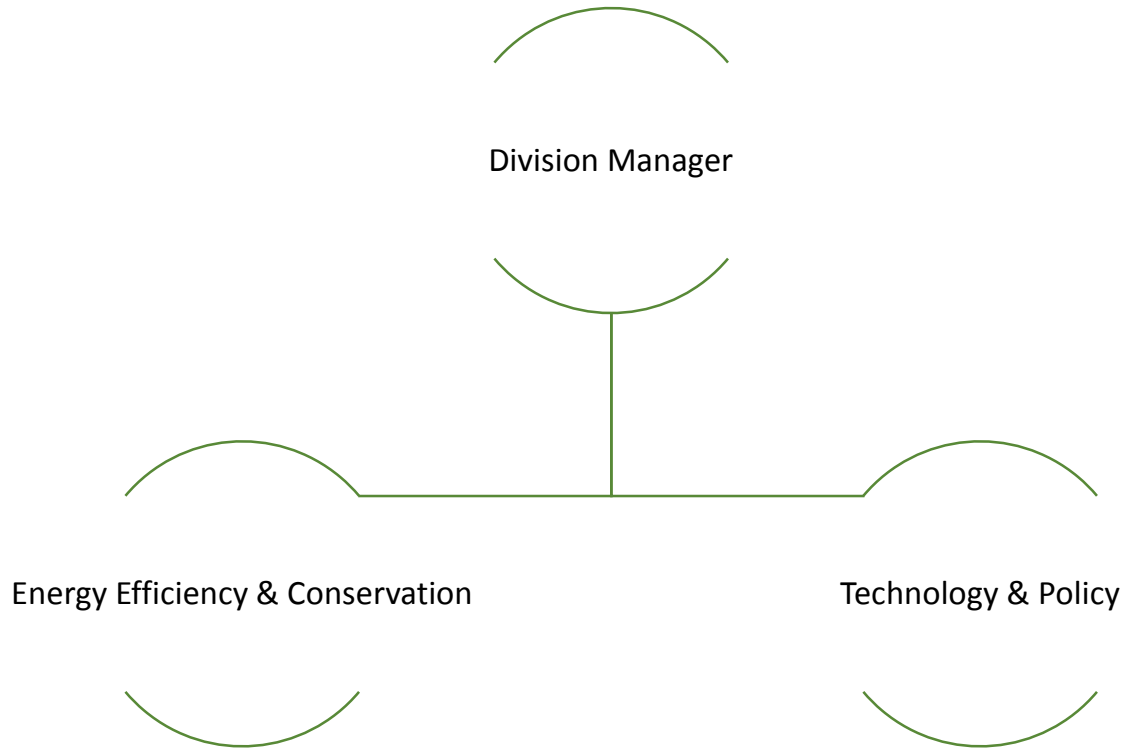
## Energy Efficiency & Conservation

- Public Buildings
- RCI – Residential, Commercial, Industrial Services
- Public Purpose Charge

## Rulemaking & Legislative Coordination

- Rulemaking
- Dockets
- Regional Planning

# Planning & Innovation – Our Team



- 22 staff
- 26% of ODOE employees
- Employees have deep technical knowledge and expertise in renewable energy technologies, planning, dockets and rulemaking, transportation, climate, and energy efficiency

# P&I Technology & Policy

## Thermal Energy 12% (1.2 FTE)

- Combined Heat & Power (CHP)
- Natural Gas
- Renewable Natural Gas (RNG)

## Climate 11% (1.1 FTE)

- Global Warming Commission
- Carbon Policy Office Support
- Climate-Energy Nexus

## Electricity Systems & Planning 26% (2.6 FTE)

- Resource Planning
- Electricity Resource Mix
- Resiliency
- Distributed Generation
- Electricity Markets

## Sustainable Transportation 21% (2.2 FTE)

- Electric Vehicles
- Alternative Fuels
- Technologies

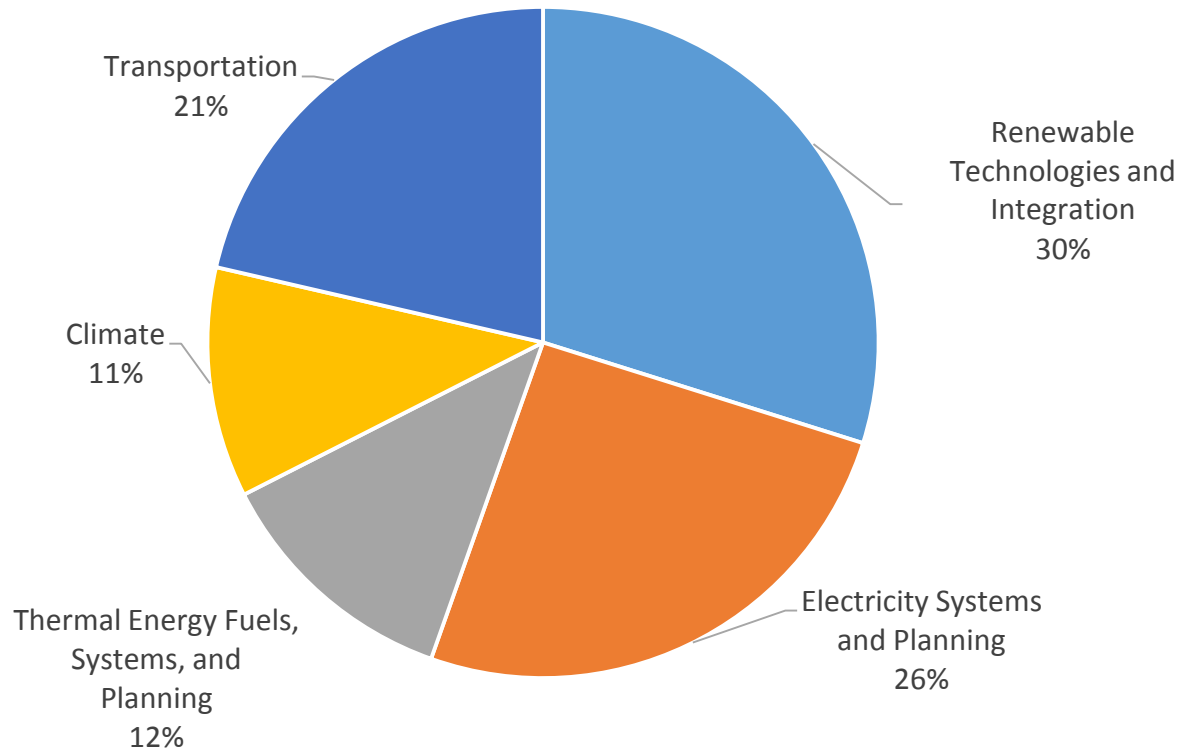
## Renewables 30% (3.0 FTE)

- Resource-Specific
- Integration of Renewables
- Renewable Portfolio Standard
- Grant Work
- Agriculture

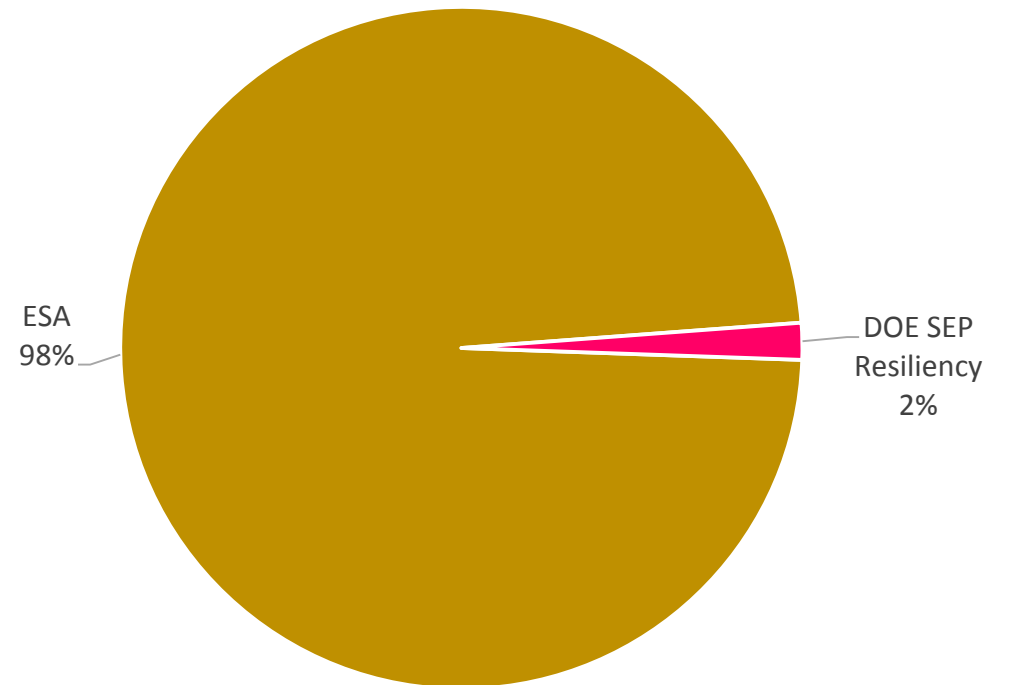


# P&I Technology & Policy

## Budget Breakdown



## Funding Sources



# P&I Energy Efficiency & Conservation

## Public Buildings 24% (2.9 FTE)

- State Energy Efficient Design
- Agency Energy Reporting, Benchmarking, and Planning
- 1.5% Green Energy Technology
- Lead by Example EO

## Public Purpose Charge 41% (3.9 FTE)

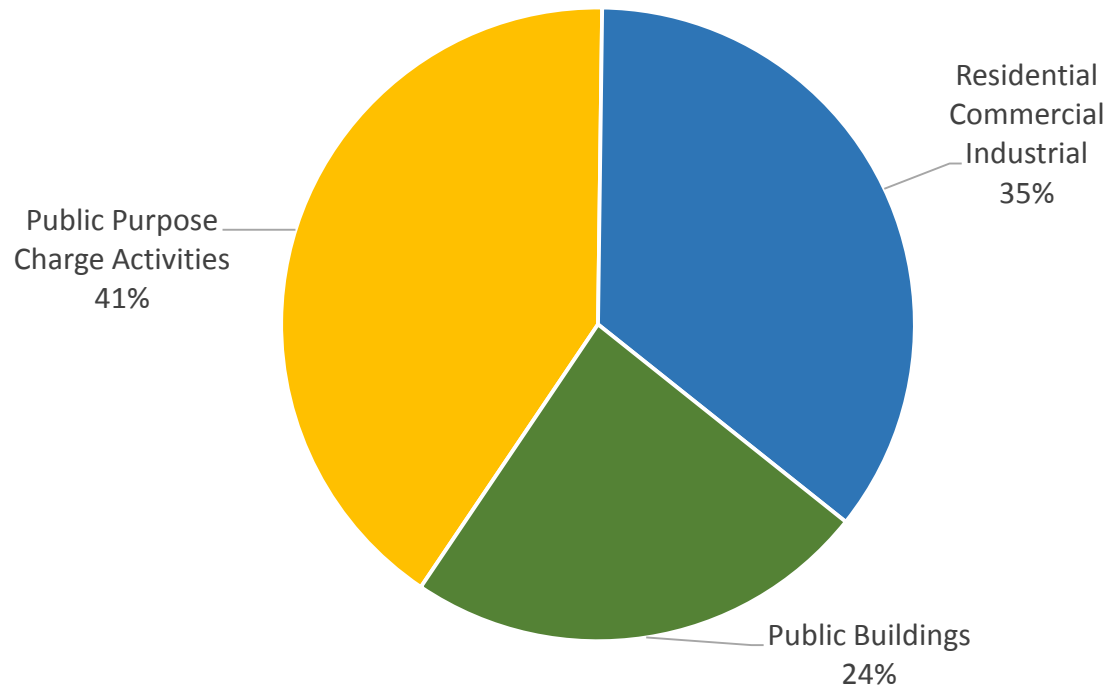
- Schools
- Industrial

## Res/Com/Ind 35% (3.7 FTE)

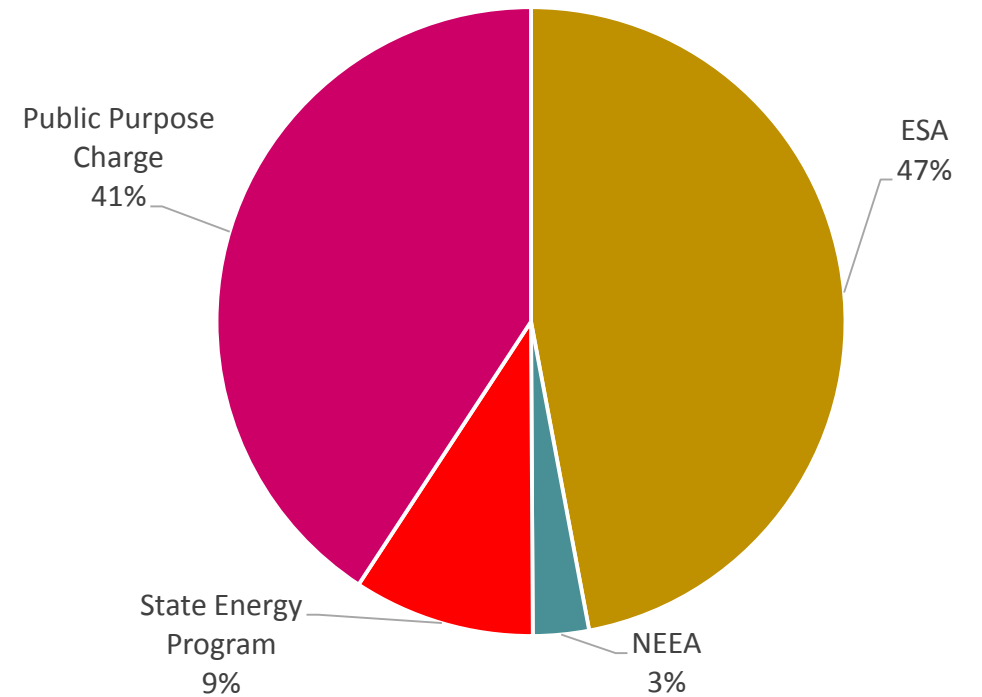
- All sectors
  - Code Advancement EO
  - Technical Assistance
  - Program Coordination
- Residential
  - Home Scoring
- Commercial
- Industrial
  - Energy Intensive Industries

# P&I Energy Efficiency & Conservation

## Budget Breakdown



## Funding Sources

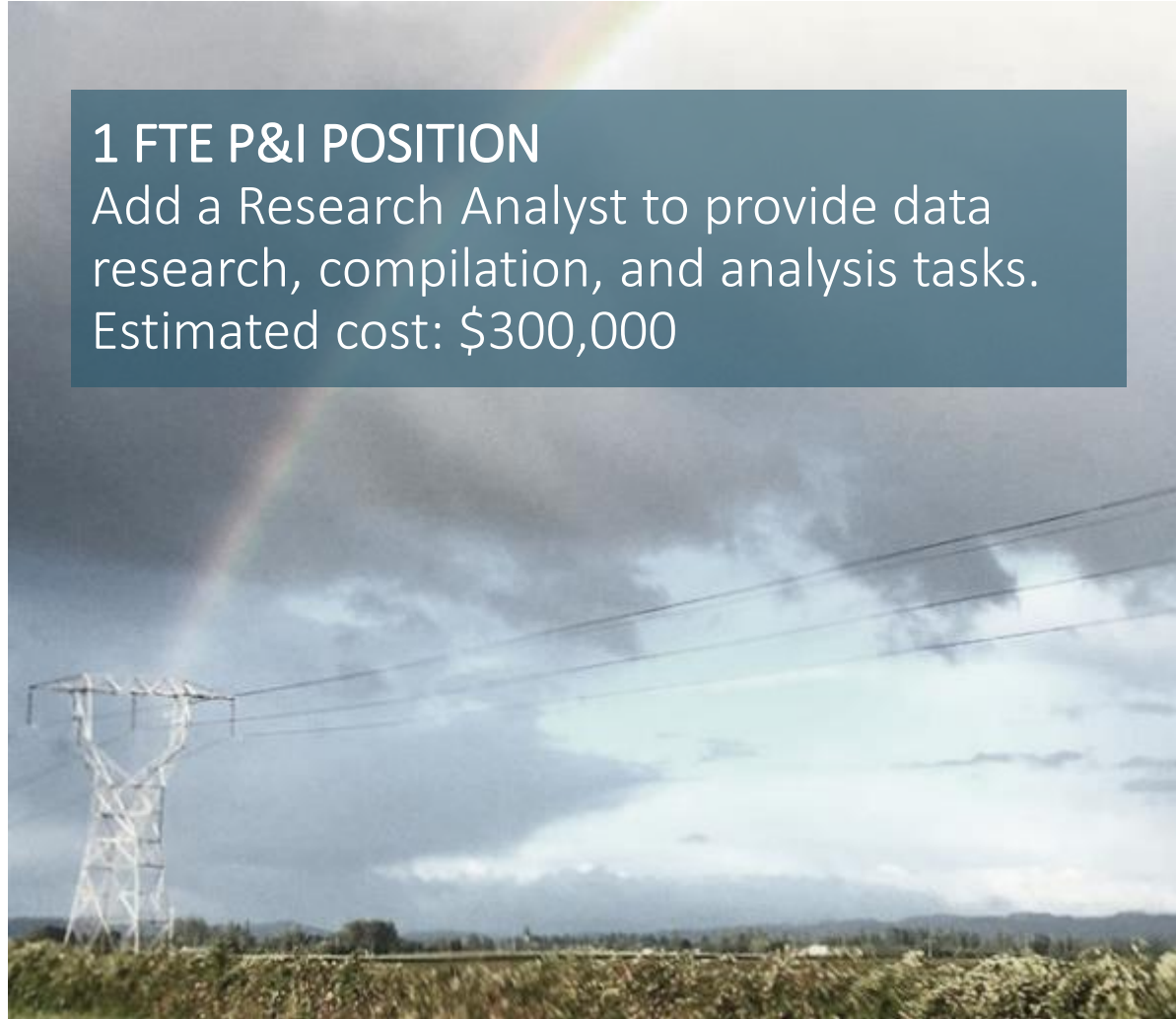


# Planning & Innovation – Proposed Policy Option Package

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## 1 FTE P&I POSITION

Add a Research Analyst to provide data research, compilation, and analysis tasks.  
Estimated cost: \$300,000



# ODOE Budget Development: What's Next

Questions, Comments, and Discussion

2019-21 Budget Public Meeting  
Wednesday, July 18

Open House: 1:00-2:00 p.m.

Presentation and Meeting: 2:00 p.m.