

**BILL SUMMARY**  
2nd Session of the 52<sup>nd</sup> Legislature

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| <b>Bill No.:</b> | <b>HB 2815</b>  |
| <b>Version:</b>  | <b>FA1</b>  |
| <b>Author:</b>   | <b>Key</b>  |
| <b>Date:</b>     | <b>3/9/10</b>   |
| <b>Impact:</b>   | <b>Impact dependent upon Legislative appropriation, potential annual cost of \$97,000 for FTE</b> |

**Bill Summary**

Research Analyst:       Dusty Darr

Floor Amendment #1 (FA1) to House Bill 2815 creates the “Oklahoma Clean Energy Finance Program Act.” The Act creates the Oklahoma Clean Energy Finance Program for the purpose of offering loans to eligible homeowners to improve energy efficiency or replace all or a portion of residential nonrenewable energy sources with energy derived from renewable sources. The measure authorizes a maximum loan amount of Twelve Thousand Five Hundred Dollars (\$12,500.00) to qualified borrowers for the purpose of financing such projects, which must be completed by a certified contractor.

The program is to be administered by a selected program administrator under the oversight of the Governor’s Energy Office. In addition, the Governor’s Energy Office and the administrator is charged with the responsibility of directly marketing the program to the general public and monitoring the quality of clean energy improvement installations made pursuant to the program. The measure also creates the Clean Energy Program Fund within the State Treasury for the purpose of financing the program. The fund is to consist of all monies appropriated by the Legislature and any gifts, grants, or donations that may be made to the program fund.

The measure also creates the “Rural Clean Energy Project Finance Program Act,” which would allow eligible applicants to apply to the board of county commissioners or the governing body of a municipality in which the applicant proposes to construct, expand or upgrade an eligible clean energy project for assistance in the financing of the project. Governing bodies are authorized to issue tax-exempt private activity bonds on behalf of an eligible applicant to finance an eligible clean energy project subject to certain requirements and limitations.

**Fiscal Summary**

Fiscal Analyst:       Mark Nichols

The floor amendment for HB 2815 enacts the “Clean Energy Finance Program Act,” which creates The Oklahoma Clean Energy Finance Program.” The Act provides that the Energy Office shall select a program administrator to directly market a program of clean energy loans to the general public. The Program fund shall consist of such monies as the Legislature may appropriate and any gifts, grants or donation that may be made to the fund.

## **Fiscal Analysis**

Officials at the Department of Commerce, who houses the Energy Office, state that the first \$100,000 of the program, as a pilot project, could be accomplished with internal staff, but that beyond that, fulfilling the provisions of the measure would require an FTE at an annual cost of \$97,000, in salary and benefits.

The measure also provides for the interest and income earned on the deposit and investments of the Clean Energy Fund by the State Treasurer to be placed in a buy-down and loan-loss account. The buy-down account is used to pay the lender for the reduction in future interest and the loan loss reserve account is used to pay lenders who have written off certain energy loans as uncollectible.

There is no other explicit fiscal impact in the measure, as most of the money would come to the Fund through legislative appropriation, which is not provided for in this language.

## **Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director