



## HB 3291 (2011) Report on Audit Recommendations to State Legislature

HB3291 requires a report to the Legislative Assembly within six months of an issued Secretary of State (SOS) audit. This report addresses a recommendation made to the Oregon Department of Energy as included in the audit *Senate Bill 1149 Energy Surcharge: Unrealized Savings on Energy and School Utility Costs* (SB 1149 Audit).

The SB 1149 Audit was focused on the energy conservation efforts made by K-12 public schools that received SB 1149 funds (ORS 757.612). The objective of the audit was to evaluate whether the energy surcharge funds distributed to school districts were well utilized. The metric chosen by the Secretary of State auditors was whether districts implemented eligible conservation measures with the highest payback returns, as identified by contracted energy audits. The Oregon Department of Energy (ODOE) provides program tools, guidelines, and technical energy efficiency expertise to schools that receive SB 1149 funds. The audit included one recommendation made to ODOE and three to the State Legislature. ODOE concurred with the recommendation in the audit response letter. The following recommendation impacts ODOE:

*"To improve how school districts utilize the energy surcharge funds, we recommend the Oregon Department of Energy revise the payback methodology in the SB 1149 Schools Program Guidelines to incorporate a measure's expected life. This could include, but is not limited to, using a different payback method or making a measure ineligible for energy surcharge funds if its estimated simple payback exceeds its expected life."*

### **Implementation Status:** *In-Progress*

ODOE is currently in the process of revising the SB 1149 Schools Program Guidelines and ODOE databases to enable a payback methodology which will incorporate a measure's expected life. SB 1149 stakeholders are part of ODOE's efforts to improve and revise the guidelines, which should be released in May 2013.

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