



# Oregon

Kate Brown, Governor



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[www.oregon.gov/energy](http://www.oregon.gov/energy)

## MEMORANDUM

**To:** Energy Advisory Work Group Members

**From:** Janine Benner, Director

**Date:** March 24, 2022

**Re:** Materials for March 31, 2022 Meeting

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I hope everyone is enjoying Spring! We are looking forward to our Spring EAWG meeting to share highlights on some of the new ODOE programs and activities, seek feedback on federal funding priorities and draft legislative concepts, and provide a strategic plan update.

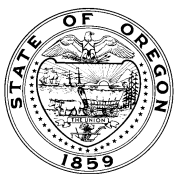
The agenda for the meeting is attached – for the roundtable update we’d love to hear what’s happening this spring and summer for you. On the agenda, you’ll find links to the latest information on our new incentive programs and the various studies the legislature assigned us in the 2021 legislative session.

We’re especially excited to report on a conversation we had with some of you about workforce development challenges and ways to leverage funding. We’ll also share our plan for engagement on Federal funding opportunities and seek your feedback on what our spending priorities should be for the funds expected to come to the agency, as well as your input on which competitive funding programs to apply for. We’re starting with what we’ve heard from you so far, our mission, our authorizing statutes, and our strategic plan.

Attached to this memo, please find one-pagers on the draft legislative concepts that we are considering for 2023. We hope you’ll share your thoughts on these ideas as we consider which to move forward for drafting. While we do not have budget priorities and policy option packages to share yet, we look forward to discussing those with you during our next meeting. In case you are wondering what happened in the 2022 legislative session on energy, please check out our [2022 Legislative Report](#).

We also hope you’ll take a look at the Biennial Energy Report [input document](#) and share any thoughts you have with us on the 2022 Energy Report through [our online portal](#).

Finally, we wrap up the meeting with a walk-through of our strategic plan dashboards. We continue to move forward on our initiatives and make progress on our objectives.



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## AGENDA

### Energy Advisory Work Group

DATE: March 31, 2022

TIME: 2 – 4 p.m.

Oregon Department of Energy – via WebEx

<https://odoe.webex.com/odoe/j.php?MTID=m4ad4333d43a420c3c885d2bb998da575>

Password: EAWG

Call-in number: 1-408-418-9388; Meeting ID 2338 384 7341

| Time      | Topic  | Lead   |
|-----------|--|--|
| 2:00 p.m. | Director's Welcome   | Janine Benner  |
| 2:05 p.m. | EAWG Roundtable  | EAWG Members   |
| 2:30 p.m. | ODOE Updates <ul style="list-style-type: none"><li>Review of <a href="#">2022 Legislative Session</a></li><li><a href="#">Incentive Program Updates</a></li><li><a href="#">ODOE Studies Update</a></li><li>Siting Update/Process Overview</li></ul> | Christy Splitt<br>Pandian Krishnaswamy<br>Alan Zelenka<br>Todd Cornett |
| 2:45 p.m. | Federal Funding: IIJA  | Janine Benner<br>Jen Senner  |
| 3:10 p.m. | 2023 Legislative Concepts  | Janine Benner<br>Christy Splitt  |
| 3:35 p.m. | <a href="#">Strategic Plan</a> Update  | Ruchi Sadhir   |
| 3:50 p.m. | Closing Comments/Q&A   | EAWG Members and ODOE Staff  |

# Incentives & Rebates

Learn More: [www.oregon.gov/energy/incentives](http://www.oregon.gov/energy/incentives)



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## Oregon Solar + Storage Rebate Program

The Oregon Solar + Storage Rebate Program issues rebates for solar electric systems and paired solar and storage systems for residential customers and organizations that serve low-income Oregonians. Rebates are issued to approved contractors, who pass the savings on to their customers.

Residential customers can receive a rebate of up to \$5,000 for solar and up to \$2,500 for paired storage (batteries), while low-income service providers can receive up to \$30,000 for solar and up to \$15,000 for storage. The program offers higher incentive levels for Oregonians with low and moderate incomes and at least 25 percent of available rebate dollars is reserved each year for these residential customers and entities who provide services to them.

## Energy Efficient Wildfire Rebuilding Incentive

ODOE is issuing energy efficiency incentives to residential and commercial building owners who lost structures in the 2020 wildfires. Rebuilding with energy efficiency in mind helps building owners lower long-term energy costs and make homes and businesses more comfortable. Incentives are available to owners who have already rebuilt, are rebuilding now, or are planning to start rebuilding by June 2023. Applicants must meet eligibility requirements and complete the local jurisdiction building permit process to qualify. Incentives are available for projects that rebuild to the current energy building code; higher incentives are available for projects that are more efficient than code. Incentive amounts range from \$3,000 up to \$12,500, depending on the rebuilding project; lower-income applicants are eligible for higher incentive amounts.



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### Community Renewable Energy Grant Program

The Community Renewable Energy Grant Program provides grants for planning and developing community renewable energy and energy resilience projects, and is open to Oregon Tribes, local governments, consumer-owned utilities, and other public bodies. Grants are awarded on a competitive basis and priority will be given to projects that support program equity goals, demonstrate community energy resilience, and include energy efficiency and demand response.

At least half of the grant funds will be awarded for projects that serve environmental justice communities, including communities of color, lower-income communities, rural communities, and others. Similarly, at least half of the grant funds will be awarded to projects that support community energy resilience. ODOE awards up to \$100,000 for planning projects and up to \$1 million for construction projects.

### Oregon Rural & Agricultural Energy Audit Program

ODOE's Rural & Agricultural Energy Audit Program helps fund energy audits for Oregon rural small businesses and agricultural producers statewide. Program funding was awarded to ODOE by the U.S. Department of Agriculture's Renewable Energy Development Assistance Grant program.

ODOE will provide funding for up to 75 percent of the cost of an energy audit (payable to the auditor conducting the audit). An approved energy auditor will inspect buildings, processes, and equipment to measure efficiency and identify improvements that can save energy. Federal, local, and utility funding may be available to rural small businesses and agricultural producers for making energy improvements, and an energy audit is often a required step. The cost of an energy audit can vary from about \$5,000 to \$20,000 depending on the size and scope, and can be a significant barrier for businesses. By covering 75 percent of that cost, ODOE hopes more Oregon rural businesses and farms can participate in an energy audit to identify potential improvements and take advantage of USDA and other funding.



# Possible Placeholder Concept Oregon Solar + Storage Rebate Program

## Background and Need for Legislation

The Oregon Solar + Storage Rebate Program was established by the Oregon Department of Energy at the direction of HB 2618, which was passed by the Oregon State Legislature in 2019. The legislation called for the department to adopt a program to provide rebates for the purchase, construction, or installation of solar electric systems and paired solar and storage systems.

Program rebates are issued to participating contractors and are passed on to customers as a reduction in the price of the installed system. The legislature directed the department to make at least 25 percent of the rebate budget available for projects installed for low- and moderate-income residential customers and low-income service providers. Low-income service providers are a specific group of non-residential customers that provide services to individuals and households with low or moderate incomes.

The Oregon Solar + Storage Rebate Program advances Oregon energy policy by helping reduce the upfront costs associated with the purchase and installation of renewable solar energy production and solar energy storage systems, as well as supporting the Oregon solar installer industry. Since the program was established, the Legislature has directed \$17 million to this program, including \$10 million in June 2021 (HB 5606) and \$5 million in March 2022 (SB 5202). As of March 11, 2022, 1,381 projects have either received or reserved rebates in 30 Oregon counties, a state investment of nearly \$2.4 million supporting \$27 million in total project costs.

It is best practice for incentive programs to include a sunset date in statute. HB 2618 included a sunset date of January 2, 2024. This means that the sunset must be lifted for the program to continue through the 2023-2025 budget period. Also, the current staffing for the program will no longer be funded as of July 1, 2023. In order for the current program budget to be expended and for the state to ensure monitoring and verification of project completion, at the very least, the program needs to be funded through the sunset.

## Proposed Solution

The Oregon Department of Energy is considering a 2023 legislative concept that would extend the sunset an additional five years and make the 2.5 full time positions permanent, as this program is part of the effort to meet Oregon's greenhouse gas emissions and energy resilience goals.

## Expected Fiscal Impact

The Oregon Solar + Storage Rebate Program is funded by the general fund, and administrative costs are about 10 percent of the program total budget. To extend the program at its current level, an additional \$5 million GF could be added for the next biennium.

## Contact

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503-510-4473

## Background and Need for Legislation

Since 2021, the state legislature has created new energy programs and Congress has passed the Infrastructure Investment and Jobs Act — investments that will bring state and federal dollars for energy projects to Oregon communities. In many cases, these communities, especially rural and Tribal communities, do not have the resources, time, or capacity to apply for these funds. Language in those new federal and state laws has made it clear that energy dollars should flow to the communities that need them most.

In Oregon, for instance, the Community Renewable Energy Grant Program calls for prioritizing projects in environmental justice communities. The definition for these communities is in HB 2021 (2021). Environmental justice communities: “includes communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth, and persons with disabilities.”

The federal Infrastructure Investment and Jobs Act is being implemented with the Justice 40 Initiative in mind. Justice 40 is a goal calling for 40 percent of federal investments to benefit disadvantaged communities. The initiative defines disadvantaged based “on a combination of variables that may include, but are not limited to, the following:

- Low income, high and/or persistent poverty
- High unemployment and underemployment
- Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
- Linguistic isolation
- High housing cost burden and substandard housing
- Distressed neighborhoods
- High transportation cost burden and/or low transportation access
- Disproportionate environmental stressor burden and high cumulative impacts
- Limited water and sanitation access and affordability
- Disproportionate impacts from climate change
- High energy cost burden and low energy access
- Jobs lost through the energy transition
- Access to healthcare”

These same concerns arise when trying to bring more people from more communities, particularly those that have been traditionally underrepresented, to energy decision-making tables. Whether it’s capacity to serve on a rulemaking advisory committee or study work group or capacity to apply for grant funding, there are obvious barriers for participation for communities. The Oregon Department of Energy’s strategic plan calls for increasing the diversity of the agency stakeholder groups, increasing agency engagement with organizations representing historically and currently underserved populations and communities, and

increasing the percentage of these same populations and communities participating in ODOE programs and services.

## Proposed Solution

In the weeks ahead, the Oregon Department of Energy plans to reach out to environmental justice communities as defined by HB 2021 to see what would help them have the support they need to apply for grant funds or otherwise participate in energy decision-making more often. We hope that these discussions will surface possible statutory proposals that the Oregon Department of Energy can further vet and potentially submit as an agency legislative concept for 2023.

## Expected Fiscal Impact

We anticipate that potential legislative concept ideas could include a request for general fund support.

## Contact

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