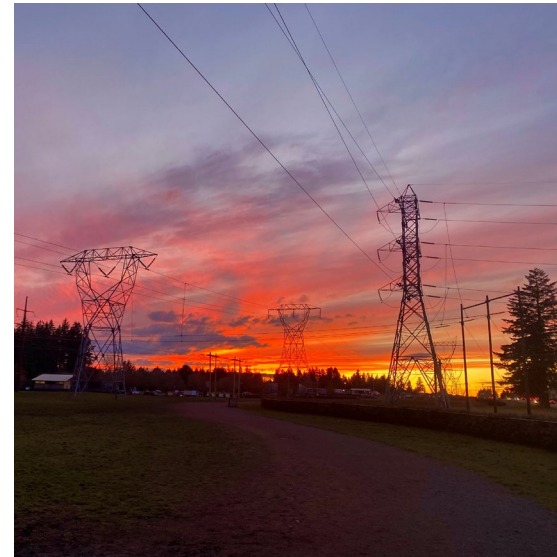


Oregon Department of **ENERGY**

Oregon Energy Strategy Advisory Group Meeting #10

Edith Bayer
May 15, 2025





OREGON DEPARTMENT OF ENERGY

Leading Oregon to a safe, equitable, clean, and sustainable energy future.

Our Mission

The Oregon Department of Energy helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

What We Do

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities

Meeting Objectives

- Recap conversations and written comments received at last meeting
- Describe and collect feedback on changes made since last meeting to policy framing, incorporating comments from the Advisory Group, Working Groups, as well as discussions with agencies
- Gather perspectives and feedback on draft policy actions where there is misalignment or where multiple concerns have been raised



AGENDA

Time	Topic
9:00 – 9:15	Welcome, Agenda, Introductions, Approval of summary of last meeting
9:15 – 10:00	Summary of takeaways from last meeting and updates to policy framing
10:00 – 10:30	Discussion of draft policy actions
10:30 – 10:40	Break
10:40 – 11:50	Discussion of draft policy actions
11:50 – 12:00	Next steps

GROUP AGREEMENTS

- Honor the agenda or modify by agreement.
- Listen carefully; seek to learn and understand each other's perspective.
- Encourage respectful, candid, and constructive conversation.
- Keep an open mind.
- Ask questions to clarify and understand why.
- Be open, transparent, inclusive, and accountable.
- Respect differing opinions.
- Seek to resolve differences and find common ground.
- Be conscious of speaking time; step back to allow space for others to contribute.
- Limit chat conversations.



ADVISORY GROUP MEMBER INTRODUCTIONS



Please introduce yourself
(name, affiliation)



APRIL 23: MEETING NOTES/SUMMARY

Meeting Summary

ODOE Oregon Energy Strategy Advisory Group Meeting #9; April 23, 2025

Attendees

Present Advisory Group members: Cassandra Jackson, Charity Fain, Christine Golightly, Cory Scott, Elaine Prause, Emily Griffith, Erin Childs, Fred Heutte, Ivy Quach, Jason Heuser, Jeff Hammarlund, Jimmy Lindsay, Jennifer Hill-Hart, Joshua Basofin, Lauren Link, Mary Kyle McCurdy, Mary Moerlins, Nate Hill, Patrick Mills, Rakesh Aneja, Rebecca Smith, Robert Wallace, Scott Simms, Shannon Souza, Tucker Billman.

Oregon Department of Energy staff: Alan Zelenka, Anne Thrall-Nash, Edith Bayer, Jessica Reichers, Jillian DiMedio, Joni Sliger, Josh Price, Mary Kopriva, Lauren Rosenstein, Michael Freels, Rob Del Mar, Ruchi Sadhir.

Consultant team: Ben Duncan (Kearns & West), María Verano (Kearns & West)

Members of the Public in Attendance: 3

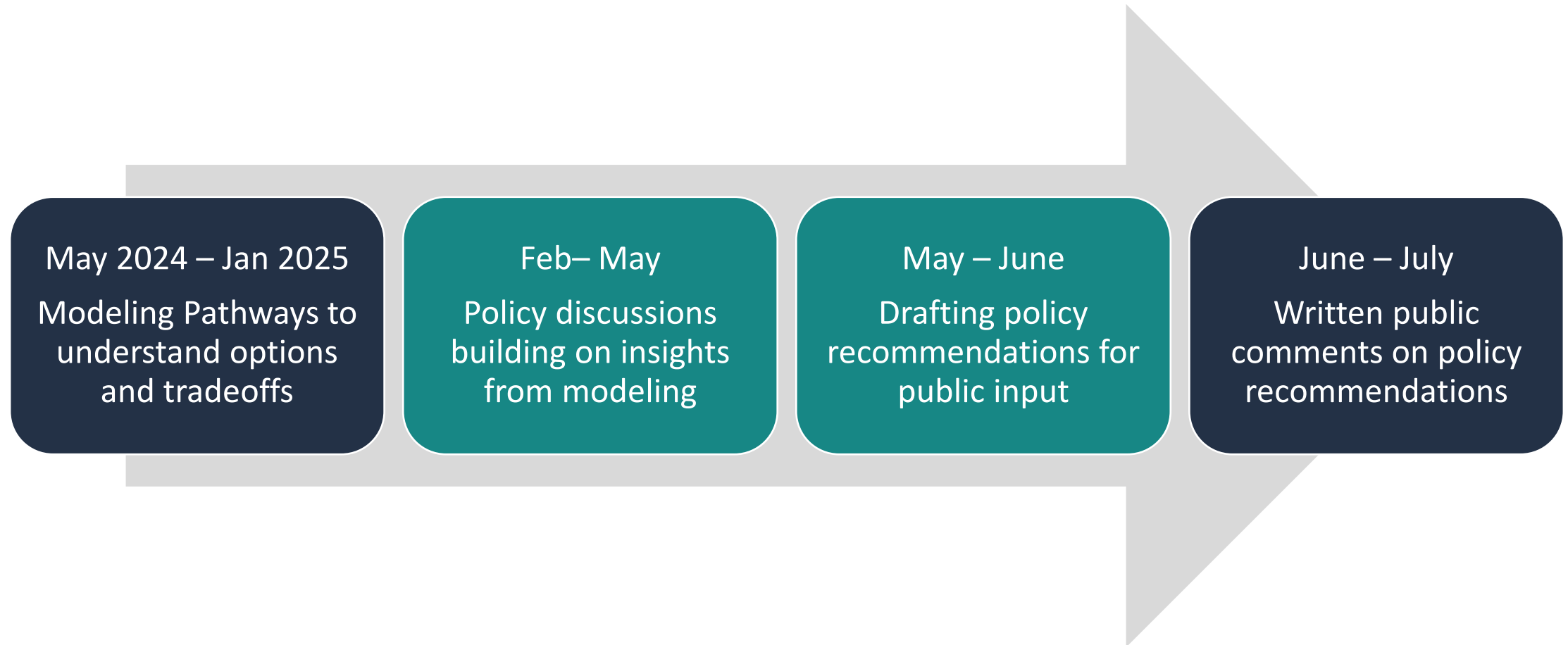
Welcome and Agenda Review

Ben Duncan (Kearns & West) and Edith Bayer (ODOE) opened the meeting, and thanked AG members for joining virtually and in person. Edith reviewed the meeting objectives to

- provide an update on the Energy Strategy process, including Energy Wallet results, and
- collect feedback on emerging policy framing for the strategy and ideas for policy actions.

Update on Process

TIMELINE



WORKING GROUP DISCUSSIONS

Meeting 1

- Plenary. Focus on **key model findings**.

Meeting 2

- Breakout. Focus on **barriers** relating to the direction indicated by model findings.

Meeting 3

- Breakout. Focus on **strategies** to address barriers.

Meeting 4

- Breakout. Focus on **policy actions** growing out of discussion of barriers and strategies.

Meeting 5

- Plenary. 5/21. Will focus on **summary of discussions** across working groups.

Updates to Policy Recommendations Structure

SOME TAKEAWAYS FROM LAST MEETING

Comments on Energy Strategy priorities overall

- E.g., importance of highlighting energy efficiency, planning for a region-wide energy system, affordability and cost allocation, resilience and resource adequacy

Comments on high-level strategy drafting

- E.g., distributed energy resources should be framed broadly, provide more clear and decisive language for the Strategy's approach to energy efficiency and building electrification, as well as clean electricity and transmission

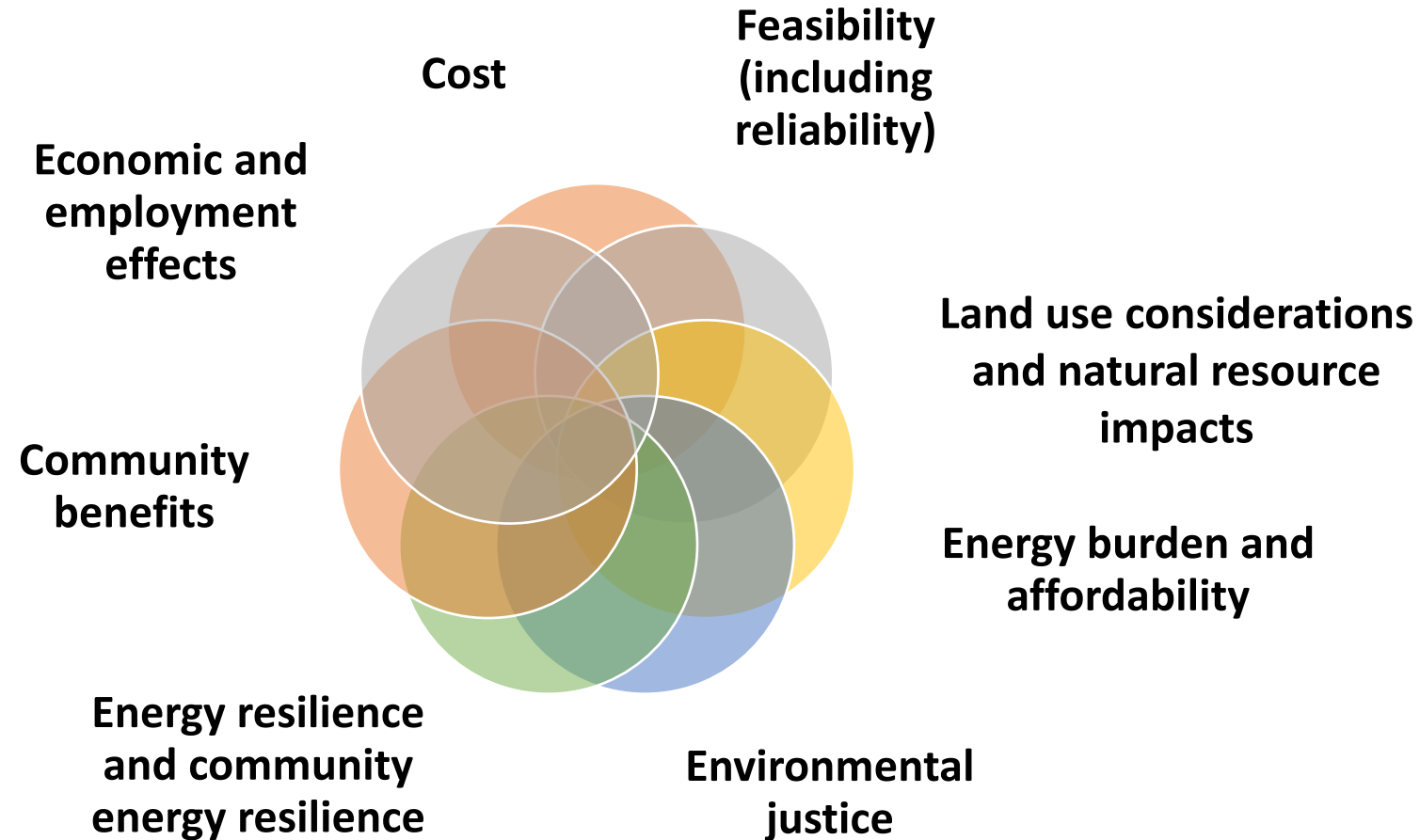
Comments on recommendations

- E.g., more precisely address regional coordination in electricity and transmission, explicitly address equity in buildings

Interest in more specific, actionable policy actions

- E.g., include cross-fuels planning, provide community-led pathways for DER development, provide demonstration project funding for low-carbon fuels

KEY CONSIDERATIONS



WHAT IS A STRATEGY?



Each strategy represents the **direction** that Oregon needs to pursue to meet our energy policy objectives. These objectives include: reliability, affordability, resilience, and climate.

Strategies are framed as *directional*, drawing on results from the energy strategy *modeling*, as well as from *engaging with our partners*. They are organized around key elements/pillars of Oregon's energy system, such as electricity generation and energy efficiency, and account for the interactions between each pillar.

Strategies do not set a concrete goal, such as achieving a certain pace or scale of electrification or resource build-out. Rather, the strategies are meant to guide our state over time.

STRATEGIES – GROW OUT OF MODELING KEY FINDINGS AND ENGAGEMENT

To meet its energy policy objectives, Oregon must build on and advance policies that support the following six strategies:

Strategy 1

Energy efficiency and electrification of buildings

Strategy 2

Electrification of transportation and reducing vehicle miles traveled

Strategy 3

Distributed energy resources, including solar PV, distributed batteries, and flexible electric loads

Strategy 4

Clean electricity

Strategy 5

Low-carbon fuels

Strategy 6

Resilience – including at utility scale, community, and customer levels

Implementation of each strategy must consider burdens and benefits to environmental justice communities, applying an equity lens to prevent further disproportionate impacts to historically and currently marginalized communities.

RESILIENCE – INCLUDING AT UTILITY SCALE, COMMUNITY, AND CUSTOMER LEVELS

1. Evaluate cross-fuel interdependencies and build on existing processes to better align planning to optimize cross-fuel operations.
2. Support community-led efforts to enhance local resilience.
3. Promote adoption of small-scale rooftop solar and battery storage systems to support energy resilience for households and small businesses, especially in rural communities.

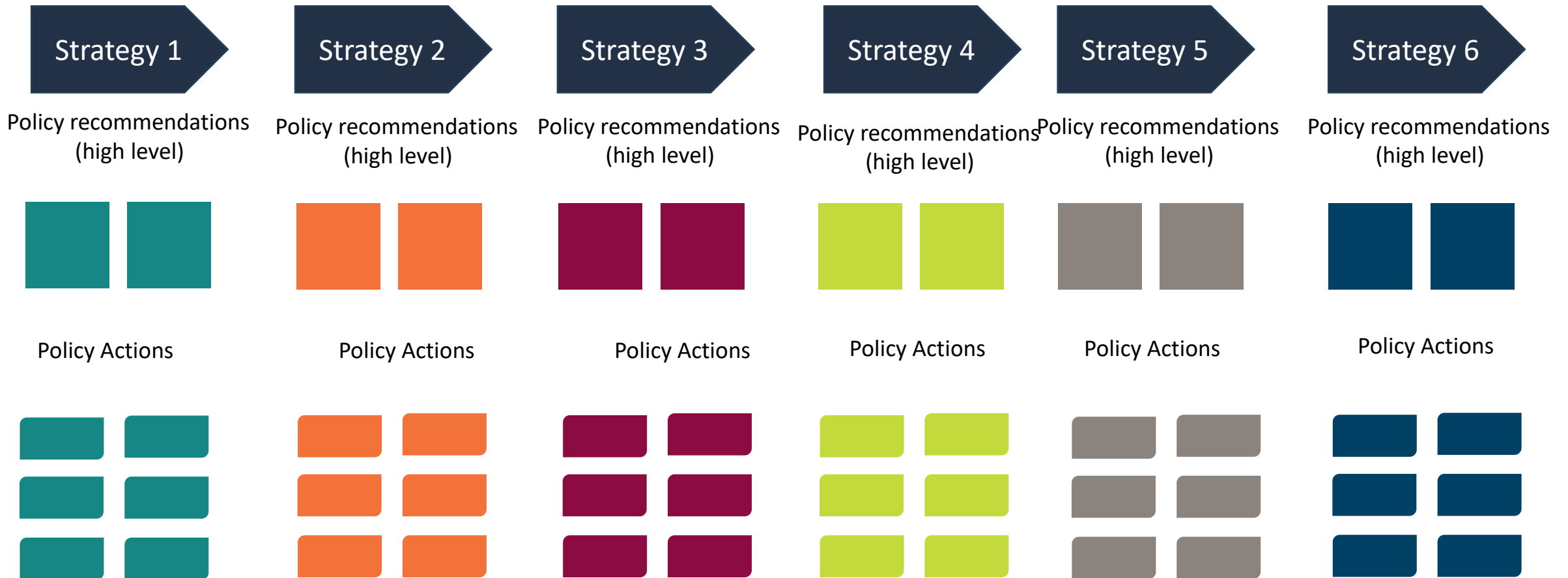


Environmental justice and equity concepts and best practices as an umbrella to use as a tool for lawmakers while developing energy policy.



Embed specific and explicit environmental justice concepts and best practices in policies.

HOW THIS FITS INTO PROPOSED REPORT STRUCTURE



Policy Actions

FRAMING POLICY ACTIONS

- ▶ Policy actions are meant to be specific, measurable, and achievable
- ▶ They serve to overcome specific barriers that have been identified with help from engagement process

There are four “flavors” of policy actions

- Build on existing programs/authority
- Create a new policy or program
- Broader state direction/support
- Further study to help inform decisions



FRAMING OUR DISCUSSION

- **Specific policy actions:** we will bring a few specific policy actions that were informed by policy working group discussions and other engagement where we would like your input. Focus on areas where we see misalignment or hard questions being asked.
- **Strategic thinking behind policy actions:** highlight areas where we have been working to come up with recommendations but are finding difficulty in defining clear path.

Question For Discussion

How might we maximize benefits and mitigate risks of policy actions?



CONSIDERATIONS WHEN THINKING THROUGH...

- Does this policy action address the intended barrier? If not, what revisions should be made to better align the action with the barrier?
- What benefits or risks do you see relating to:
 - Cost
 - Feasibility
 - Energy burden
 - Environmental justice
 - Land use
 - Resilience
 - Community benefits
 - Economic impacts
 - Employment
- Can this be accomplished with existing resources? What is needed?



Integrating Gas and Electricity Planning

Integrate electric and natural gas resource planning to support a timely and orderly shift to electricity and clean fuels that prioritizes an equitable transition and explicitly includes environmental justice communities.

Challenges/Barriers:

- There is not a long, established history of dual-fuel planning across different service territories, customer bases, and different utility resources/staffing capacity. Current utility and BPA planning process, including those subject to review at OPUC, were not designed to facilitate this sort of coordination.
- Lack of existing process for utility-to-utility(ies) coordination to occur (note added complexity of IOU and COU territories).
- Both the electricity and natural gas systems face challenges with increasing loads and extreme weather.
- The energy transition requires coordination across sectors, particularly given the growing role of electrification.

Expected function and outcomes:

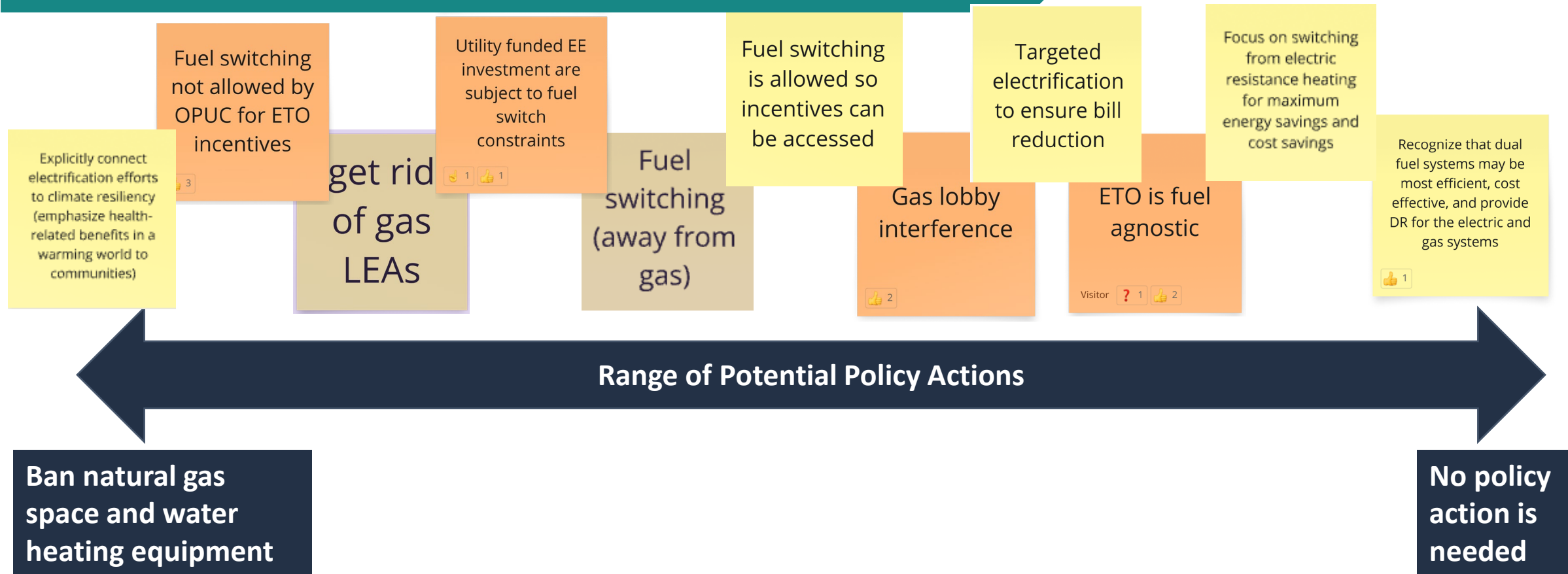
- Enhance reliability and reduce costs through better operations across systems.
- Help inform utility investments by highlighting opportunities of highest value for natural gas-powered electricity, non-emitting electricity, and other fuels.
- Greater visibility to navigate a managed transition that minimizes stranded assets.

Risks:

- Complicates an already elaborate long term planning process.
- Adds work for many utilities, not all of whom may have sufficient internal staff for additional responsibility.
- Could require additional information sharing, even at a customer level, that will need reasonable protections.

BALANCING DIVERSE NEEDS AND VIEWPOINTS

Building Electrification – Residential Gas Heating Appliances



Buildings Efficiency and Electrification

Modify the Oregon Residential Specialty Code to require increased envelope efficiency measures if electric resistance or natural gas is used for primary space heating systems.

Eliminate incentives for natural gas space and water heating equipment that is used as a primary heating source.

Challenges/Barriers:

- Today, households in Oregon rely on electricity, natural gas, propane, and other fuels for heating.
- Energy efficiency and adoption of efficient electric heat pumps are essential strategies to reduce the carbon footprint of homes in line with state policies, but current policies do not set a clear direction to guide investment in buildings.
- Some households may prefer to continue to heat with less efficient electric or fossil fuel technologies, reducing their efficiency and making emission reductions more challenging to achieve.

Expected function and outcomes:

- Set a clear direction towards decarbonizing buildings that focuses on both efficient electric heat pumps and stronger building envelope measures where less energy efficient technologies are installed.
- Shift homes to the most efficient technologies over time.
- Leave space for a diversity of technologies and fuels for backup systems for resilience.

Risks:

- Increased monthly costs for some households adding heat pumps.
- Near-term reliability concerns on electricity systems.
- Reducing a key source of revenues for natural gas companies.

10 MIN BREAK

Carbon Risk of New Large Loads

Extend HB 2021 clean energy requirements to new large loads.

Challenges/Barriers:

- Significant load growth expected from tech loads in utility service territories not covered by HB 2021 (over 1 aGW by 2029).
- Many non-HB 2021 entities have very low emissions currently, as consumer-owned utilities receive much, if not all, of their power from the Bonneville Power Administration. However, federal law prohibits BPA from serving certain new large loads, which could potentially include many new tech load facilities.
- This raises concern over a jump in Oregon's overall emissions profile (if served by unspecified market purchases, this could exceed 4 MMtCO₂e or >20% of 2023 electricity emissions).
- The expected load growth contributes to a regional concern about resource adequacy.
- Emissions reporting itself is already required for all Oregon utilities, but not by any tech loads.

Expected function & outcomes:

- Mechanism to mitigate the risk of rising emissions in non-HB2021 territories.
- Provide clear regulatory signal to new large loads that is consistent with Oregon's economywide decarbonization goals.
- Could support additional development of specified renewable and non-emitting resources.

Risks:

- Lost economic opportunities – new large loads may be deterred from locating in Oregon.
- Potential additional complexity and administrative burdens for utility serving each new large load.

Transmission Development

Establish a new state entity to, at minimum, engage in statewide transmission planning, establish designated transmission corridors, and lead regional engagement efforts on transmission, all with a responsibility to explicitly utilize an environmental justice and energy justice lens and equitable processes through meaningful community engagement to prioritize environmental justice and impacted communities.

Challenges/Barriers:

- There is insufficient transmission capacity to meet forecasted electricity demand and clean energy goals.
- Transmission constraints are a significant barrier to developing and accessing non-emitting electricity supply.
- Developing transmission is expensive, and the development process for even one line can take many years.

Expected function & outcomes:

- Participate in existing transmission planning processes on behalf of state.
- Identify and designate areas for additional transmission development (corridors); assist in applicable siting and permitting processes.
- Potential other responsibilities as assigned.

Risks:

- Must minimize any duplication of existing workstreams.
- May contribute to bureaucracy of development if not adequately focused on removing barriers.

Funding Med. & Heavy-duty Vehicle Electrification

Create a dedicated Medium- and Heavy-Duty Vehicle Electrification Fund to accelerate Oregon's transition to MHD zero-emission vehicles. The fund shall provide sustainable, long-term state investment to support: 1) fleet adoption of MHD ZEVs through vehicle purchase incentives, 2) deployment of public and depot ZEV charging and fueling infrastructure, and 3) customer-side distribution system upgrades needed to support high-capacity BEV charging, particularly for commercial fleet operators and transit agencies.

Challenges/Barriers:

- ZEVs are more expensive than ICE vehicles and upfront cost is a barrier for many who wish to electrify.
- Lack of charging and fueling infrastructure is a major barrier to vehicle electrification.
- ZEVs, infrastructure, utility upgrades are all expensive with limited state funding invested.
 - Current efforts heavily reliant on federal funding; cannot use state highway funds for infrastructure.
- Infrastructure needs to be in place 2-3 years prior to EV adoption to gain consumer confidence.

Expected function & outcomes:

- This would be dedicated source of funding to MHD electrification, replenished annually.
- Reliable, consistent funding would reduce the upfront cost burden and enable rapid deployment of charging and fueling infrastructure.

Risks:

- Funding source not yet identified
- The wrong funding source could pull funding away from other areas of need
- Will increase workload for state agencies that manage these funds

Hosting Capacity Maps

Require IOUs to publish and maintain interactive, circuit-level Hosting Capacity Maps (HCMs) showing available capacity for EV charging infrastructure, building electrification, distributed generation, and battery storage. The state should establish uniform standards for data formats and granularity, visualizations tools, and public access protocols.

Challenges/Barriers:

- Lack of information on grid capacity increases cost and timeline of infrastructure deployment.
- Many public and MHD charging stations have large capacity requirements.
 - Finding an ideal site location is a challenge.
- Infrastructure needs to be in place 2-3 years prior to EV adoption to gain consumer confidence.

Expected function & outcomes:

- This would increase grid transparency and provide vital information to project developers.
- Up-to-date capacity information will accelerate infrastructure deployment.

Risks:

- May require significant resources from utilities to comply and/or PUC to manage
- The wrong data standards may decrease map utility (e.g., a map that is not updated frequently enough is not useful)
- Cybersecurity threats

QUESTIONS FOR DISCUSSION

- How might this policy action affect your organization or the industry you represent?
- Can this be accomplished with existing resources? What is needed?
- Does this policy action address the intended barrier? If not, what revisions should be made to better align the action with the barrier?
- What benefits or risks do you see relating to:
 - Cost
 - Feasibility
 - Energy burden
 - Environmental justice
 - Land use
 - Resilience
 - Community benefits
 - Economic impacts
 - Employment
- How might we leverage these benefits or mitigate these risks?



FACILITATE ENERGY DEVELOPMENT

Key theme: There are many concerns with existing siting and permitting processes

Draft policy actions we discussed included:

- Explore opportunities to facilitate low-carbon intensity fuel production facilities in Oregon
- Conduct a statewide land-use inventory, update the current land classification, and establish a database of lands suitable for various types of renewable energy and low-carbon fuel development projects

Question:

- How can the Energy Strategy best advance solutions or otherwise move this conversation forward? Where do you see the biggest barrier or solutions?

BROADER CHALLENGES – REDUCTIONS IN FEDERAL FUNDING; UNCERTAIN SUPPLY CHAIN AND COSTS

Policy actions floated:

- Green bank (or similar mechanism) to shift from grants to loans for able-to-pay
- Transportation – defining sustainable sources of funding
- More broadly – even if pace slows, how to maintain reliability and focus on energy transition?

Questions for AG:

- Are there other opportunities to build more funding and supply chain resilience?
- What would be helpful to see in the Energy Strategy?

BROADER CHALLENGES – LEGISLATIVE UNCERTAINTY

Issues:

- We are in session, with results uncertain until after we publish policy ideas
- Some draft policy actions are duplicative of current bills and may be removed if the bills pass.
- Federal activity seeking to remove California's waiver, Energy Star, other pillars of energy transition

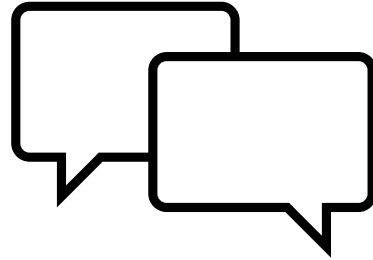
Questions for AG:

- How can Energy Strategy signal a continued path?

NEXT STEPS

- ODOE will be evaluating information received and drafting
- Webinar and draft for public comment – mid- June
- Next meeting June 18

OPPORTUNITIES FOR PUBLIC COMMENT



Provide written public comment

<https://odoe.powerappsportals.us/en-US/energy-strategy/>

A photograph of a wind farm with several turbines on a grassy hill under a blue sky with wispy clouds. The text 'Thank You!' is overlaid in the center.

Thank You!

<https://www.oregon.gov/energy/Data-and-Reports/Pages/Energy-Strategy.aspx>