Oregon Energy Strategy Summary
Draft Recommendations for Public Comment

Guidance for the Draft Recommendations

The following document summarizes the draft policy recommendations for the Oregon Energy Strategy. A complete Oregon Energy Strategy draft is available online. The Oregon Department of Energy is seeking feedback on the draft recommendations to inform our final Oregon Energy Strategy report, due to the Governor and Legislature by November 1, 2025.

Please provide input through our online comment portal by 5 p.m. on September 22, 2025: https://odoe.powerappsportals.us/en-US/energy-strategy/

Introduction

In 2023, HB 3630 directed the Oregon Department of Energy to develop a state energy strategy and to submit a final report to the Governor and Legislature by November 1, 2025. That report must: (1) summarize the state energy strategy and pathways to achieving the state's energy policy objectives; (2) describe the department's engagement process and how perspectives informed the energy strategy; and (3) recommend legislation or changes to policy necessary to implement the state energy strategy.

HB 3630 does not define Oregon's "energy policy objectives." However, it includes criteria that require consideration for how Oregon meets its clean energy policy objectives while protecting affordability and reliability. This includes meeting the goals in HB 2021, the Climate Protection Program, and in Executive Order 20-04. There are many other policies driving Oregon's energy transition. While the energy strategy does not list or serve to interpret the nuances of Oregon's many energy policies, the modeling and public engagement considered statutory targets and goals and aimed to support consistency and compliance with existing law.

Input and Engagement

Oregon's Energy Strategy has been informed by a robust public engagement process. This included information sharing and comments about technical modeling from May 2024 – December 2024 (Phase 1), followed by engagement to inform development of the policy recommendations from February 2025 – May 2025 (Phase 2). Through these phases, ODOE sought and incorporated input regarding the data and assumptions of the energy strategy; perspectives on policy priorities, challenges, and opportunities from a diverse range of interests and backgrounds; and comments from members of the Advisory Group, Inter-Agency Steering Group, Working Groups, and the public. ODOE has published a comprehensive summary of the input received during Phase 1 of the strategy development and will publish a comprehensive summary of Phase 2 along with the final report. Copies of public comments and recordings from public meetings are available on ODOE's website. ODOE also reached out to the nine federally recognized Tribes in Oregon through formal government-to-government letters, staff-to-staff discussion, and individual in-person or virtual meetings with Tribal leaders and staff.

Context for the Energy Strategy

Energy is the foundation of modern life. It powers cars, heats homes, and supports our economy. Building and maintaining energy infrastructure requires investment, and that infrastructure affects local communities, cultural resources, and the environment. The energy sector is responsible for most of

Oregon's greenhouse gas emissions, which negatively affect air quality and public health.[1] These effects have disproportionately impacted some more than others — environmental justice communities in particular — and continue to do so today.[2]

Oregon policymakers have enacted laws, programs, and regulations to move Oregon toward cleaner, more sustainable sources of energy. Some of these policies have been in place for decades, while others have been enacted recently. Together, Oregon's energy policies are transforming the energy system toward clean energy to power our homes, transportation systems, businesses, and industry. Yet until now, Oregon has not had a clear vision for how the various pieces come together. The energy strategy serves to provide that vision and set a shared direction for how Oregon decarbonizes its energy system across the economy.

The energy transition requires an understanding of today's needs and challenges and a vision of how to steer near-term decisions to achieve long-term outcomes. Oregon's long-term vision includes a high quality of life, strong economy, and responsible stewardship of natural and working lands, waters, and cultural resources. These outcomes rely on successfully navigating a transition from fossil fuels to clean sources of energy in our electricity, transportation, buildings, industry, and agriculture sectors while maintaining energy affordability and reliability. They rely on successfully advancing equity and inclusion of disadvantaged and underrepresented communities to ensure that they are not disproportionately burdened by new energy development and can benefit from the clean energy transition. Meeting our goals requires a recognition that addressing Oregon's energy needs will have a footprint, so they should include a commitment to seeking least-regrets solutions wherever possible to minimize costs and maximize benefits.

This is Oregon's inaugural energy strategy. ODOE recommends updating the Energy Strategy every four years to enable it to have a near-term, actionable focus, and to provide opportunities for updates and course corrections over time to keep Oregon on track to meet its long-term goals.

Nine Federally Recognized Tribes: Feedback and Themes

Through the engagement process, ODOE reached out to the nine federally recognized Tribes through formal government-to-government letters, staff-to-staff discussion, individual in-person or virtual meetings with Tribal leaders and staff, and presentations through the Legislative Commission on Indian Services and cluster groups. ODOE heard concerns about how existing energy systems overlook tribal sovereignty, cultural knowledge, and priorities, as well as support for incentive programs that can help tribal members shift to clean energy and energy efficient opportunities.

In the draft report, ODOE is not including any specific priorities of Tribes or a level of detail that would run counter to our government-to-government process. Rather, staff have synthesized feedback and are reflecting what was heard through these themes so it could be internalized and applied in the development of the Oregon Energy Strategy. As policymakers consider policies and actions to move Oregon forward on the five pathways in the Oregon Energy Strategy, the themes and synthesis below should be considered and incorporated into the design of programs and regulations.

Energy Independence & Sovereignty

For many Tribes, energy sovereignty, the ability to control and determine their own energy infrastructure and priorities, is essential to self-determination and long-term resilience. Oregon should

[1] Oregon Department of Environmental Quality. (2024). Oregon Greenhouse Gas Sector-Based Inventory Data [Dataset]. https://www.oregon.gov/deq/ghgp/Pages/GHG-Inventory.aspx.

[2] HB 4077 defines "environmental justice community" and defines frames the work of the Environmental Justice Task Force. https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4077/Enrolled.

consider actions, including establishing a Tribal Energy Block Grant Program and support for community-scale energy projects and microgrids to support tribal energy sovereignty and resilience.

Affordable Energy Options

Energy affordability also remains a major concern. Oregon can support more affordable energy options by working with utilities and Tribes to align investments with affordability needs, including through rate design or shared infrastructure projects. Expanding funding for energy efficiency and weatherization programs for tribal households is also critical. The State can further support Tribes by coordinating technical assistance and making it less administratively burdensome to access funding for clean energy upgrades.

Access to Decision Making

There is strong concern in lack of meaningful inclusion of Tribes in energy decision making. Tribes are often brought into conversations only after policies or projects have already been developed. This approach disregards the Tribes' sovereign status and misses critical opportunities to incorporate cultural and ecological perspectives early in the planning process. Oregon should continue to develop state-level processes that require engagement with tribal representatives at the earliest stages of energy-related work, during idea generation, before decisions are finalized or public comment periods begin.

Stabilization of Funding Cycles

One of the most persistent challenges facing tribal energy development is the instability of federal and state funding. Short-term, competitive, one-time-funded grants often require significant administrative time. This cycle creates uncertainty and hinders long-term planning. Oregon should take steps to stabilize funding by setting aside a minimum percentage of funds for Tribes in energy incentive and grant programs, shifting from competitive awards to formula-based allocations when possible, and designing programs with multi-year funding structures.

Consultation, Cultural, and Natural Resources Values

The protection of cultural and natural resources remains a critical component of energy work with Tribes. Traditional Ecological Knowledge (TEK), sacred landscapes, and culturally significant sites are often left out of state energy planning and infrastructure decisions. Consultation processes are inconsistent across agencies and often do not meet Tribes' expectations or legal requirements. Oregon should build on the work of the Governor's Tribal Consultation Task Force to develop standardized consultation procedures that reflect each Tribe's unique protocols, establishes clear timelines, and protects sensitive information.

The full draft strategy includes other examples of steps the state can take to engage with and support tribal priorities.

Equity and Justice Framework

To create equitable strategies for accomplishing our state's climate and energy goals, it is important to recognize there are disparities in how people in Oregon experience benefits from or are burdened by our energy system. For example, Oregonians who are energy burdened spend a greater proportion of their annual household income on home energy costs. Factors including age and income can affect vulnerability to climate impacts. Of the 116 confirmed deaths from the 2021 heat dome, the majority of people were older than 60, living alone, and without access to air conditioning in their homes. The 2020 Labor Day fires destroyed more than 1,700 mobile or manufactured homes and the financial security of

many community members, many of whom still do not have permanent replacement housing five years later.

As part of the Oregon Energy Strategy, the Equity and Justice Framework serves to guide decision-making processes and deliver improved outcomes by reducing burdens and expanding access to benefits. This includes reducing the disproportionate costs of energy burden, negative health effects from energy-related pollution, and impacts of infrastructure development on natural and working lands, rivers, lakes, and coastal waters. It also serves to improve resilience against extreme weather, broaden access to technologies that improve resilience, health, and safety, and ensure access to workforce training and jobs. The Environmental Justice and Equity Policy Working Group informed the development of the Equity and Justice Framework.

The Equity and Justice Framework presents six key approaches for decisionmakers to consider to advance the goals of meaningful involvement and equity when crafting and implementing energy policy. These have been developed in consultation with an Environmental Justice and Equity Working Group. They build on ongoing efforts and identify needs to ensure meaningful participation and outcomes for environmental justice communities.

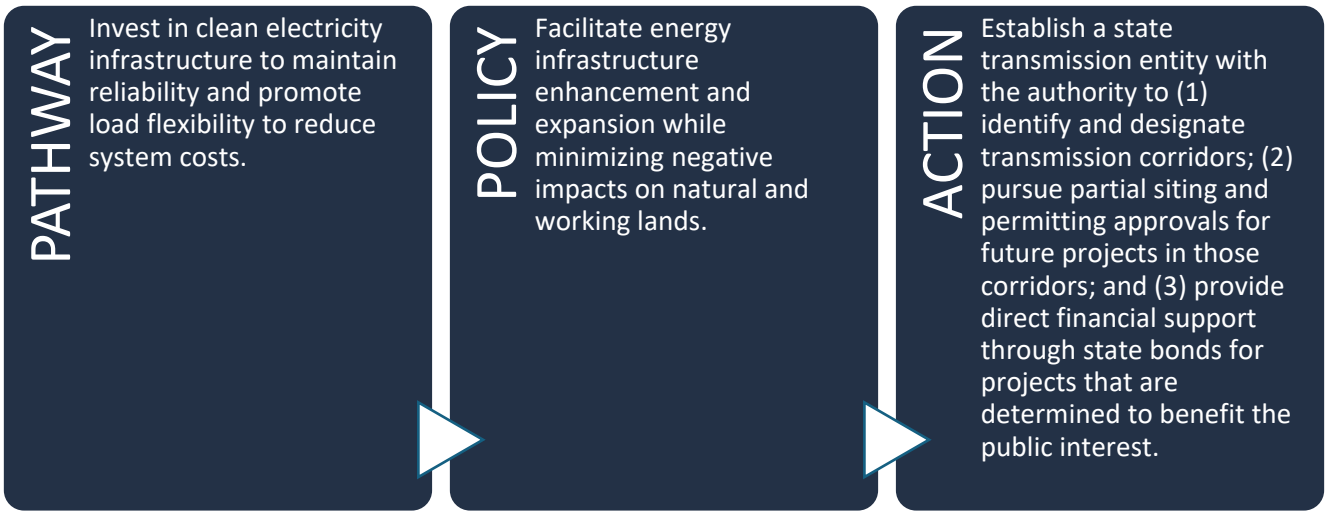
1. **Provide equitable access to decision-making processes.** Ensure that all policies and programs to develop energy infrastructure are designed so environmental justice and energy burdened communities have equitable access to meaningful involvement in decision-making processes and bodies.
2. **Ensure equitable access to infrastructure development processes.** Design policies and programs to deliver equitable access to clean technologies and measures for environmental justice and energy burdened communities, recognizing that these solutions often deliver multiple benefits including clean energy, resilience, health, and affordability.
3. **Invest in long-term incentive programs for environmental justice communities.** Develop statewide prioritization criteria for energy funding and assistance to reduce barriers for people in environmental justice communities and provide increased and stable funding and financing opportunities.
4. **Promote holistic workforce development in environmental justice communities.** Develop and expand trainings, apprenticeships, and continuing education programs for salespeople, contractors, tradespeople, and landlords in relevant incentive programs to include cultural responsiveness, familiarity with new technologies, and tools to promote overall benefits in environmental justice communities.
5. **Develop partnerships and resources in environmental justice communities.** Provide community outreach and informational opportunities that include in-person engagement, and resources/tools that use plain/accessible language and are in multiple languages. Partner with community organizations and provide training and compensation. Consider opportunities to collaborate with cities and counties.
6. **Consider the effects of energy policies on natural and working lands, cultural resources, and the broader environment.** Balance energy needs with the needs of ecosystems and cultural priorities. Minimize harm to both communities and nature and ensure that environmental burdens and benefits are distributed equitably, without disproportionately impacting environmental justice communities.

Organization of Recommendations

Recommendations are structured as **Pathways → Policies → Actions**.

- **Pathways** define direction that Oregon needs to pursue to meet our energy policy objectives, and are meant to guide decisions over time.
- **Policies** build on the pathways and provide more specificity to frame the context for near-term actions and decisions over time.
- **Actions** are near-term legislative and policy recommendations that focus on the next four years, addressing existing barriers and needs while delivering progress on the pathways and policies.

Figure 1. Example of a Pathway, Policy, and Action



Five Pathways and Policies to Deploy the Pathways

Following the technical analysis/modeling and public engagement, ODOE has put forth five pathways representing the direction Oregon needs to go to meet its energy policy objectives – including an energy transition that will deliver clean, reliable, and affordable energy to all Oregonians. While the pathways work together to define high-level direction for the state, more specificity is required to set a framework for action. Policies serve to advance the five pathways by providing more detailed direction for Oregon. Similar to pathways, the policies are meant to provide a long-term framework for the development of near-term actions.

1. Energy Efficiency. Advance energy efficiency across buildings, industry, and transportation sectors, including by expanding access to and appeal of multimodal transportation options, to deliver the benefits of a more efficient energy system.

POLICIES
1a. Deliver energy efficiency and conservation improvements in existing and new residential and small commercial buildings to align with state decarbonization goals. Prioritize programs to serve low- and moderate- income and energy burdened households.
1b. Evaluate and promote opportunities to improve energy efficiency in large commercial and industrial sectors.
1c. Prioritize policies and increase support for programs that expand access to multimodal transportation options – including public transit, biking, and walking infrastructure – and promote development patterns that make it easier and more appealing for people to live, work, and access services without relying on a personal vehicle.

2. Electrification. Increase electrification of end uses across the economy, including in transportation, buildings, and industry, while incorporating measures to safeguard reliability and support affordability.

POLICIES
2a. Advance and expand efforts to electrify transportation, with a focus on removing barriers to ensure the state meets its zero-emission vehicle goals.
2b. Facilitate and accelerate the interconnection of EV charging infrastructure and related distribution system upgrades to enable faster deployment, lower costs and complexity, and improve grid readiness.
2c. Promote strategic electrification across the residential, commercial, and industrial sectors by aligning policies and investment to deliver affordable, reliable, and clean energy.

3. Clean Electricity. Invest in clean electricity infrastructure to maintain reliability and promote load flexibility to reduce system costs.

POLICIES
3a. Facilitate energy infrastructure enhancement and expansion while avoiding, minimizing, and mitigating negative impacts on natural and working lands.
3b. Enable consumers to support grid needs by shifting the timing of electricity consumption for flexible loads like EVs or water heaters.
3c. Consult and engage with Tribes to understand their concerns around energy development and to identify opportunities where state policies, funding, and programs can support tribal priorities while minimizing the effects of development on environmental and cultural resources.

3d. Collaborate with neighboring states and regional entities to address Oregon's needs as part of a regional grid.

4. Low-Carbon Fuels.

Advance the use of low-carbon fuels in the hardest-to-electrify end uses to achieve GHG emissions reductions while maintaining industry competitiveness and a reliable electricity grid.

POLICIES
4a. Foster development and expansion of low-carbon fuels and fuel infrastructure in Oregon to serve the hardest-to-electrify sectors in Oregon as a strategic resource, while mitigating environmental and community impacts.
4b. Support low-carbon fuel adoption in the hardest-to-electrify sectors including aviation, rail, marine transport, long-haul trucking, agriculture and off-road equipment, high-heat industrial processes and resources that support electric system reliability.
4c. Support a managed fuels transition that minimizes stranded assets as end-uses electrify, identifies opportunities to leverage existing infrastructure and expertise to support clean fuel alternatives, and encourages technological innovation to advance new opportunities.

5. Resilience.

Strengthen resilience across all levels of the energy system, including utilities, communities, and customers, enhancing Oregon's ability to adapt to climate change and mitigate other risks.

POLICIES
5a. Evaluate cross-fuel interdependencies and vulnerabilities to better ensure long-term reliability of the electric grid. This specifically includes strengthening coordination of electricity and natural gas system planning and exploring other cross-fuel areas requiring strategic coordination.
5b. Fund resilience measures across the energy system, including at utility scale and in homes, businesses, and communities through a combination of ratepayer and taxpayer dollars, particularly where climate adaptation measures can also help advance climate mitigation.
5c. Maintain emergency response capabilities, including the adaptability and readiness of vehicles, supply of fuels, and fuel storage needs during the energy transition.

Legislative and Policy Actions

This section identifies near-term actions that build on existing policy frameworks, serve to overcome barriers, will lay a foundation for continued progress over time. These actions will involve partnership among many organizations and individuals with the State to accomplish. Each action advances one or more pathways and policies, and requires application of one or more approaches from the equity and justice framework.

Transportation

1. Establish a dedicated, sustainable, and long-term state revenue source to support the rapid deployment of zero emission vehicle charging and fueling infrastructure across the state.
2. Establish a Climate-Aligned Transportation Funding Task Force to review Oregon's transportation funding mechanisms for alignment with the state's energy and climate policy priorities and make recommendations.
3. Implement a Road Usage Charge program for all light-duty passenger vehicles to stabilize transportation funding and support accelerated adoption of zero emission vehicles.
4. Increase funding for the Zero-Emission Incentive Fund and create a stable, long-term revenue source for the Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund to accelerate the adoption of light-, medium- and heavy-duty ZEV statewide.
5. Increase statewide support for public and active transportation in Oregon by expanding the statewide payroll tax to fund transit and boosting investments in Safe Routes to School and Great Streets at levels that reflect the scale of community needs.
6. Establish a statewide incentive program for both standard and cargo e-bikes, with enhanced incentives and prioritization for income-qualifying Oregonians to ensure equitable access to clean, affordable transportation options.
7. Expand local governments' authority to generate and direct transportation revenues toward climate-aligned transportation infrastructure that meets local needs and priorities.
8. Develop a strategic roadmap to guide the deployment of medium- and heavy-duty zero emission vehicles in Oregon, co-led by the Oregon Department of Transportation and Department of Environmental Quality, with support from the Oregon Department of Energy. The roadmap should include a technology readiness and feasibility assessment, as well as a statewide infrastructure needs assessment. Funding should be allocated to support its development.
9. Establish a statewide technical assistance program to support public and private fleets in planning and executing a successful transition to zero-emission vehicles (ZEVs).
10. Require IOUs to publish and maintain interactive, feeder-level Hosting Capacity Maps (HCMs) showing available capacity for EV charging infrastructure, building electrification, distributed generation, and battery storage.
11. Establish a multi-agency working group to develop regulations and minimum standards for public heavy-duty hydrogen refueling infrastructure in Oregon. This group should address key elements such as technical specifications, safety protocols, fuel quality standards, consumer protection measures, and streamlined permitting processes to ensure that stations are safe, reliable, and accessible. The working group should also establish targets for the carbon intensity of hydrogen supplied at fueling stations and recommend inclusive processes for community engagement in station siting decisions to align with Oregon's climate and equity goals.
12. Amend DEQ's Clean Fuels Program to extend Advance Crediting eligibility to high-mileage private fleet operators – such as delivery, ride-hailing, logistics, and service fleets – whose vehicles operate predominantly in Oregon.

Buildings

1. Advance strategic electrification in buildings in conjunction with other measures that support state decarbonization and resilience goals reliably, affordably, and equitably. Direct the Oregon Department of Energy to develop a building decarbonization roadmap with recommendations to advance strategic electrification and other decarbonization measures, and as necessary, to provide data and analysis on building decarbonization to inform policies and programs.

2. Update existing energy efficiency and demand response program and delivery infrastructure to promote strategic electrification.
3. Prioritize measures in energy efficiency incentive programs that relieve pressure on the power system. In the near term, maintain – and where possible accelerate – building weatherization, replacement of less efficient electric heating with efficient electric heat pumps, and expand demand flexibility.
4. Prioritize existing incentive programs offering essential energy efficiency and weatherization improvements, particularly those focused on low- and moderate- income households.
5. Earmark flexible funding for deferred maintenance measures necessary to enable low- and moderate- income homes to install efficiency and weatherization technologies and measures.
6. Allow higher administrative costs for energy programs that serve or benefit Environmental Justice Communities, to better manage cost shortfalls experienced by programs and projects that benefit the overall system.
7. Modify the Oregon Residential Specialty Code to require progress on energy efficiency and decarbonization requirements for new buildings. In the near term improve envelope efficiency measures, especially if less efficient or fossil-fueled technologies (such as electric resistance or natural gas) are used for primary space or water heating systems. Reach code should reflect goals for economy wide decarbonization and may need to define what 'net zero' carbon in buildings would be.

Clean Electricity

1. Establish a state transmission entity with the authority to (1) identify and designate transmission corridors; (2) pursue partial siting and permitting approvals for future projects in those corridors; and (3) provide direct financial support through state bonds for projects that are determined to benefit the public interest.
2. Direct the Oregon Department of Energy to conduct a study on barriers preventing construction and interconnection of permitted projects and recommend actions to overcome barriers.
3. Report on developments in emerging technologies, including long-duration storage, enhanced geothermal, floating offshore wind, and small modular nuclear reactors, to identify the role they can play in meeting the state's electricity needs and opportunities for pilot programs in the near-term.
4. Study government policy incentives for local electricity investments and identify opportunities for the state to better advance infrastructure needs, economic development and energy justice objectives.
5. Update and enhance the Oregon Renewable Energy Siting Assessment Tool, with a goal of providing a robust database of lands suitable for various types of electricity infrastructure projects.
6. Direct the OPUC to investigate opportunities to modify utility business models and ratemaking practices to enhance marketplace competition and thereby lower costs in utility planning and resource procurements.
7. Expand the Oregon Department of Energy's statewide energy infrastructure resilience programs, including increasing funding for and amending the Community Renewable Energy Grant Program to support projects that improve energy resilience.

Industry

1. Identify and evaluate short and long term decarbonization options for the emissions-intensive, trade-exposed large industrial entities in Oregon that are obligated to reduce their greenhouse gas emissions under the Climate Protection Program.
2. Fund an industrial modernization revolving loan fund to bolster adoption of energy efficiency improvements, electrification of thermal processes, industrial symbiosis, smart manufacturing, and application of low-carbon fuels where electrification is not feasible for large industrial entities.

Low-carbon Fuels

1. Direct the Oregon Department of Energy, Oregon Department of Land Conservation and Development and Business Oregon to create criteria to identify sites with the greatest opportunity for low-carbon-intensity fuel production development in Oregon by assessing existing brownfields and industrial sites across the state, and publishing recommendations on how to improve engagement with local communities.
2. Direct the Oregon Department of Energy to develop a low-carbon fuels roadmap that evaluates current policy support mechanisms for low-carbon fuels, identifies gaps and opportunities, and recommends additional support mechanisms that align with regional and national frameworks for low-carbon fuels in transportation and in commercial and industrial sectors.
3. Direct the Oregon Department of Energy to research and forecast fuel needs for emergency preparedness in collaboration with Tribes and public partners across the state, and ensure that these needs are met as technologies evolve throughout the energy transition.

Cross-cutting Actions

1. Direct the Environmental Quality Commission to adopt rules imposing registration and reporting requirements upon all new large electric loads to inform greenhouse gas emissions analyses, and to evaluate whether policy changes are needed to bring emissions in line with state policies.
2. Establish and identify a source of funding for a revolving loan fund to provide a stable source of low-cost and no-cost loans to support the energy transition and resilience.
3. Establish a Tribal Energy Block Grant Program to support Tribal energy priorities, cultural values, and community needs through alignment with their own energy planning processes or the Oregon Energy Strategy.
4. Develop a state-wide definition of energy burden that combines household and transportation costs to help inform Oregon's energy transition.
5. Conduct a biennial survey on energy affordability and report on trends to inform state policymaking.
6. Direct the Oregon Department of Energy to facilitate the sharing of data and joint planning to enhance energy resilience and reliability.
7. Identify gaps in current and estimated occupation-level employment to meet Oregon's future energy need and support and expand workforce development efforts. Direct ODOE to study gaps and recommend actions.
8. Advocate for federal policies that support advancement of state energy objectives.
9. Direct state agencies to increase coordination with community-based organizations, utilities, Energy Trust of Oregon, and other partners to advance consumer education and facilitate delivery of energy related services.
10. Increase resources, funding, and staff levels at agencies as needed to implement actions necessary to advance Oregon's energy policy objectives.

11. Direct ODOE to develop a community benefits framework that can be used as appropriate across the agency to address outreach and engagement, workforce needs, prioritizing environmental justice communities, and equitable practices.

Next Steps

The Oregon Department of Energy welcomes public comments on the draft Oregon Energy Strategy by 5 p.m. on September 22, 2025: https://odoe.powerappsportals.us/en-US/energy-strategy/

Following public comment, ODOE will read through and consider comments and make adjustments to the energy strategy before final publication on November 1, 2025. ODOE will present the final energy strategy in a public info session. The final energy strategy and details of the info session will be posted to ODOE's website. To sign up for future updates about the energy strategy, please sign up for email updates.