



# Oregon

Kate Brown, Governor



550 Capitol St. NE

Salem, OR 97301

Phone: 503-378-4040

Toll Free: 1-800-221-8035

FAX: 503-373-7806

www.oregon.gov/energy

## MEETING NOTES

### Energy Advisory Work Group

Monday, April 30, 2018

10:00 a.m. to 12:00 noon

Meitner Conference Room

| Meeting Attendees                        |   |                  |
|--|---|------------------|
| EAWG MEMBERS                             | GUESTS                                      | ODOE STAFF       |
| Alan Zelenka, City of Eugene             | Kristen Sheeran, Governor's Office          | Janine Benner    |
| Annette Price, Pacific Power             | Danielle Romaine, OPUDA                     | Blake Johnson    |
| Jana Gastellum, OR Environmental Council | Mike Freese, OPUDA                          | Warren Cook      |
| Matt Michel, Lane Electric Cooperative   | Ali Webb, OR Dept. of Admin. Services       | Jessica Reichers |
| Nate Rivera, Hermiston Energy Services   | Doris Penwell, AOC                          | John Hobbs       |
| Kevin Lynch, Iberdrola Renewables        | Jenny Dressler, ICNWU                       | Rachel Wray      |
| Fred Heutte, NW Energy Coalition         | Kathryn Williams, NW Natural                | Ruchi Sadhir     |
| Rikki Seguin, Renewable Northwest        | Irene Gilbert, FGRV                         | Blake Shelide    |
| Bill Edmonds, NW Natural                 | Brian Miller, Portland General Electric     | Rebecca Smith    |
|  | Jennifer Joly, OMEU                         | Elizabeth Ross   |
|  | Elizabeth Howe, Pacific Power               |                  |
|  | Alec Shebiel, Umatilla Electric Co-op       |                  |
|  | Beth Patrino, Legislative Policy & Research |                  |
|  | Beth Reiley, Legislative Policy & Research  |                  |
|  | Jon Miller, OSEIA                           |                  |
|  | Dave Hunt, Strategies 360                   |                  |
|  | John Terpening, Legislative Fiscal Office   |                  |
|  | Janice Thompson, Oregon CUB                 |                  |

### Welcome and Agency Update

### Janine Benner

- Announcement that Alan Zelenka will be coming on staff at ODOE as the Assistant Director for Planning and Innovation. Discussion of Ruchi Sadhir's new role as Associate Director for Strategic Engagement and Development.
- Residential Energy Tax Credit program sunset update. We received more than 20,000 applications for tax year 2017.
- The new [electricity resource mix website](#) has been launched.
- We have seen an increase in proposed utility scale solar projects. The Energy Facility Siting Council just approved the first facility in Boardman, and there are four more for the Council to review.

## **Carbon Policy Office Update**

**Kristen Sheeran**

- During the last legislative session, the legislature provided funding for a temporary carbon policy office within the executive branch. The purpose of the office is to continue the policy analysis, research, and development of a statewide carbon policy program. The office is headed by Kristen, who is working to build staff and resources. Colin McConnaha from DEQ will be joining the team on a temporary basis and in the next few weeks there will be additional staff announcements. Kristen and her team will work closely with ODOE staff, especially Lesley Jantarasami for the energy related aspects of the carbon program.
- The office will work on creating a framework that will allow the state to achieve its greenhouse gas reduction goals with science-based targets. Kristen indicated that the framework will do this over a period of time and will be clear, transparent, and reliable while reducing uncertainties for business.
- The carbon policy office team will work with stakeholders across the state and the legislature to have a proposal for the 2019 session.

## **2019 Legislative Concepts**

### **• Energy Lending Programs**

**John Hobbs**

- This draft legislative concept removes and clarifies statutory language related to outdated and dormant energy loan programs, and improves the efficiency and risk profile of the Small-Scale Local Energy Loan Program (SELP) by updating its mission to focus on supporting public projects that provide public benefit, and by expanding the types of eligible projects to include emission reduction, resiliency, and energy storage projects.
- In response to a question, John clarified that there are no changes to the funding for tribes under SELP.
- Discussion around the future of private energy project funding and opportunities for private sector funding going forward.
- Provided updates on the SELP Advisory Committee strategic review and recommendations.
- The concept is not envisioned as a solution to the program's financial challenges. Additional legislation will be required to address the program's future capital requirements. The focus of this concept is on improving SELP so the program can operate with less risk and cost while serving as an effective tool to help meet state energy goals.

### **• Appliance Standards**

**Blake Shelide**

- The concept provides ODOE with authority to adopt or update energy efficiency standards for appliances and equipment by administrative rule, and would provide a process for the transition of standards from statute, where they currently reside, to rule. The concept creates a new Appliance Standards Review Panel and the agency would report any changes in standards to the legislature.
- Discussion around federal and other state appliance standards.

- Discussion about adding consumer perspective to review panel.
- Discussion about whether appliance standards are a large enough issue for agency focus and whether this concept would save staff time and resources in the future by moving the process from statute to rule, with follow-up that the intent of the concept is to improve the efficiency of standards development at the state level.
- Discussion around proper recycling or retirement of older inefficient equipment, if new standards are put in place.

- **Thermal Renewable Energy Certificates**

**Rebecca Smith**

- This concept clarifies that thermal renewable energy certificates issued to a facility that generates electricity using biomass, and that also generates thermal energy for a secondary purpose, are eligible compliance instruments for the Oregon Renewable Portfolio Standard (RPS), and will be treated in the same manner and subject to the same conditions as renewable energy certificates (RECs) from qualifying electricity.
- Discussion around ORS 469A.145(3). Staff provided that the relevant sections of SB 1547 (2016) made clear that RECs issued for qualifying thermal energy be interchangeable with RECs issued for qualifying electricity, and that the same requirements and rules regarding RECs from qualifying electricity should also apply to RECs from qualifying thermal energy.
- EAWG members had questions about how the concept will be drafted and whether it would lead to other changes within the statute.

**2019-2021 Budget Process**

**Blake Johnson**

- Overview of the Oregon Department of Energy’s incremental budget process, requirements, and timeframes. See [meeting materials](#) for further details.
- Introduced two possible policy option packages that may be included for the 2019-2021 budget: (1) reinstate SELP bond funding for 19-21 biennium and (2) add two siting analysts for a limited term duration based on projected increased workload for siting.
- Explained the current biennium’s budget changes from the 2018 session that will affect the next Energy Supplier Assessment. Assessments will go out in about three weeks.
- Provided some historical background on the Energy Supplier Assessment.

**Executive Orders Update**

- **[Zero Emission Vehicles \(EO 17-21\)](#)**

**Jessica Reichers & Rachel Wray**

- ODOE was directed to convene a group of agencies to work on the goals established in the order. The Zero Emission Vehicle Interagency Working Group meets monthly.
- ODOE has started collecting zero emission vehicle data from the Oregon Department of Motor Vehicles. The data will be used to track the total number of zero emission vehicles but also provide high level information on the

residential areas with electric vehicles to help electric utilities plan for charging needs.

- We have been working with the Department of Administrative Services to develop a tool that will calculate the length of time it will take for an electric vehicle to pay for itself over time. This will inform procurement decisions for state agencies interested in adding an EV to their fleet.
- The Department of Environmental Quality will soon start a public outreach process to get feedback on a proposal for installing and replacing electric vehicle charging infrastructure in Oregon using the Volkswagen Mitigation Fund. The stipulation Volkswagen agreed to with this fund is mainly for the replacement of diesel engines, but the Oregon Legislature can designate up to 15 percent of fund for the installation of electric vehicle charging infrastructure. The Zero Emission Vehicle Interagency Working Group is tasked to develop a proposal for how the 15 percent funds could be used for EV Reviewed the draft zero emission vehicle website, which will be launched this spring.

- **[Energy Efficiency \(EO 17-20\)](#)**

**Blake Shelide**

- Provided an update on the activities around the Built Environment Efficiency Working Group, which has been tasked with implementing executive order 17-20 to improve the built environment in our state.
- The group's meetings and public meetings are posted [online](#) along with related documents and other information.

**Biennial Energy Report Outline**

**Janine Benner**

- More than 300 people provided thoughts on and recommendations for the report.
- Reviewed outline of the report.
- Energy staff have started to work on sections of the report.

**Closing Comments**

**Janine Benner**

- Next meeting will be scheduled for June 2018 to review and provide recommendations on the 2019-21 budget. Please provide Janine with other topics for the next meeting.
- Reviewed the updated [electricity resource mix website](#).