



Oregon

Kate Brown, Governor



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MEETING NOTES

Energy Advisory Work Group

Wednesday, October 24, 2018

1:00 p.m. to 3:00 p.m.

Meitner Conference Room

Meeting Attendees		
EAWG MEMBERS	GUESTS	ODOE STAFF
Jana Gastellum, OR Environmental Council	Keith Hormann, Forest Grove Light & Power	Janine Benner
Nate Rivera, Hermiston Energy Services	Doris Penwell, AOC	Miriha Aglietti
Matt Michael, Lane Electric Co-op	Connor Reiten, NW Gas Association	Warren Cook
Annette Price, Pacific Power	Jennifer Joly, OMEU	Robin Freeman
Rikki Seguin, Renewable Northwest	Mike Freese, OPUDA	Blake Johnson
Fred Huetten, NW Energy	Danelle Romaine, OPUDA	Elizabeth Ross
Bill Edmonds, NW Natural	Elizabeth Howe, Pacific Power	Ruchi Sadhir
Rebecca Carey-Smith, PGE	Ranfis Villatoro, Blue Green Alliance	Alan Zelenka
	Jordan Bice, Idaho Power	
	Zach Baker, Climate Solutions	
	Gordon Zimmerman, City of Cascade Locks	

Meeting Materials: <https://www.oregon.gov/energy/Get-Involved/Documents/2018-10-24-EAWG-Mtg-Materials.pdf>

Welcome and Agency Update, Janine Benner

- Janine gave an overview of some of the activities ODOE staff have been working on since the last work group meeting in June.
- In September, ODOE released the [Biogas and Renewable Natural Gas Inventory](#) in response to SB 334 (2017). ODOE worked closely with NW Natural and others to compile the inventory. This was a data driven analysis looking at the opportunities to convert long term waste streams into fuel. The report indicates that Oregon could replace 10 to 20 percent of imported fossil fuel natural gas with renewable natural gas. The report made the case that this would not only help meet our state's energy goals, but creates new economic opportunities across the state in urban and rural areas from forest and waste water to landfills and dairy farms. A large, diverse advisory committee contributed to the report; this group helped highlight the barriers and looked for

opportunities and recommendations. The report was well received. ODOE testified in front of both the House and Senate energy committees in September along with NW Natural, and also presented at the CUB conference.

- During September Legislative Days, ODOE joined a panel with the Oregon Department of Environmental Quality and the Oregon Department of Transportation to talk about electric vehicles. Jessica Reichers, ODOE's Energy Technology and Policy Manager, spoke about ODOE's efforts to implement Governor Brown's electric vehicle executive order, including coordination with other state agencies.
- Janine mentioned that she is a member of the Governor's Climate cabinet that was formed last spring. This cabinet is an effort to coordinate among agencies working on activities to mitigate greenhouse gas emissions and adapt to climate change. It has been a helpful venue to have conversations about areas of overlap and efficiencies. There have also been side conversations on Oregon's resiliency plan and reducing greenhouse gas emissions from the transportation sector.
- In September, Janine was in California on a panel with PGE and CAISO talking about the energy imbalance market and opportunities and challenges for Oregon if that effort expands. EAWG members expressed interest in seeing Janine's talking points. They can be found here: <https://www.oregon.gov/energy/Get-Involved/Documents/2018-Transmission-West-Talking-Points.pdf>
- In October, the American Council for an Energy-Efficient Economy (ACEEE) released its [National Scorecard](#); for the 12th year in a row Oregon is in the top 10.
- Last week, the Siting Division spent a week on the road in eastern Oregon along the proposed [Boardman to Hemmingway Transmission Line](#). They joined Idaho Power for public information hearings. Janine also mentioned an [Energy Facility Siting Council Meeting](#) took place October 25 and 26 in Boardman.
- The Nuclear Safety Division held a [public meeting in Portland](#) to talk about a new proposal from the U.S. Department of Energy to reclassify high level nuclear waste. This proposal may have implications for Hanford and the Columbia River. Over 60 people attended and learned about USDOE's proposal. ODOE also [submitted comments](#) to USDOE on the proposal.
- A few weeks ago the Oregon Secretary of State's Audit Division released an [advisory report](#) looking at recommendations ODOE has received related to BETC. Overall the report was positive and provided closure on legacy programs. Janine shared a headline from a news article, "Audit: Problems cleaned up in Oregon Department of Energy."
- Fred Huette commented that the Western Interstate Energy Board was meeting this week in Arizona and asked if ODOE staff were participating. Janine indicated that Jessica Reichers was attending the meeting.

Budget Update, Miriha Aglietti

- Janine thanked the group for providing feedback on ODOE’s budget during the June 2018 EAWG meeting. ODOE staff were able to take that feedback and make changes to the Agency Request Budget (ARB) prior the public budget meeting held in July 2018 and the submission of the budget on August 1. Janine highlighted that ODOE is proposing to lower the total amount of the Energy Supplier Assessment from its current level for the 2019-2021 biennium.
- ODOE’s [2019-2021 Agency Request Budget](#) is available online.
- Miriha Aglietti, ODOE Senior Budget Analyst, reviewed how ODOE developed the ARB, which was submitted August 1 with four Policy Option Packages (POPs) requesting: funds to pay interns, 2 siting analyst positions, SELP bonding authority, and 1 research analyst position and funding for a third-party research fund. Based on feedback from the June 2018 EAWG meeting, ODOE found a position that could be repurposed for research analyst scaled and back the funding request for third party studies.
- Miriha explained the next step is for the Governor to release her budget, which will then go through the legislative process. She suggested that stakeholders can provide input during the Ways and Means Committee public hearings.
- Based on feedback from the June 2018 meeting, ODOE provide an updated budget history showing ODOE’s budget during the pre-ARRA years.
- Fred asked about the general fund request for the SELP program deficit. Fred is supportive of the program and commented that it was very successful for entities wanting to take on energy efficiency projects. Miriha replied the SELP General Fund-Debt Service need stems from a few bad loans that were made in the past. In April 2021, SELP will have a debt payment that it will not have the money to cover. The request for General Funds to cover that amount is already built into ODOE’s base budget.

Legislative Concepts Update, Robin Freeman

- Robin reviewed LC 460, which 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, and will be treated in the same manner and subject to the same conditions as renewable energy certificates from qualifying electricity.
- ODOE has not received approval from the Governor’s Office for this concept but should know more by December 7.
- Rikki Seguin asked if a work group will be formed to review the concept. Robin said that a group could be formed if there are items people want to discuss. Please follow up with Robin for more information.

- A stakeholder asked about the status of the other two concepts ODOE presented at the last EWAG meeting. Robin indicated that ODOE decided not to move forward with the other two concepts.

Work Group Charter, Ruchi Sadhir

- Over the summer, ODOE staff drafted an outline for the charter with targeted questions, and met with a subcommittee of six EAWG members in October to review and receive feedback on the draft. Suggestions from subcommittee members were incorporated in the draft charter along with explanatory comments.
- Ruchi walked through each section of the charter and provided explanatory comments.
- Nate Rivera asked how members were selected for the group – if it was the person or an organization that could choose which member to send. Janine indicated that there has been a lot of discussion on this topic and that the individual, rather than the organization he or she represents, is the member. By organizing the group by person, the same people show up and create continuity, which has worked well. ODOE will post a list of members soon on EAWG’s website.
- Ranfis Villatoro asked about the energy workforce and development of the career pipeline in the energy sector. For members’ experience, he suggested adding that members are well-informed on energy workforce issues in addition to energy economic and environmental issues.
- Ruchi highlighted that the Energy Research Fund section of the charter is dependent on the outcome of the current budgeting process.
- Jana Gastellum commented that Ruchi did a good job taking input from the subcommittee meeting and incorporating those comments into the draft charter.
- Regarding EAWG meetings, Ruchi indicated that the goal will be for the work group to meet 4 times a year, and ODOE will commit to providing materials in advance. ODOE will also provide additional information between meetings as needed. ODOE added all work group members to [ODOE’s monthly newsletter](#). Others can sign up for the [newsletter here](#).
- Feedback from subcommittee members called for more two-way communication between members and ODOE staff. The subcommittee also thought the work group could be a forum to share ideas and provide ideas for future agenda items.
- Fred asked if the charter is for the work group or the ODOE director. He also commented in the past it was hard to find information for the group. ODOE provided that meeting summaries, meeting materials, and the work group’s membership list will be posted on the [EAWG website](#).
- Rikki commented that some of the charter language is from statute and asked if flexibility should be built in if the statute changes. The charter can be updated if the statute changes.

Strategic Plan Update, Ruchi Sadhir

- Ruchi provided an update on ODOE's strategic planning process. She explained that over the years, ODOE has operated in a risk-adverse posture, but is now looking to the future. ODOE has gone through different phases that have tracked with the energy industry, but ODOE also wants to look at the gaps in state energy policy and how ODOE can continue to add value. Through a Request for Proposals (RFP), ODOE hired a Portland consultant to assist with developing the strategic plan. ODOE wants the strategic plan to have an equity lens, define ODOE's work, build stronger collaboration, define the vision/mission/value for agency, and create milestones and metrics. ODOE wants a plan that can be operationalized and that will need to be revised periodically.
- Ruchi reviewed the draft schedule provided in the meeting materials.
- She sought feedback from the work group to help inform internal and external feedback. She asked what key success criteria should be considered for this project; what external organizations/stakeholders should we ask to participate in strategy surveys and group interviews; and were there any key strategic areas or trends that work group members believe would be important to gather input on via survey or individual discussions during Phase 1?
- Fred commented that the plan should be anchored in the founding statute.
- Jana commented about the workforce aspect. She asked where does Oregon want to be and what is ODOE's role. Ruchi said that the plan is about the agency itself and how to carry out our mission and value to deliver better outcomes.
- Rikki suggested that buy-in from agency staff to implement the plan will be a measure of success.
- Doris commented the plan should move the agency toward the future and not stir around in the same pot.
- Janine noted that internal and external buy-in is important. Once the plan is figured out, ODOE needs to better articulate its work and communicate that back out to stakeholders.
- Rikki asked if there was a timeframe for the plan to address. Ruchi indicated that they didn't want to put a specific timeframe or number on the plan for the consultant, but see what the consultant suggests. Most likely the plan will be for 4-5 years with annual check-ins and action items.
- Nate asked how the plan will consider ODOE goals compared to goals of the State of Oregon. He also asked about informing stakeholders to have the conversation to help support the mission and goals.
- Fred asked how ODOE will operate with other agencies and other state and local governments. For example in response to land use goals the issue of solar on high value farmland.

- Bill Edmonds commented the plan should address alignment between agencies and understanding what each agency role is related to energy.
- Stakeholders provided a list of entities ODOE should include for external interviews and surveys for the strategic plan, such as sister agencies, local governments, tribes, legislative staff or legislators, labor organizations, and community organizations.
- Fred asked how fast surveys and interviews will happen; he noted that interviews are expensive.
- Janine asked if it would be valuable for work group members to have a session with the consultant without ODOE in the room. Rikki commented yes without ODOE. Jana also commented that it depends on the conversation, sometimes having ODOE there could be helpful.
- Ruchi provided that ODOE plans to have a draft plan in the spring before session ends.

Biennial Energy Report Preview, Alan Zelenka

- Alan reviewed the background for the report and walked through the draft key takeaways of each chapter (see meeting materials).
- Fred asked what are the overall economic impacts of a strong decarbonization approach and noted there may be better resources for non-urban areas. He suggested an assessment at the state level to make the business case for clean energy.
- Bill noted that he did not see information about renewable natural gas in the report. Janine replied that RNG was covered in the report and, in addition, ODOE just completed the Biogas and Renewable Natural Gas Inventory.
- The final report can be found here: <https://energyinfo.oregon.gov/ber>.