



Oregon

Kate Brown, Governor



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Energy Advisory Work Group

DATE: June 2, 2021

TIME: 3:00-4:30

Oregon Department of Energy – via WebEx

Meeting Attendees		
EAWG Members	ODOE Staff	Guests
Annette Price, Pacific Power Bridget Callahan, Sustainable Northwest Fred Heutte, NW Energy Coalition Jana Gastellum, Oregon Environmental Council Kevin Lynch, Avangrid Renewables/Iberdrola Nate Rivera, Hermiston Energy Services Nicole Hughes, Renewable Northwest Sunny Radcliffe, Portland General Electric Tony Schacher, Salem Electric Alternates Britton Rife for Kerry Meade, Northwest Energy Efficiency Council Mary Moerlins for Nels Johnson, NW Natural Samuel Pastrick for Bob Jenks, Citizens Utility Board	Janine Benner, Director Adam Schultz, Senior Policy Analyst Alan Zelenka, Asst Director for Planning & Innovation Andy Cameron, Efficiency & Conservation Manager Cathy Connolly, Asst Director for Central Services Christy Splitt, Government Relations Coordinator Jennifer Kalez, Communications Director Jessica Reichers, Energy Technology & Policy Manager Ruchi Sadhir, Assoc Director, Strategic Engagement & Development Sheila Alicar, Application Administration Analyst Stacey Heuberger, Office Operations Analyst Stephanie Kruse, Facilities Engineer Tom Elliot, Energy Analyst Wendy Simons, Policy Analyst	Alec Sheibiel Chris Chandler Danelle Romain Hannah Cruz Jenna Jones Jennifer Joly Jim Kreider John Powell Jordan Bice Silvia Tanner

Welcome and Director's Update *(Janine Benner, Director)*

- Janine opened the meeting welcoming members and attendees. In addition to the items on the agenda, other ODOE updates can be found in the [latest newsletter](#).
- [Strategic Plan](#)
ODOE finalized the Strategic Plan earlier this spring and will begin working on implementation planning this month. Janine hopes to be able to share more about the plan, the metrics, and specifically where EAWG members can engage at the next meeting.
- Janine introduced Andy Cameron as ODOE's new Energy Efficiency & Conservation Manager.
- Janine would like members to think about having another meeting, potentially in July or August. This would provide an opportunity to convene after session to discuss bill implementation plans for studies that the legislature has already passed and any new programs that may be created, a deeper dive on the final budget, the strategic plan implementation, and energy resilience.

Agency Bills (*Christy Splitt, Government Relations Coordinator*)

ODOE has created a new [Legislative Priorities](#) webpage and Christy shared her screen to walk through ODOE's agency bills:

- HB 2062 Energy Efficiency Standards. Passed. Updates and creates new efficiency standards for certain appliances. This bill also increased ODOE's collaboration with Building Codes Division's advisory boards on some products if ODOE does rulemakings in the future.
- SB 246 Radioactive Waste Disposal. Passed. This was in response to an illegal disposal at a facility in Arlington. This bill clarifies and updates statute to allow ODOE to respond in the future.
- HB 2063 Standby Generators. Passed. This bill is a minor deregulation and would relieve standby generators that are above Siting's threshold of 25 megawatts that are not connected to the grid from obtaining a site certificate or exemption from the Energy Facility Siting Council.
- HB 2064 EFSC Quorum. Passed. The Energy Facility Siting Council will now have a simple majority quorum instead of a supermajority quorum, just like other boards, councils, and commissions.
- Christy shared that ODOE has also had a priority this session of getting legislators familiarized with the [Biennial Energy Report](#) and using it as a resource. ODOE did several informational hearings, most of which were derived from the Biennial Energy Report.
- ODOE is following many other bills, including three study bills that will directly impact ODOE's workload: SB 333 (passed), a renewable hydrogen study; SB 589 (passed), an RTO study; HB 3375 (expected on Senate Floor soon) offshore wind study. Other bills of note that could possibly have a larger impact on ODOE include HB 2021, HB 3141, HB 3127.

Questions and feedback:

Fred Heutte added that NW Energy Coalition is excited about the SB 589 study and asked for clarification on the deadline. Christy answered that the deadline is the end of the calendar year and that ODOE is already planning meetings to discuss implementation.

Budget (*Cathy Connolly, Assistant Director for Central Services*)

Cathy shared slides to compare the changes that the legislature has made to the Governor's Recommended Budget through SB 5515 -1.

- Eliminated three positions but used the existing limitation to create two new positions: a Research Analyst 3 position and an Information Systems Specialist 7 position. The changes in positions reflects the view of ODOE as a source of energy information and data analysis for the Governor, Oregonians and the legislature. The study bills already passed by the legislature that Christy Splitt mentioned also influenced these position changes.
- Restored the Nuclear Safety funding to prevent radioactive waste disposal in Oregon, and shifted this funding from Energy Supplier Assessment to General Fund.
- Restored some specific and across-the-board cuts.
- This will not be ODOE's final budget. General Fund Debt Service for the SELP program will be added at the end of session. Other changes, such as state government service charges, Department of Justice fees, funding shifts, etc., will affect all state agency budgets.
- Policy bills that are still in the legislative process will impact ODOE's budget.

- The Energy Supplier Assessment cannot be calculated until the legislative session ends. The current estimate would result in approximately \$343,000 more in ESA from the 2021-23 Current Service Level, and about \$2 million more than the 2019-21 Legislatively Approved Budget. This would be around a 14.7% increase in the ESA over the 2019-21 biennium. Cathy reminded the group that this is not final and if ODOE receives General Fund or federal funds, this could reduce ESA.

Questions and feedback:

Nate Rivera stated that it is disappointing to hear an increase of 14.7% in ESA, especially in the midst of a pandemic and 15 months of moratoriums on disconnects. Eastern Oregon has been hit hard by this. Janine responded that ODOE’s request budget was a “cuts budget” and the Governor’s Recommended Budget for ODOE (SB 5515) was reduced even further. The legislature, through SB 5515 -1, has taken it another direction and has asked the agency to do additional work that impacts the budget. Janine included that ODOE has encouraged the legislature to fund some of the programs with General Fund. ODOE was successful in bringing in some General Fund to support the radioactive waste disposal work that was initially funded by the ESA.

Nicole Hughes asked if the debt service is included in this budget or will it be added later. Cathy clarified that this is not in SB 5515 -1, and will be added later in an end-of-session bill.

Fred Heutte asked how much adjustment typically happens at the end of session. Cathy answered that there is not a norm but rather we know the categories that will influence the adjustments like Department of Justice fees and state government services charges. ODOE will also be paying close attention to policy bills because anything new can affect the budget. Fred also asked if there is potential of obtaining more federal funding. Janine responded that ODOE is always on the lookout for ways to increase federal funding. ODOE received a grant from the Department of Defense last year to study renewable energy development, ODOE has recently received a grant from the USDA for energy audits, and the agency continues to work with NASEO to help direct funding to the state energy program.

Sunny Radcliffe asked if the 14.7% increase would be spread proportionately and when they can expect a firm number. Cathy responded that the suppliers’ rate is based on their reported revenue and that ODOE hopes to have final ESA numbers no later than mid-August.

Nate Rivera asked if there was potential for the ESA calculation to be less if energy sales were down due to the pandemic. Cathy clarified that reported revenues were down though the revenues that are used to assess the ESA were flat.

EAWG Roundtable

Bridget Callahan, Sustainable Northwest

- Sustainable Northwest has been primarily focused on wildfire this legislative session.
- The electric tractor pilot launched last year and they have brought the first electric tractors to the state, one in the Gorge area, one in southern Oregon, and a third is on the way. As this program grows, they are interested in advancing electrification of the ag sector more broadly.

- Recently presented to the House Energy and Environment Committee on what they have been working on and what their larger ambitions are.
- Working with rural communities and tribes on energy planning and projects relating to wildfire and irrigation efficiency.
- Hosting a Resilience Planning for Local Governments workshop.

Jana Gastellum, Oregon Environmental Council

- OEC has a robust agenda this session. They have been supporting transportation electrification and are excited about continuing the EV rebate, especially expanding the Charge Ahead rebate.
- Involved in conversations around how to fund the transportation system in an equitable and climate-smart way, including tolling and how best to use those proceeds.
- OEC is also involved in HB 2021 100% clean conversations.
- OEC is excited that the energy burden bill has passed so Oregon can help people by setting differential rates.
- Jana shared that they are also working on water issues, making sure that there is clarity on what is flushable and what is not, especially now that more people are using disinfecting wipes due to Covid.
- OEC is looking at toxins in products, specifically those targeted to kids. They are working to modernize a bill that was passed in 2015 to protect products and make them healthier, especially those targeted at low-income households.

Fred Heutte, NW Energy Coalition

- NW Energy Coalition has five priority bills this session.
- The Public Purpose Charge bill that is still in Ways and Means Committee.
- HB 2062 appliance standards bill. Fred congratulated ODOE for getting that bill passed and that there are very worthwhile standards included in the bill, particularly the requirement for the CTA-2045.
- HB 2475 – allows PUC to set differential rates, expanding funding for low income and environmental justice groups.
- HB 2021 – 100% clean energy. Fred expressed appreciation to all of groups making this bill happen.
- HB 2739 – energy assistance fund. Fred believes this bill is currently in Ways and Means Committee.

Nicole Hughes, Renewable Northwest

- Renewable Northwest focused on three major bills this session and have also been supporting the study bills mentioned earlier, HB 3375 and SB 333, and SB 589.
- HB 2520 – this is an amendment to a land use goal and would result in a rulemaking at DLCD to easier site renewable energy facilities.
- Renewable Northwest is also involved with HB 2021.
- Nicole said that RNW was supporting HB 2064, the EFSC quorum bill, and is happy that it has passed.
- RNW is still working with OCAP on implementation of the Governor’s executive order.

Sam Pastrick, Oregon Citizens Utility Board (*alternate for Bob Jenks*)

- HB 2165, the transportation electrification package, was a priority for CUB and they are pleased that it has passed.
- Another priority bill for CUB that has already passed is HB 2475, the energy affordability act.
- The OEAP extension bill, HB 2739, is in Ways and Means Committee and CUB feels that the legislature will see the urgency in getting this bill passed. The reach code bill is also in Ways and Means and they are watching that.
- CUB is also watching HB 2021 and have been involved in negotiations and feel optimistic about that effort.
- Sam provided an update on two ongoing PUC proceedings. UM 2114, regarding Covid impacts on customers, is ongoing. There was a recent decision that will end the disconnect moratorium and CUB will be involved in those public processes. CUB will also be involved in the future of gas docket/process. The initial meeting for this was held the previous week.

Mary Moerlins, NW Natural (*alternate for Nels Johnson*)

- Many of the bills already discussed are being watched by NW Natural. Mary gave thanks to those who championed HB 2475 and looks forward to how that rolls out. She also was happy to see the passage of SB 333 and thinks that will be a really important step for hydrogen development.
- NW Natural has been engaged in SB 784, which could enable a green tariff for municipalities.
- NW Natural continues to be involved in the Governor's climate executive order.
- Working with PUC on the future of gas.
- Mary is also working on arrears management program associated with the coming end of the moratorium on shutoff for non-payment.
- NW Natural will be able to share the outcome of their RNG procurement soon.

Kevin Lynch, Avangrid Renewables

- Avangrid, in partnership with PGE, is building a solar project in Gilliam County. This is part of PGE's Green Future Impact project and will be called Pachwaywit Fields.
- Building a wind project in Sherman County called Golden Hills.
- Another solar project that they are just getting started on, along with PGE, is called Bakeoven Solar. The is also part of PGE's Green Future Impact project.

Annette Price, Pacific Power

- Annette shared her appreciation to those who have been working on HB 2475 and HB 2165.
- Pacific Power will be presenting their wildfire mitigation plan to the PUC on June 3.
- PacifiCorp is partnering with TerraPower and the USDOE on a demonstration project for a small nuclear reactor in Wyoming.
- Washington State has passed a cap and trade bill this session as well as a permissive low carbon fuel bill and regulatory reform bill on multi-year IRPs.

Sunny Radcliffe, PGE

- PGE is focused on SB 318 the resource adequacy bill, SB 784 their omnibus bill, HB 3141 public purpose charge modernization, and HB 2021.
- Sunny shared that PGE is happy that HB 2475 and HB 2165 have both passed.

- PGE is paying close attention to what is happening with wildfire legislation.
- PGE's TE Schedule 56 Fleet Make Ready pilot was approved and will be effective July 1, 2021. This will be a three-year pilot for chargers 70 kilowatts or higher.

Nate Rivera, Hermiston Energy Services

- Nate said that he is curious to hear about the rural and agricultural energy audit program.
- The moratorium and the effect on consumer owned utilities is challenging, especially with rates at cost base, and they are working with Council on this issue.

ODOE Updates for Feedback

Energy Efficiency Audits – USDA Grant (Stephanie Kruse, Facilities Engineer)

- ODOE has received a \$100,000 USDA Rural Energy Development Assistant grant to help cover up to 75% of the cost of an energy audit for eligible participants.
- ODOE is currently working with Energy Trust and are in the process of connecting with BPA and COUs to make sure this program is supporting and integrating with existing energy efficiency programs.
- Eligible participants in this program include statewide agricultural producers and rural small businesses in areas with fewer than 50,000 people. Federal, local and utility funding may be available to Oregon businesses for making energy improvements and often an energy audit is a required step in securing that funding. Costs of an energy audit can vary and range from \$5,000 to \$25,000.
- The goal of this program is to commit all of the \$100,000 and fund approximately 26 energy audits, focusing on developing resources for those in under-served areas of Oregon.
- ODOE is currently in the pre-launch phase and is rapidly approaching the program launch in July.
- Stephanie asked members to think about what goals and strategies they would be most interested in for future phases and enhancements of this program.
- ODOE would also like feedback from EAWG members on whether this program would directly impact or involve their organizations and would appreciate any expertise they could bring to the table.
- Stephanie acknowledged that the 25% participant share will be a burden to some interested participants and ODOE is working with partners to address this barrier. ODOE would like to talk to EAWG members if they have or have worked closely with a funding resource or for help finding solutions and assistance for participants.

Questions and feedback:

Nicole Hughes asked if potential enhancements include on-site renewable generation. Stephanie answered that the existing funding stream limits how much ODOE can look at renewables but there is a separate USDA funding source that covers renewable development. ODOE is working with the grantee for that funding source and will refer anyone that is looking for renewable projects.

Nicole Hughes also offered that the Department of Agriculture may be able to help with cost-share. Stephanie said that ODOE has talked with the department some, but it could be a great opportunity and will follow up.

Nate Rivera added that it will be imperative for ODOE to work with the BPA to educate participants on this program and how this will work with other available programs. He also asked if this will be a one-time or ongoing program. Stephanie replied that they met with BPA and want to make sure that this program is complementary to existing programs and there may be times it will make sense for participants to choose another venue and not pursue an energy audit through this program. Stephanie added that there is funding available every year and hope to make this a consistent ODOE program.

Stephanie said that ODOE will be reaching out to utilities for further discussion and development of this program.

[Biennial Zero Emission Vehicle Report](#)

Because the meeting time had already run over, Janine asked EAWG members to review the Biennial Zero Emissions information provided in [the meeting packet](#) and reach out to Jessica Reichers (Jessica.reichers@oregon.gov) with feedback. This will be added to the agenda at the next meeting.

Closing comments and discussion

Janine asked members for their opinion on virtual meeting platforms.

Nate Rivera expressed his appreciation to ODOE and members of EAWG for making these meetings and conversations a priority.