



# Oregon

Tina Kotek, 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

## Energy Advisory Work Group

DATE: November 27, 2023

TIME: 9:00AM – 11:00AM

Oregon Department of Energy – via WebEx

Meeting Attendees		
EAWG Members	ODOE Staff	Guests
Annette Price, Pacific Power Fred Heutte, NW Energy Coalition Jana Gastellum, Oregon Environmental Council Jennifer Hill-Hart, Citizens' Utility Board (alternate for Bob Jenks) Kerry Meade, NW Energy Efficiency Council Kevin Lynch, Avangrid Kyle Roadman, Emerald People's Utility District Lisa Gaines, Oregon State University Mary Moerlins, NW Natural Nate Rivera, Hermiston Energy Services Silvia Tanner, Multnomah County Chloe Becker, Portland General Electric (alternate for Sunny Radcliffe) Tom Wolf, bp America Tony Schacher, Salem Electric	Janine Benner, Director Alan Zelenka, Asst Director Planning & Innovation Andy Cameron, Efficiency & Conservation Manager Christy Splitt, Government Relations Coordinator Edith Bayer, Energy Policy Team Lead Jenny Kalez, Communications Director Jessica Reichers, Energy Technology & Policy Manager Lauren Rosenstein, Equity & Inclusion Analyst Max Woods, Asst Director Nuclear Safety & Emergency Preparedness Michael Williams, Asst Director Central Services Ruchi Sadhir, Assoc Director, Strategic Engagement Sarah Moehrke, Community Navigator Stacey Heuberger, Office Operations Analyst Tony Raeker, Program Coordinator	Alec Shebiel Alice Weston Carra Sahler Catherine Macdonald Chad Ihrig Danelle Romain David Heslam Ellen Miller Kudszus Hannah Cruz JR Huntington Jan Lee Jason Heuser Jennifer Joly Josie Tecum Kim Peacher Lauren Link Max Yoklic Natalia Ojeda Nora Apter Philip Krain Rick B. Tucker Billman Ty Jennings

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

- ODOE was assigned nine new programs during the 2023 legislative session. Most of these programs are not related to federal funding so this work will be in addition to the federal grant applications that ODOE is currently working on. The goal is to hire staff before starting the new work because ODOE does not have the capacity to stand up new programs with existing staff. There will be more than 20 new positions coming on board.
- New incentives programs are up and running. At the current rate of spending, the [Oregon Solar + Storage Rebate Program](#) and the [Rental Heat Pump Program](#) will likely run out of money by the summer, so ODOE is monitoring that situation closely.
- ODOE has shrunk its office footprint by about one-third, which will reduce the amount spent on rent. Savings will mostly show up in the out years.

## EAWG Roundtable

### Mary Moerlins, NW Natural

- Great success with the differentiated low-income rate in Oregon that launched the beginning of last November. There have been more than 37,000 enrollments. They will be launching a twin program in Washington.
- A lot of going on in terms of procurement of renewable gas and work to comply with the Climate Protection Program. Hoping to purchase Community Climate Investments as soon as they become available.

### Jana Gastellum, Oregon Environmental Council

- Pleased with a number of environmental health outcomes during the 2023 session, especially a new bill to reduce toxins from personal care products. The building resilience package was also a priority and they are excited to collaborate with ODOE on a number of those initiatives.
- Interested in the buildup of a transportation package in the next couple of years and want to make sure there are incentives for electrification for all kinds of segments, really leveraging federal funding.
- Excited about heat pump technology rolling out.
- Looking at a clean tech manufacturing bill for next session as another opportunity to leverage federal funding.
- Recruiting for a Transportation Program Director.

### Kyle Roadman, EPUD

- Had their first rate increase in five years.
- Pursuing federal funding opportunities. They have a letter of intent for the federal Powering Affordable Clean Energy Program (PACE) for their landfill gas plant that they are planning on rebuilding.
- Just got through their construction season and have been busy with hardening the system and wildfire mitigation projects.

### Silvia Tanner, Multnomah County Office of Sustainability

- Focused on climate justice planning process.
- Supporting community-based organizations and environmental advocates on HB 2021 implementation.
- The EPA awarded Multnomah County almost \$1 million to increase climate resilience while reducing pollution and carbon emissions over the next three years, replacing inefficient heating and cooling systems, improving indoor air quality, and increasing shade.
- Have been invited to apply for a US DOE weatherization innovation grant.
- Engaged in Climate Pollution Reduction Grant conversations at the local level.

### Chloe Becker, PGE (*alternate for Sunny Radcliffe*)

- Filed their Clean Energy Plan with OPUC in March and that is still in process.
- PGE is part of the PNW Hydrogen Hub.
- They are in a partnership with Warm Springs on a transmission grant that will connect resources in the central part of Oregon to their service territory.

### **Fred Heutte, NW Energy Coalition**

- Their first in-person conference in four years will be happening December 6 in Portland.
- Regionally, they are focused on markets and transmission.
- In Oregon, focused on implementation of HB 2021.

### **Annette Price, Pacific Power**

- Engaged in HB 2021.
- Hired a representative who will be covering all six states of PacifiCorp.
- Received two GRIP funding grants and are in the process of working through those.

### **Tom Wolf, bp America**

- Looking at NEVI federal funding for bp pulse and expansion within their ARCO stations and potentially TravelCenters of America.
- Also looking at FAA federal funds to help support a sustainable aviation fuel that could be shipped to Portland airport.

### **Kerry Meade, NW Energy Efficiency Council**

- Updated their mission over the last year to focus on decarbonizing building energy use as opposed to focusing exclusively on energy efficiency. They will also be changing their name to “Building Potential” in January.
- Looking forward to participating in the rulemaking on building performance standards when that gets started.
- Continuing conversations on how to expand and strengthen the energy services performance contracting framework in Oregon.

### **Tony Schacher, Salem Electric**

- Preparing for storm season.
- Finished their budget and that will go before the board at their next meeting.
- Had a minimal rate increase in October, mostly inflation based.

### **Jennifer Hill-Hart, Citizens’ Utility Board (*alternate for Bob Jenks*)**

- Engaging with the OPUC and electric utilities’ integrated resource planning and Clean Energy Planning processes.
- Keeping an eye on what may happen next session.

### **Kevin Lynch, Avangrid**

- Avangrid’s Balancing Authority has joined the Energy Imbalance Market, which has proven to be very productive and useful.

### **Lisa Gaines, Oregon State University**

- Oregon Explorer will be migrated to a new system in 2025. The interface may change slightly over the next 12 months.

Janine reminded members that they can reach out if they are applying for federal funding and want a letter of support from ODOE.

### **Federal Funding Update** *(Michael Williams, Assistant Director for Central Services)*

- Michael shared a [chart](#) that outlines the federal grants ODOE is tracking and what phase each grant is in. He noted that grants in the Awarded column means the grant has been approved but does not necessarily mean that ODOE has received money or the program is ready to launch.
- Michael shared another [chart](#) that incorporates the performance periods for each grant and shows that these are investments that ODOE will be administering for years.
- ODOE has begun using IJA money from the State Energy Program to continue working on the Energy Security Plan and to support many aspects of the agency's budget, such as the Energy Research Fund.
- ODOE is actively working on developing subgrantee criteria for Grid Resilience and Energy Efficiency and Conservation Block grants and looks forward to making those funds available in 2024.
- In the Fall, ODOE submitted a \$2 million application for the Training for Residential Energy Contractors Grant and, in partnership with ETO and BEF, submitted a \$138 million competitive application for US EPA's Solar for All Grant. ODOE is hoping to hear back on these in the Spring/Summer of 2024.
- Working closely with DEQ on the Climate Pollution Reduction Grant fund planning and implementation.
- ODOE will be a subrecipient on building code related grants that ASHRAE and Earth Advantage are currently negotiating with US DOE.
- In October, the Pacific Northwest H2 Association was selected by US DOE to fund projects that accelerate the transition to clean hydrogen energy production.
- The second-round funding opportunity for the GRIP grant has opened, and while ODOE does not have plans to apply for this grant, Michael wanted members to be aware to pass on to any interested parties.

### **2025-2027 Budget Development** *(Michael Williams)*

- Michael reviewed the [phases of Oregon's budget cycle](#).
- In early 2024, the official budget process for the 2025-2027 biennium will kick off when the budget instructions from the CFO are released and ODOE will begin to prepare the Current Service Level budget. ODOE will also determine if there are Policy Options Packages (POPs) or legislative concepts that the Governor or legislature should consider.
- The technical build of the budget will begin in the Spring. This includes getting everything into the state system, refining POPs, stakeholder outreach, EAWG review, and holding a public meeting.
- After incorporating feedback, ODOE will submit the Agency Request Budget in late July or early August, depending on the date provided in the budget instructions.
- Michael asked members to reach out with any thoughts on what ODOE should consider as the budget process starts.

### **Questions and feedback:**

Jennifer Joly would like to see an earlier public comment period. Michael said ODOE tries to make that as early as possible but there are stages driven by the CFO that the budget must go through, such as audit, before it can be presented at a public meeting. Janine added that EAWG will see ODOE's proposals and draft POPs before they are solidified in the Agency Request Budget.

Jana Gastellum asked if the federal grants come with resources to help staff and administer the programs. Michael said that federal grants often come with some level of administrative support to deliver the program. While putting together the budget and considering which grants will be applied for, ODOE is making sure it will have the capacity and which grants, if necessary, provide administrative funding.

### **2023 Bill Implementation and 2024 Legislative Session** (*Christy Splitt, Govt Relations Coordinator*)

- ODOE was handed nine new programs and projects in the 2023 climate package and will be bringing on more than 20 new positions to take on this new work.
- Christy provided an update on the three items ODOE has chosen to prioritize planning efforts:
  - Building Performance Standards (HB 3409) is the largest new program for ODOE and will be bringing six new staff on board resulting in a new Codes and Standards section. The first public meeting will be held on December 13.
  - Oregon Energy Strategy (HB 3630) had its first public meeting earlier in November. Existing staffer, Edith Bayer, is leading this effort.
  - Community Navigator program is up and running. Sarah Moehrke was hired in June and has begun traveling the state supporting communities in their quest for energy dollars.
- HB 3630 also directed ODOE to apply for two federal programs, HOMES and HEAR. ODOE held a series of public webinars in October, with other smaller, more focused meetings since. One of the two positions has been hired and, while the application is not due until January 2025, ODOE hopes to apply in Spring 2024.
- HB 3409 directed ODOE to establish a program to educate and train the residential efficiency work force, as well as the public and others, about home efficiency programs. ODOE is also working on a One-Stop Shop where Oregonians can learn about all home energy efficiency programs available in the state. This will launch early next year.
- ODOE was assigned a biennial report that focuses on heat pump implementation. The first iteration is due in 2025.
- HB 3409 will modernize the Oregon Global Warming Commission and give them a major new stream of work, as well as a new name: Oregon Climate Action Commission. Given that new work, ODOE will have a new Climate Section under the Energy Planning and Innovation division. ODOE is currently recruiting for the position to lead that section. Another position will follow to help support enhanced reporting requirements that the Commission is taking on.
- ODOE is working with peer agencies on the Global Warming Commission on Natural & Working Lands and the Governor's Office is helping with allocation of the \$10 million Natural and Working Lands fund.
- The County Energy Resilience Planning program will launch in 2024 and will support county planning efforts around energy resilience.
- For the 2024 session, there will be a bill to make technical fixes to recent legislation, such as conflicting deadlines, extending deadlines for the Natural and Working Lands reports, and to possibly act as a vehicle to incorporate changes to the Community Heat Pump Deployment Program to ensure all regions and Tribes are served.

### **Questions and feedback:**

Christy clarified for Lisa Gaines that the new deadlines for the Natural and Working Lands reports would be in the Fall of 2025 instead of 2024. This is due to the need to hire staff in the new Climate section and the RFP process for a consultant.

Christy also clarified for Chloe Becker that the new deadline for the Energy Security Plan would be September 30, 2024, to match the federal deadline.

## ODOE Projects Update

### [Energy Security Plan](#) (*Max Woods, Assist Director Nuclear Safety and Emergency Preparedness*)

The energy security plan is intended to be a high-level evaluation of all threats and risks to Oregon's energy systems and will propose mitigation measures that can be implemented in the future to reduce the consequences of those risks and threats. ODOE is using federal money from the IIJA for this project. A [draft plan](#) was submitted to the US DOE in September and ODOE is now in the process of stakeholder engagement and has hired a technical service contractor to support this project. ODOE will submit the final plan to the Oregon Legislature and the US DOE on September 30, 2024. Max asked members to reach out if their organizations have done work or have existing analyses that would be relevant or useful to include in the plan.

### [State Energy Strategy](#) (*Edith Bayer, Energy Policy Team Lead*)

HB 3630 directed ODOE to develop a comprehensive state energy strategy identifying optimized pathways to achieve Oregon's energy policy objectives. The State Energy Strategy is due to the Governor and Legislature by November 1, 2025. ODOE has published a [charter](#); created an inter-agency steering group; held a launch event in November; established a dedicated [webpage](#); sent letters to engage Tribes; and drafted two RFPs, one for a technical consultant and another for a facilitator. ODOE will work to form a technical working group and an advisory group. The technical group will serve to bring subject matter experts from relevant disciplines together, and the advisory group will be meant to represent diverse perspectives from across Oregon to inform the Strategy. Once the consultants are onboard, ODOE will begin the first round of listening sessions and meetings to inform the modeling, which is expected to take two to three months. Later into next year, ODOE anticipates the modeling work to happen and to start engaging on policy recommendations. Edith proposed [questions](#) to members to help inform next steps.

### **Questions and feedback:**

Tom Wolf asked if there was an opportunity to do research about what Oregon would gain or lose if Oregon did not have a similar kind of carbon pricing program as Washington and California. Edith said she would take note of that question.

Edith clarified for a question in the chat that there is not a specific process for selecting members for the advisory or technical groups yet. There is internal discussion about possibly soliciting letters of interest, but hope to have better alignment with the procurement process and timeline before developing these groups. Janine also mentioned that ODOE is hoping to get the contractors on board first because they may have expertise on how to structure these groups.

Nate Rivera asked if this would be the appropriate vehicle to do an audit on ODOE programs that may no longer be relevant. Janine said that ODOE has committed to doing that for ODOE-specific programs through its Strategic Plan, and the Energy Strategy will be looking broader to find gaps in policy and recommend places where the state should do more or less with the energy transition.

Silvia Tanner commented that while focusing on goals is an important part of the Energy Strategy, understanding the landscape in terms of access and where those gaps lie is also important.

Mary Moerlins asked if there would be an update when the RFPs would be on OregonBuys and what the interplay between the Energy Strategy and the Energy Security Plan. Edith responded that the Energy Security Plan will be released first and the Energy Strategy will build on that since reliability is core to energy transition. Janine said ODOE will be able to announce when the RFPs will post but there is not a specific date yet.

Jana Gastellum said she would like to see carbon intensity considered throughout the Energy Strategy instead of categorizing in lump form.

#### [Biennial Energy Report](#) (*Jessica Reichers, Energy Technology & Policy Manager*)

In 2017 ODOE was directed in HB 2343 to produce a Biennial Energy Report (BER) that informs local, state, regional, and federal energy policy development, energy planning, and energy investments every even-numbered year. For 2024, ODOE plans to feature high-level discussions on the Energy Security Plan, and updates on the State Energy Strategy development. ODOE is in the process of collecting input on other potential topics and asked EAWG members for feedback. ODOE will be expanding the Energy by the Numbers section of the BER and asked members what additional data would be useful to include. ODOE is looking to be more selective on topics to include in the Energy Resource and Technology Review section due to limitations and staff resources. Jessica asked members if there are nascent or older technologies not included in previous BERs that would be informative to energy discussions. Jessica also asked if there are any energy-related questions or topics members hear about that could benefit from an overview in the Energy 101 section of the BER. Other [key questions](#) were proposed to members and feedback can be submitted through the [online portal](#).

#### ***Questions and feedback:***

Tom Wolf suggested including changes that have occurred in Oregon over a select amount of time to show how new technologies and innovations impact the trajectory of how things progress.

Tom Wolf suggested the water/energy nexus be included in the Energy 101 section.

#### **Strategic Plan Update** (*Ruchi Sadhir, Associate Director Strategic Engagement*)

Ruchi reminded members of ODOE's [five imperatives](#), provided a snapshot of the [entire strategic plan](#) and shared the following highlights:

#### [Expand & Improve Stakeholder Engagement Imperative](#)

- Ruchi encouraged EAWG members to take the baseline survey that was sent to stakeholder groups.
- Community Navigator position and Equity & Inclusion Analyst position have been hired, increasing engagement with organizations representing historically and currently underserved populations and communities.
- Traveled to Eastern Oregon for three days, and will be taking another trip to the North and Central Coast to learn first-hand about needs and priorities for those communities.

### Build Practices & Processes to Achieve More Inclusive & Equitable Outcomes Imperative

- ODOE has convened an Environmental Justice Leaders Workshop series to help support information exchange and discussion about federal grants. Three workshops have been held so far.

### Assess & Enhance Organizational Data Capabilities Imperative

- Most of ODOE's products have standardized methodologies, and staff is looking at standardization across products where possible.
- ODOE is in the process of establishing and recruiting a GIS Analyst to support data visualization.

### Optimize Organizational Efficiency & Impact Imperative

- Gallup score among staff has increased from 3.9 in 2019 to 4.1 in 2023.
- Score for Efficient and Effective Processes and Procedure survey also increased from 2.73 in 2019 to 3.36 in 2023.

### Assess & Modernize Agency Programs & Activities Imperative

- Part of this imperative is to conduct a strategic evaluation of each of ODOE's [programs and activities](#).
- ODOE made a list of [criteria](#) by which to evaluate the programs. This evaluation aims to identify programs that are not in alignment with ODOE's mission or what the state needs to help meet its energy and climate goals.
- ODOE has evaluated the State Energy Efficient Design Program and the Renewable Energy Program. ODOE hopes to evaluate the other 33 programs by the end of January to help inform the development of the 2025-27 budget.

#### ***Questions and feedback:***

A question in the chat asked how ODOE weighs the criteria sectors when evaluating programs. Janine responded that ODOE does not have different weighting for the criteria because a lot of it is helping staff with the narrative in terms of how to present the information to leadership.

#### **Closing Comments/Q&A**

- None.