



Oregon

Tina Kotek, Governor



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Energy Advisory Work Group

DATE: June 27, 2024

TIME: 2:00 – 3:00PM

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 Jenny Dresler, Pacific Propane Gas Association Lisa Gaines, Oregon State University Mary Moerlins, NW Natural Nate Rivera, Hermiston Energy Services Nicole Hughes, Renewable Northwest	Janine Benner, Director Abby Reeser, P&I Division Assistant Alan Zelenka, Asst Director Planning & Innovation Bailey Harris, Research Analyst (GIS) Danae Hammitt, Finance and Operations Manager Edith Bayer, Energy Policy Team Lead Geoff Crook, Senior Climate Action Policy Analyst Jenny Kalez, Communications Director Joshua Price, Energy Strategy Policy Analyst Mary Kopriva, Senior Energy Economist Michael Williams, Asst Director Central Services Ruchi Sadhir, Assoc Director, Strategic Engagement	Alessandra de la Torre Alex Couch Alex Joe Dan Solitz David Francis Diane Hodiak Hannah Cruz Haley Ellett Ian Lynch Jason Heuser Jennifer Joly Josie Tecum Tess Milio Tucker Billman

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

- Janine reviewed the agenda and asked members to put any updates in the chat in lieu of a roundtable.

Energy Research Fund Update *(Alan Zelenka, Assistant Director Planning and Innovation)*

- The Energy Research Fund has a budget of \$250,000 and is funded through the federal State Energy Program grant. The purpose of this Fund is for ODOE to contract with outside firms to do studies, research, and analysis to supplement the work in the Planning and Innovation division.
- ODOE prioritized a [list of ideas](#) for possible funding that was presented to EAWG members at the March 2024 meeting. Members were sent a survey to provide input on those ideas following that meeting. Alan shared the feedback from the survey and said the prioritization matched, except Cooling Needs should be a lower priority while Transmission – Integration of Renewables should rank higher.
- A suggestion from the survey said it may be worthwhile to study the effects on Oregon of being in between two states with a price on carbon.

Questions and feedback:

Alan clarified for Nicole Hughes that “Grid Electrification Prep” would study what the grid would need to handle an aggressive amount of electrification from shifting transportation and building use to electricity. This would include an analysis of demand.

[Descriptions](#) for each of the study ideas were re-shared in the chat.

Budget Development Update *(Janine Benner & Michael Williams, Assist Director Central Services)*

- ODOE has slightly modified the Policy Option Packages after receiving feedback from EAWG and evaluating budgetary impacts.
- This update will show ODOE's Current Service Level budget. Budget numbers will be finalized over the next month and ODOE will share a full accounting with ESA payers and the public at the end of July.
- Under ODOE's Current Service Level budget now, ESA would go up approximately 19 percent and there are three main drivers for this:
 - Increase in personal services costs due to cost-of-living adjustments taking effect.
 - Increases to Government Services Charges that state agencies must pay.
 - Increased administrative costs for ODOE. Because General Funded positions from incentive programs are not included in the CSL budget, there will be less General Fund contributions from those positions to support the indirect pool and will, therefore, put more pressure on ESA-funded positions.
- ODOE anticipates the ESA percentage to go down from CSL as the budget continues through the process.
- ODOE has completed the audit of the CSL and is finalizing Policy Option Packages that will be added to create the Agency Request Budget. The Governor has limited General Fund POP requests to 1 percent of CSL. This means ODOE will not be able to include incentive programs and positions that received one-time funding.
- Michael shared charts depicting ODOE's [2025-27 Draft Agency-wide CSL and Draft Operating CSL](#), a [history of ODOE's biennial budgets](#), and a [comparison of the 2023-25 adopted budget to the 2025-27 CSL](#). He noted the significant decrease in General Fund for 2025-27 as incentive programs are phased out, while there is a slight increase in Federal Funds as those funds are starting to roll in.
- Michael provided a review of ODOE divisions, along with a budget breakdown and proposed Policy Options Packages for each.
 - [Planning and Innovation P&I CSL Budget](#)
 - Climate Action Research POP will be proposed to make the Climate Action Research Analyst a permanent position. This position will support the ongoing work of tracking the state's GHG reduction goals and will be supported by General Fund.
 - Rural Energy Efficiency Projects POP complements the federal Rural and Agricultural Energy Assistance Program to support energy projects identified by energy audits. This POP was introduced to EAWG members under the name of Rural Energy Projects in April. ODOE has updated this to reflect that this POP will support energy efficiency and conservation projects. General Fund is being requested and no new positions are anticipated.
 - [Energy Development Services EDS CSL Budget](#)
 - Incentive Program POP is requesting to make some EDS positions permanent to provide continuity, institutional knowledge, and position retention. Michael noted that there is not a POP to continue the incentive programs since that does not align with the budget guidance of asking for only one percent above CSL for General Fund programs. Since POPs to extend the programs would

not align with the 1 percent cap, this POP would rely on Federal and State funded programs that come into the agency.

- Energy Security [NSEP CSL Budget](#)
 - ODOE will be renaming this division to Nuclear Safety and Energy Security to reflect the increased focus on developing the Energy Security Plan and working with counties on resilience planning.
 - No POPs are proposed for this division.
- [Energy Facility Siting](#) [Siting CSL Budget](#)
 - Facility Siting Positions POP requests one Siting Analyst position to address an anticipated increase in compliance activities as the number of approved siting projects and operating facilities increases. This position would only be filled if workload requires and would have a small ESA impact.
- [Administrative Services](#) [Admin CSL Budget](#)
 - Paid Internships POP would allow ODOE to more equitably offer internships. This POP was reduced from what was presented at the April EAWG meeting to meet the one percent limit on General Fund requests.
 - Community Navigator POP requests funds to support at least four community-based contractors to work with tribal governments and three community-based contractors to work in rural and frontier local governments. This POP was also updated from April and removes the additional position request to reduce the amount of General Fund instead of asking for additional support from ESA.
 - Employee Services POP requests two positions to help increase the skills, succession planning, and DEIB fluency of agency staff. These positions would be part of the indirect pool and, therefore, partially funded with ESA.
- Michael reiterated that ESA is estimated to increase by 19 percent and reviewed the three main drivers: a [roughly 25 percent increase to State Government Services Charges](#), a 13 percent increase in Personal Service costs, and the reduction of General Fund positions within ODOE contributing to indirect pool costs.
- What was shared today is the Current Service Level Budget and not the final budget. As this continues through the process, numbers are subject to change. ODOE will continue to share information through each iteration of the budget.

Questions and feedback:

Michael clarified for Nate Rivera that the positions added to ODOE's CSL budget are not funded by ESA, but ESA would support some of the indirect costs created by those positions.

Nicole Hughes asked what workload would trigger ODOE to hire the Siting Analyst and suggested being proactive to avoid slowdowns in the process. Michael said that the division projects what needs will be depending on applications and site certificate compliance and this position would have an 80% target that could be billed to energy facilities.

Nate said it would be helpful if ODOE could show how and where it is reducing spending. He also said it would be helpful to have a breakdown of the 19 percent increase in ESA in terms of dollar amounts and to what programs that money is going. Lastly, Nate asked if there are areas in the budget where ODOE could find additional support to reduce ESA. To Nate's first

point, Janine said that ODOE is looking at reducing travel costs and has reduced its office footprint saving on rent. On the breakdown of the 19 percent increase to ESA, Janine said that is a little hard to do but can show the percentage, by sub program, where those dollars go. Lastly, Janine said that ODOE looks every day to find additional support to reduce ESA. By seeking Federal Funds or adding positions using a different funding source will reduce pressure on ESA. The reason ODOE has been able to keep ESA flat between two biennia is because it was able to diversify funding by adding General Fund and additional Federal Funds.

Janine clarified for Jennifer Joly that if the legislature funded the incentive programs with General Fund and General Funded positions, the ESA would go down.

Dan Solitz asked why the Hanford Oversight budget has increased. Michael answered that it has to do with different phases of the federal grant.

Closing Comments

- ODOE's Public Budget Meeting on July 29, 2024, at 3:30pm.