



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown
FROM: Jason Heuser, Public Policy and Government Affairs Director
DATE: February 24th, 2023
SUBJECT: State Legislative Session Update
OBJECTIVE: Information

Issue

The 2023 State Legislative Session convened January 23, 2023. This memo is to apprise the Board of key issues of interest to EWEB, and the current status of these issues in the legislative process.

Background

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol, which guide the work of EWEB's lobbying activities. When political considerations test the applicability of those directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm its policy or direct staff to make necessary adjustments.

Discussion

The following is a summary of state legislative activity thus far of interest to EWEB:

Willamette Water Treatment Plant – SUPPORT

EWEB staff have met with all Eugene legislators to request their support for state matching funds for EWEB's future Willamette Water Treatment Plant, which Senator James Manning has agreed to sponsor. The Joint Ways and Means Committee is still preparing based budgets for state agencies, in the coming weeks hearings will be held to consider additional general/lottery fund requests. EWEB will submit project paperwork to the Legislative Fiscal Office through Senator Manning's office when the updated submission forms are released. EWEB staff will sign up to testify on the Willamette Treatment Plant request at all appropriate committee and subcommittee hearings.

2021 Wildfire Recovery Funding Carryforward – SUPPORT

The 2021 Legislature appropriated funds for 2020 Wildfire Recovery, including \$4 million allocated to EWEB with a passthrough via the Oregon Watershed Enhancement Board. That balance has not been spent to date. Unlike traditional OWEB lottery funding which has a 6-year authorization, the 2021 legislative allocation was general fund dollars expected to be spent within the 2021-2023 biennium (June 2023 deadline). Watershed acquisition and restoration projects typically require time frames closer to 6 years than the state biennial budget cycle. Governor Kotek's proposed budget released at the start of session did not include a "carryforward" (i.e. reauthorization) of unspent funds such as EWEB's allocation in OWEB's current biennial budget. EWEB has been meeting with legislators to advocate for this carryforward, additionally EWEB is coordinating advocacy with other affected parties working on post-wildfire watershed recovery in other parts of Oregon. Positive news

arrived February 22 that the Co-Chairs of the Ways and Means Committee have included a carryforward for all 2020 Wildfire Recovery funding in OWEB's proposed budget for the 2023-2025 biennium. Further advocacy will be needed to keep those funds in the final adopted budget at the close of this session, but this is a welcome development to see the Co-Chairs recognize the merits of a carryforward.

SB 124/SB 125 – Renewable Hydrogen Grant Programs – SUPPORT

These two bills would support resiliency and decarbonization through the creation of renewable hydrogen grant programs to support hydrogen fueling stations as well hydrogen-based emergency generators to replace emergency generators using fossil fuels (i.e. diesel).

HB 2571 – Electric Bike Rebate – SUPPORT

This bill would establish a state electric bike rebate to support Oregonians using electric bikes. The State has existing electric vehicle rebate programs, this bill would create parity and fairness for those who use electric bikes as their mode of transportation.

SB 530 – Establishment of Natural and Working Lands Fund – SUPPORT

SB 530 will fund and direct state agencies to provide incentives and technical support to forest owners, farmers, ranchers, etc., to implement natural climate solutions on natural and working lands. This new fund could potentially support efforts like EWEB's Carbon Forestry Initiative and Watershed Protection measures that have carbon sequestration co-benefits.

HB 3166 State Whole-Home Energy Savings and High Efficiency Electric Home Rebate Program – NEUTRAL (SUPPORT IF AMENDED)

This bill would direct the Oregon Department of Energy (ODOE), in consultation with the Housing and Community Services Department, to establish a whole-home energy savings program and high-efficiency electric home rebate program and a create single resource that provides information and technical assistance to interested persons on available energy efficiency incentives and programs.

The bill is intended to be a receptacle and disbursement mechanism for expected funds that will flow to the state through the federal Inflation Reduction Act (IRA) to assist ratepayers, deploy energy efficiency and reduce bills.

This program could be a successful mechanism to deploy IRA funds in Oregon but requires further outreach with stakeholders and existing energy efficiency programs run by the Energy Trust of Oregon, individual Consumer-Owned Utilities (COUs), and the Bonneville Power Administration. Proper coordination and alignment is needed to ensure resources are deployed strategically and that unintended consequences are avoided (i.e. overlapping incentives that pay for more than 100 percent the cost of a measure – this can be avoided with data sharing between the state and utility programs; state incentives should require performance standards equal to those of the Bonneville Power Administration (BPA) so that any energy savings in COU territories can be claimed towards regional energy efficiency targets set by the Northwest Power Planning and Conservation Council.

Recommendation

This memo is for informational purposes. No board action is requested.

Requested Board Action

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