



# 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: June 29, 2023 (July 11, 2023, Board Meeting)  
SUBJECT: 2023 State Legislative Session Update  
OBJECTIVE: Information

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## Issue

The 2023 State Legislative Session convened January 23 and adjourned on June 25. This memo is to apprise the Board of key issues of interest to EWEB, and the final 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

### Walkout Concludes -- Legislature adjourns on time

A legislative walkout from May 3<sup>rd</sup> to June 15<sup>th</sup>, the longest in Oregon history, threatened the completion of key legislative priorities and the adoption of a 2023-2025 biennial state budget (including local government funding). However, legislators reached a compromise on two controversial bills and enough legislators were present after June 15 to provide a quorum to do business over the remaining days before the constitutionally required June 25<sup>th</sup> adjournment. Operating at a breakneck speed the legislature was able to approve a backlog of bills and adopt a new biennial state budget and adjourn on June 25<sup>th</sup> with hours to spare.

### Central Priorities Approved:

Key legislative priorities that were approved included:

- \$200 million package to address housing and the homelessness crisis
- \$210 million package for the semiconductor industry in Oregon, the bulk going towards toward grants to acquire and develop land for new facilities and carry out research, with other provisions aiming to leverage federal funding approved in the 2022 CHIPS and Science Act
- \$1 billion in bonds approved to meet Oregon's share of a new Interstate 5 bridge across the Columbia River to Washington.
- An omnibus Climate Resilience Package estimated to be a \$90 million investment with potential to leverage as much as \$1 billion in federal funding over the next few years.

### EWEB Willamette Water Treatment Plant Funding Request

The final approved state budget did not include any funding for the EWEB Willamette Water Treatment Plant. A few small drinking water infrastructure projects received awards ranging \$1-2

million (Cities of Monroe, Halsey, Sodaville, Falls City, Bay City, Lowell), with an outlier of \$5 million awarded to the City of West Linn for the I-205/Abernathy Bridge Water Line Replacement, timed to synchronize with upcoming construction to produce the first earthquake ready interstate bridge across the Willamette River in the Portland metropolitan area. The largest drinking water infrastructure funding request submitted this session, the Willamette Water Supply Project (a joint venture by City of Hillsboro and the Tualatin Valley Water District) received no funding.

#### Post-fire McKenzie Watershed Recovery Funds Reauthorized

The 2021 Legislature appropriated funds for 2020 Wildfire Recovery, including \$4 million allocated to EWEB with a passthrough via the Oregon Watershed Enhancement Board. Over \$1 million was unspent and in jeopardy due to the conclusion of the current biennial budget June 30. EWEB was successful in obtaining reauthorization for the unspent balance in the 2023-2025 biennial budget and played a leading role in coordinating advocacy for an ad hoc coalition of Watershed Councils, Land Trusts, and Soil and Water Conservation Districts also in need of reauthorization of unspent balances in other fire-impacted watersheds.

#### Omnibus Climate Legislation

Due to the walkout delays, in order to meet the constitutional deadlines, many bills generally relating to one another were grouped into various consolidated “omnibus” legislative packages as a single bill. Climate bills were combined into HB 3409 and HB 3630

#### HB 3409: Climate Resiliency Package #1

Resilient, Efficient Buildings Policy Package (SB 868, 869, 870, 871) – Creates building energy performance standards and leverages federal funding to improve energy efficiency and climate resiliency of homes and buildings.

Community Resilience Hubs (HB 2990) - Funds community resilience hubs and networks across the state to coordinate and provide access to resources and services for vulnerable populations during disasters.

Natural Climate Solutions (SB 530) - Supports cost-sharing to leverage tens of millions in federal investments for Oregon forestland owners, farmers, and ranchers to implement climate-smart land management practices, increasing carbon sequestration and improving the resilience of Oregon communities and natural resource economies.

Oregon Climate Council Modernization (SB 522) - Provides needed staffing and representation on the Oregon Global Warming Commission.

Medium and Heavy-Duty Electric Vehicle Rebate Program (HB 2714) – Creates a DEQ program that can compete for \$1 billion in federal Inflation Reduction Act funding for medium- and heavy-duty zero emission vehicle rebates.

Trees Restoring Economic and Environmental Stability Act (HB 3016) – Creates a Community Green Infrastructure Grant Program at the Department of Land Conservation and Development (DLCD) to fund communities to develop projects that increase tree canopy, improve livability, and support water quality and conservation.

Siting Renewable Energy (HB 3181) - Directs DLCD in coordination with the Oregon Department of Energy (ODOE) to find opportunities and minimize conflicts on siting of solar projects in Oregon through engaging stakeholders in a rulemaking advisory committee process.

Climate Protection Program Fee Bill (HB 3196) - Supports Department of Environment Equality oversight and accountability of Oregon's Climate Protection Program to ensure the Community Climate Investment program achieves its intended climate pollution reduction goals and benefits for communities of color, rural, low-income, Tribal, and other communities across the state.

Harmful Algal Blooms (HB 2647) – Creates new state resources to detect and track causes and impacts from harmful algal blooms in drinking water sources and recreation areas, which are likely to occur more often due to shifting precipitation patterns from climate change.

Woody Biomass for Low-Carbon Fuels (HB 3590) - Directs College of Forestry at Oregon State University to research development of fuel pathways for low carbon fuels derived from woody biomass residues from forestry operations.

#### HB 3630: Climate Resiliency Package #2

State Energy Strategy (HB 2534) - Directs ODOE to develop a comprehensive state energy strategy that identifies optimized pathways to achieving the state's energy policies.

County Energy Resilience Planning (HB 3378) - Supports counties' development of energy resilience planning and integration into wildfire mitigation plans.

Resilient, Efficient Buildings - ODOE One-Stop-Shop efficiency portal (HB 3166) – Organizes a single resource for Oregonians to find energy efficiency measure assistance. Leverages federal funding to improve efficiency of homes and buildings and support healthy, affordable, resilient communities and family-wage job creation across Oregon.

Environmental Justice and Tribal Navigator (SB 852) - Establishes a program within ODOE to provide information about state and federal funding opportunities and other technical assistance to rural, Tribal, and other environmental justice communities as they work to develop energy projects or build energy-related capacity.

Solar + Storage Rebate Program Extension (HB 3418) - Extends sunset on solar and storage project rebates for residential customers and low-income service providers, extending the program through January 2029, enabling the program to potentially receive and distribute tens of millions in federal funding from EPA's Greenhouse Gas Reduction Fund. These rebates facilitate low- and moderate-income Oregonians to save on electric bills and retain power during outages.

Residential Heat Pump Program Extension (HB 3056) - Supports further implementation of ODOE's Residential and Community Heat Pump Deployment Programs established by the 2021 legislature to bring heat relief to Oregon communities.

Community Renewable Energy Grant Program - Provides further funding for ODOE's Community Renewable Energy Grant Program, established by the legislature in 2021, to support planning and developing community renewable energy and energy resilience projects.

#### HB 2010 – The Bipartisan Drought Relief and Water Security Package (BiDRAWS) - PASSED

This bill authorizes and funds the costs of actions supporting place-based integrated water resources planning. It directs the Legislative Policy and Research Office (LPRO) to report funding opportunities to assist low-income drinking water, wastewater, and stormwater ratepayers; and provides \$1 million for the Oregon Association of Water Utilities (OAWU) to provide technical, financial, and managerial support and resources to small and very small community water systems. It also directs the Oregon Watershed Enhancement Board (OWEB) to establish a new program to provide grants to water

suppliers to protect, restore or enhance sources of drinking water and appropriates \$3 million for the initial program.

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

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

HB 2490 – Cyber Security Public Records Exemption – PASSED

HB 2490 exempts from public records disclosure cybersecurity documents that protect computer, information technology, or communications systems from threat or attack. This includes records that depend for their effectiveness upon a lack of public knowledge and contractual and insurance records that document cybersecurity specifications. The bill was brought forward by local State Representative Nancy Nathanson.

HB 3459 – Utility Shutoff Moratorium – FAILED

This legislation would have mandated a moratorium on utility shutoffs. The bill was gut-and-stuffed to apply only to augmenting an investor-owned utility surcharge in rates to support IOU customer bill assistance programs at Oregon Housing and Community Services (OHCS).

**Recommendation**

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

**Requested Board Action**

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