



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: March 30, 2020
SUBJECT: 2020 State Legislative Session Summary and Post-Session Executive Order 20-04

Issue

The 2020 State Legislative Session convened February 3rd and adjourned March 7th. This memo is to apprise the Board of the final status of issues key to EWEB's adopted 2020 legislative agenda and to summarize Governor Brown's subsequent Executive Order on Climate.

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

In a replay of the conclusion of the 2019 Session, the 2020 Session was interrupted by a "walkout" by Senate and House Republicans, in protest of Carbon Pricing legislation. Without a quorum to do business, the legislature was unable to pass any further legislation from the time of the walkout on February 24th until the constitutionally mandated conclusion of the session on March 7th. Consequently, only 3 bills were passed by the legislature and dozens of advancing bills and budget decisions were blocked by the lack of a quorum.

The following is a summary of the final outcomes of legislative issues identified in EWEB's 2020 State Legislative Agenda:

SB 1530 – State Carbon Cap and Trade Legislation – SUPPORT – FAILED

SB 1530 was approved out of the Senate Environment and Natural Resources Committee on February 14th after several public hearings and referred to the Joint Ways and Means Committee. The bill had a public hearing and was approved out of the Joint Ways and Means Subcommittee on Natural Resources on February 19th where it remained at the conclusion of the 2020 session. SB 1530 was believed to have the necessary votes for passage in both the House and Senate on simple

majority votes, if a quorum had been possible.

SB 1536 – Omnibus Wildfire Response Bill – SUPPORT – FAILED

SB 1536 was approved out of the Senate Wildfire Reduction and Recovery Committee and was referred to the Joint Ways and Means Committee on February 14th. Components of SB 1536 were amended into omnibus legislation, HB 4066, which remained in committee at adjournment. These components would have established a requirement that consumer owned utilities submit risk-based Wildfire Mitigation Plans by the end of 2021 and directed the Oregon Public Utility Commission to complete statewide workshops throughout 2020 to identify best wildfire mitigation practices for the utility sector. Regardless, the OPUC is expected to conduct workshops in 2020 and EWEB staff have been invited to participate.

HB 4135 – Utility Investment in Electric Vehicle Infrastructure – NEUTRAL – FAILED

This legislation was amended to eliminate any mandates that would set a floor of required utility investment at 1 percent of retail revenues. Instead the amended bill would have issued a directive on the use of revenues from the sale of credits generated in the Oregon Clean Fuels Program. HB 4135 did not advance out of committee, however, the components of HB 4135 were incorporated into an omnibus bill, HB 4066, which was approved by the House of Representatives on February 20th but received no action by the Senate after the Senate Republican walkout.

HB 4043 – Preemption of Local Authority on Water Pipe Materials – OPPOSE – FAILED

A public hearing was held for HB 4043 on February 11th. No further action was taken and the bill was procedurally eliminated from further consideration midway through the legislative session.

Governor Brown’s Executive Order re: Climate Change – SIGNED Tuesday, March 10

Governor Kate Brown issued Executive Order 20-04 in response to the failure of SB 1530. Like SB 1530, the order updates the state’s carbon reduction goals, setting targets of a 45% reduction below 1990 levels by 2035, and an 80% reduction by 2050. Instead of an economy-wide, market-based, and regionally-linked carbon pricing mechanism, EO-20-04 will employ sector-specific mandates to accomplish GHG reductions. Under the order, covered entities in the industrial, transportation and natural gas sectors would have their emissions capped by the state’s Environmental Quality Commission and Department of Environmental Quality, with allowable emissions reduced over time. The electric sector will largely go unregulated in the order due to constraints on state authority to regulate imported electricity.

The exact rules and mandates will be the subject of an intensive and lengthy rule-making process — for which the legislature’s Emergency Board approved \$5 million in emergency funds towards staffing and resources at state agencies for the work ahead.

Recommendation/Requested Board Action

No action is recommended. This memo is an informational update on issues identified in EWEB’s 2020 State Legislative Agenda as well as a related post-session Executive Order.