



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Schlossberg, Brown, Carlson, Barofsky and McRae
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: May 21, 2021
SUBJECT: 2021 State Legislative Session Update
OBJECTIVE: Information Only

Issue

The 2021 State Legislative Session convened on January 21st. This memo is to apprise the Board of the status in the legislative process of issues key to EWEB's adopted 2021 legislative agenda and legislative principles. The legislature is in the "home stretch" of the legislative session, dealing now with a small number of unresolved policy matters and negotiations on the biennial state budget and the allocation of funding assigned to Oregon through the federal American Rescue Plan Act (ARPA) approved earlier this year.

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 the status of key legislation of interest to EWEB:

HB 2021 (previously HB 2995) – 100 Percent Clean Energy Standard – Recommendation: MONITOR

Although a tentative agreement on key elements of clean energy legislation appeared to have been reached earlier this month between stakeholders, HB 2021 had been at a standstill until being approved on a 5-2 vote out of the House Revenue Committee on May 20th and referred to the Joint Ways and Means Committee. It would appear the legislation has regained momentum and has a credible chance of being passed into law.

Although a Clean Energy Standard has not been EWEB's preferred greenhouse gas emissions reduction policy, it is the assessment of EWEB staff that the bill has been greatly improved from the initial bill as drafted. Key elements are:

Clean Electricity Targets – requires Oregon's largest investor-owned utilities to reduce greenhouse gas emissions by 100 percent below baseline levels by 2040. Interim goals are 80 percent emissions reduction by 2030 and 90 percent reduction by 2035.

Consumer Protection and Reliability Offramps – utilities would be allowed temporary exemptions from emission reduction targets if compliance with the policy violates a cost cap or undermines the reliability of the electric grid.

Local Government Energy Supply – a process would be established for local governments to work with an investor-owned utility to achieve their local climate action plan's electric sector goals.

New Gas Generation Siting Ban – the Oregon Energy Facilities Siting Council would be prohibited from allowing new or expanded natural gas power plants.

HB 3127 – Use of American Rescue Act Plan Funds for Fire-Affected Watersheds: SUPPORT

The American Rescue Act Plan (ARPA) approved by Congress has sent significant funding to the state to allocate at a fair amount of discretion. EWEB has worked with our local state legislative delegation, Lane County, and the House Wildfire Recovery Committee to submit McKenzie River watershed restoration packages for funding consideration. HB 3127, a wildfire recovery study bill, has been repurposed for replacement with a “gut and stuff” amendment that would make it functionally an omnibus wildfire recovery funding authorization bill. Along with crucial elements such as housing and community redevelopment in fire affected areas, a proposed -2 amendment to HB 3127 contains funding to support McKenzie River water quality monitoring, septic system repair/replacement, community wastewater infrastructure at Blue River, and riparian/flood plain restoration work. HB 3127 is scheduled for a work session on Friday May 28th.

SB 333 – Hydrogen Study – Recommendation: SUPPORT

EWEB staff has testified through the legislative session in support of SB 333, a bill that would direct state agencies to study the potential of and benefits to Oregon from Renewable Hydrogen. The bill has been approved by the legislature and was signed into law by Governor Brown on May 19th.

HB 3103 – Municipal Access to Federal Stored Water – Recommendation: SUPPORT

OWRD recently determined they lacked statutory authority to accept and process character (type) of use water right transfer applications after decades of established practice. This issue came about as an unintended consequence of a legislative change in 1995 that changed water “right” to water “use.” This recent determination eliminated a crucial administrative process needed for efficient and cost-effective transfers of water from one use to another. This leaves municipal water providers in the Willamette Basin, including EWEB, without a viable path to access federal stored water in the Willamette reservoirs for future needs. HB 3103 clarifies that OWRD has the ability to resume accepting and processing applications to change the use of stored water. HB 3103 will allow municipal water providers to access critical stored water to meet future demands without purchasing a new water right.

EWEB staff has testified in support of HB 3103 throughout session. HB 3103 was approved by the House Water Committee on April 16th and referred to the Joint Ways and Means Committee where it awaits further action.

Recommendation/Requested Board Action

No action is requested at this time. This is a monthly informational update.