

EUGENE WATER & ELECTRIC BOARD
WORK SESSION
April 20, 2021
6:00 P.M.

Commissioners Present: Mindy Schlossberg, President; John Brown, Vice President; John Barofsky, Sonya Carlson, Matt McRae, Commissioners

Others Present: Frank Lawson, General Manager

President Schlossberg called the Work Session to order at 6:00 p.m.

Agenda Check

There were no changes or additions to the agenda.

Carbon and the Energy Sector—Information

Mr. Lawson offered the Board a report and PowerPoint presentation on carbon and the energy sector.

Carbon and the Energy Sector—Discussion

Referring to the U.S. Transmission Grid map, Commissioner Carlson wondered why Nevada was blank as far as transmission connecting it to other parts of the region, yet they probably have a broad ability for solar power generation.

Mr. Lawson returned that it could be that some of Nevada's power lines were lower voltage lines. He added more and more solar energy was being generated in Nevada, but the majority of it went to California.

Commissioner Carlson said she was hoping to get an update on solar pricing. She also inquired about other renewable energy sources, such as hydrogen batteries for energy storage, wave energy, and energy generated from the off-gassing of waste products; she wanted to know if any of those were available for EWEB to take advantage of regionally.

Mr. Lawson said that going forward EWEB will need a mix of resources with different characteristics. He felt the utility was in a very good position to take advantage of multiple renewable energy sources that met EWEB's climate goals, and also met the utility's reliability and affordability goals, such as wind and solar, and that wave energy is not off the table. He added that much can be done through energy efficiency and conservation, as well as demand response which addresses the issue of timing. AMI technology along with products and services can be used to encourage people to use energy when it is the least expensive and the cleanest.

Commissioner McRae voiced his support for renewable hydrogen storage and EWEB playing a role in it. He acknowledged the need for synthetic and/or renewable gas

stating that we need to use these fuels in sectors that are hard to electrify. He offered that in order for EWEB to get to a more renewable energy future, they should electrify everything that could be electrified, such as home heat, and the heating of domestic water. He asked Mr. Lawson to say a few things about the difference between electricity versus all energy, i.e. going to 90% renewable electric sector versus going to 90% renewable energy including transportation and housing.

Mr. Lawson said he was not sure about the particular interrelationship Commissioner McRae was asking about. He offered that EWEB has been supportive of clean energy policies that were economy wide as there are a lot of energy inefficiencies experienced at the intersections of different energy sectors. All the systems eventually work together and should be considered from a triple bottom line perspective.

Commissioner Barofsky acknowledged that communities have different values. He referenced the slide of the presentation which said some areas would be losing 4,000 megawatts of coal power in the next few years; he asked if the areas coming off coal power were planning on building a natural gas plant instead for power generation.

Mr. Lawson agreed that values differ as demonstrated by different clean energy standards in certain states. He pointed out that if a utility had any energy sources without fuel costs, those sources would be taken advantage of before building something like a natural gas generation plant. He added most of the concern around the removal of coal energy, is it is being removed faster than new or different technologies are being put in place.

Vice President Brown asked when the last time a transmission line had been approved, and how long the approval took. He also wondered about the likelihood of permitting a new transmission line, and how that would affect current timetables.

As an example, Mr. Lawson said there was a current transmission line permitting process that had been ongoing now for about 15 years in remote eastern Oregon, and that project had yet to complete the permitting process, or to break ground.

President Schlossberg, saying that EWEB was a relatively small utility in a relatively small city, wondered in which areas EWEB could get the most energy savings for the least cost, and how to leverage other partners to get it.

Mr. Lawson said the best option, with the highest impact the soonest, was in a focus on energy efficiency and conservation. He used Advanced Metering Infrastructure (AMI) as an example, saying the sooner EWEB could finish AMI installation, and gather the data generated by it, the sooner the utility could get into products and services which create demand response programs. He added, to him, the next step would be for the utility to look closely at consumption across the entirety of its customer base.

Vice President Brown said that he did not believe EWEB should change its Strategic Plan based on recent energy- or climate-driven conditions or opportunities. As far as

what future Board policy opportunities he would be interested in having management explore and/or assess, he said policies involving efficiency and electrification were of utmost importance. Vice President Brown offered that EWEB should reallocate their priorities to invest in the weatherization and energy efficiency of rental units, and also programs focused on electric vehicles (EVs), including incentivizing ratepayers to install in-home charging systems for EVs, and to charge their vehicles at night, in off-peak hours.

Commissioner Barofsky—citing his short time on the Board—admitted he was not familiar enough with EWEB’s Strategic Plan to feel comfortable suggesting wholesale changes to it. He was interested in staff exploring the installation of EV fast-charging stations at some of EWEB’s myriad substations. Commissioner Barofsky said he sees Leaburg and Walterville as flow-through power, that could be used at nighttime and when demand is low, for the generation of hydrogen as a fuel source. He suggested this as an area to potentially re-allocate priorities.

Commissioner McRae posited that it is a priority to swiftly address community-wide carbon emissions, and this could be included in the Strategic Plan. He said everything he had seen suggested that making a transition off fossil fuels could be done very affordably. Commissioner McRae offered he would like to see another phase of the electrification study that included both industrial and freight energy use in the EWEB service area. He suggested a transition equity goal be set by the utility, to make sure as the area is decarbonized, that transition does not disproportionately affect marginalized communities, and also helps those communities get into a better place over the course of decarbonizing our community. Commissioner McRae felt the utility should establish a goal of how much carbon comes along with its electricity into the future, in five-year increments. He added that EWEB should have an electrification target and in addition to decarbonization, EWEB should have a resilience target, perhaps by identifying the portion of electricity that is generated locally, or that EWEB has immediate control over, so that when there are disruptions to the system, EWEB would know it has control over enough electricity to supply its basic needs. Finally, he asked Mr. Lawson when those targets would need to be in place to inform future energy purchase decisions.

Commissioner Carlson pointed out EWEB had 90% clean electricity, with the other 10% being mostly market purchases, which EWEB had no control over, as far as carbon content of the purchased electricity was concerned. She wondered if it was realistic to set a goal of offering 100% renewable energy-driven electricity, while that market-purchased 10% was completely out of EWEB’s control. Commissioner Carlson felt there needed to be an intentional marketing strategy from EWEB, in which the utility announces it will not go after 100% renewable electricity at this time, because the 10% of market-bought electricity purchased by EWEB had generation sources which were out of EWEB’s control. Instead, she continued, it was the utility’s responsibility to focus on the things EWEB can influence such as rental efficiency and electric vehicles, to offset any carbon found within that 10% purchased from the energy market.

Mr. Lawson assured the Board EWEB staff was not giving up on the 10%. He added there were new standards coming into being within the energy market, for example one export standard would address the potential sale of a clean energy product being backfilled with a dirtier product, which does not help the overall carbon content.

In choosing the path to 0% carbon, Commissioner Carlson said there needed to be detailed information specifically pertaining to EWEB, and what the utility itself can do to reach this goal, instead of information about the regional and national power markets.

President Schlossberg said she was undecided about changing the Strategic Plan, however, she wished for the decarbonization work to remain at the top of the priority list in the Plan. She added EWEB should shift more focus to answering the questions raised by this meeting's carbon conversation; she agreed with Commissioner McRae about an equity goal built into any EWEB transition from carbon, to ensure marginalized and vulnerable communities would not be disproportionately impacted by that transition.

Mr. Lawson said he had enough information from the Board, from the Work Session, to figure out how the decarbonization discussion would fit into EWEB's strategic discussions. He said he would come back to the Board to discuss very specific aspects of EWEB's strategic planning, and how decarbonization played into it.

President Schlossberg adjourned the meeting at 7:45 p.m.

Recorded by Rodney Cimburke

Assistant Secretary

President