



MEMORANDUM
EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: EWEB Board of Commissioners
Mayor Piercy and City Council

FROM: Jeannine Parisi, Community and Local Government Outreach Coordinator
Eugene Water & Electric Board

DATE: February 9, 2010

SUBJECT: **Agenda and Background Materials for February 16 Joint Meeting**

This is a joint meeting of the local elected officials of the City of Eugene and the Eugene Water & Electric Board (EWEB) to discuss inter-jurisdictional issues. Joint meetings typically occur on an annual basis. The Board and City Council last met on November 19, 2008 and discussed launching the EWEB Riverfront Master Plan project and key legislative topics.

The focus of this work session is an update on the steam transition project and opportunities to leverage additional funds towards the decommissioning effort, and an introduction to electric vehicle initiatives. Please find the meeting agenda below.

Joint Work Session
EWEB Board of Commissioners and Eugene City Council
Tuesday, February 16 @ 5:30 p.m.
EWEB Training Center, 500 East Fourth Ave.

AGENDA

1. Welcome and Agenda Review 5 mins.
Mayor Kitty Piercy and EWEB Board President John Brown
2. Steam Transition Project Update 20 mins.
Ethan Nelson, City of Eugene and Mike Logan, EWEB
Overview of Federal Grant Proposal and Progress on Steam Transition Efforts
3. Introduction to Electric Vehicle Initiatives 25 mins.
Jeannine Parisi, EWEB, Jeff Petry, City of Eugene, and Bob Parker, University of Oregon
Information about technology trends, local initiatives and involvement in national demonstration project.
4. General Discussion 20 mins.
City Council and EWEB Board
Opportunity for questions and conversation on topics relevant to both policy bodies.

Agenda Item #2: Steam Transition Project Update

Background

The closure of the steam utility is an unprecedented activity for EWEB. After extensive study, it was determined that there are no economically viable means to sustain steam operations beyond the next few years. An eroding customer base, coupled with fuel-cost volatility and an aging infrastructure, shifts costs and service interruption risks to the remaining downtown steam customers. With distribution losses of more than 30%, retail steam costs are simply not cost-effective. From a carbon standpoint, the steam plant is EWEB's largest operational source of emissions, generating over 18,000 metric tons of CO₂ per year.

Today, six employees operate the steam plant while maintaining the aging distribution lines serving 58 buildings. In December 2008, EWEB adopted a transition plan to discontinue steam operations while mitigating impacts to steam customers. Some critical considerations included:

- Customer awareness and involvement
- Financial assistance
- Reasonable transition period
- Sustainability considerations (energy efficiency, community impacts, etc.)
- Financial impacts to electric utility and ratepayers

Discussion

As EWEB has put this plan into action, staff has aggressively sought opportunities to leverage additional resources to offset the financial impact to customers. The Board has made funding available to hire energy consulting firm McKinstry to conduct building assessments and prepare reports and loan applications for each downtown customer. A significant milestone in the project was when the Oregon Department of Energy (ODOE) agreed to make its Energy Loan Program available to all steam customers, if eligibility requirements could be satisfied. Where possible, loans will be structured so that repayment costs are offset by operational efficiencies gained from the transition off steam.

While this partnership is welcome news, there is a class of customers who will be ineligible for ODOE loans due to building type (churches for instance) or financial status. City of Eugene and EWEB staff developed a federal Department of Energy grant proposal in coordination with the City of Portland that, if funded, will help bridge the financial assistance eligibility gap and make available resources for energy-efficiency retrofits to building owners within the 600 building project area.

This agenda item will include an overview of the grant proposal, its objectives and mutual benefits to the City and EWEB. Staff also will provide a status update on EWEB's work with individual steam customers and the latest transition timeline. It should be noted that no one solution will work for all buildings, and it is ultimately up to individual customers to decide what system makes sense given heating needs, overall cost, and efficiencies. For smaller buildings, ductless heat pumps may be a viable solution, whereas high-efficiency on-site natural gas boilers are more likely for larger users. Either way, we believe the transition can be a catalyst for reinvestment in a number of downtown buildings, and will help shrink our energy consumption and carbon footprint in a meaningful way.

For more information, please contact Mike Logan (685-7108) or Ethan Nelson (682-5224).

Agenda Item #3: Electric Vehicle Initiatives

Background

This agenda item is a primer on our current understanding of electric vehicles technology. Staff will provide an overview of the types of products coming to market, the status of charging infrastructure technology, and a brief description of a few local initiatives underway. If time allows, we will also explore some potential impacts of this technology to the City and EWEB.

Discussion

In September 2008, Governor Kulongoski signed Executive Order No. 08-24 as part of his climate change and sustainable transportation agenda. The order established the Alternative Fuel Infrastructure working group to identify policy, procedures and programs to advance new transportation technologies, and signaled the Governor's intent to position Oregon as a leader in an emerging electric vehicle industry. The working group recently submitted its report to the Governor (see http://governor.oregon.gov/Gov/pdf/afviwg_final_report.pdf). Meanwhile the Governor has been actively encouraging car manufacturers to bring the next generation of electric and alternative fuel vehicles to market in Oregon as an economic opportunity for both job creation and vehicle adoption.

This high profile work spurred a number of initiatives seeking to prepare Oregon as a leading market place for electric vehicle adoption. One of the biggest limitations for drivers thinking about making the transition to an electric vehicle is the absence of a reliable network of charging facilities to alleviate fears of "running out of juice." EV charging stations are locations where vehicles can be plugged into an electric source to re-charge batteries. Last Spring, on behalf of over 80 project partners, the State submitted a \$30 million grant proposal to the U.S. Department of Energy to deploy a network of charging stations throughout the state, and to support the purchase of electric vehicles. While the application was unsuccessful, it laid the groundwork for Oregon's participation in the nation's largest electric vehicle demonstration project.

Last August, the Governor announced that Oregon was named as one of five test markets that will participate in the \$100M federally funded EV project. As part of the project, Arizona-based company eTec will deploy 4,700 zero-emissions electric vehicles (Nissan Leaf) and will establish approximately 11,210 electric vehicle charging stations in home-base, commercial and public locations (see EV Project FAQ sheet or go to www.theevproject.com/index.php). The Oregon Department of Transportation has established a coordinating team representing the Portland to Eugene I-5 corridor to work with eTec. The coordinating team has met twice so far and is just getting a flavor for the scope and timeline of this ambitious project. Staff will provide an update with project milestones at the joint work session.

In addition to a briefing on the eTec EV project, staff will share information on a few other local initiatives that were initiated prior to the announcement of the eTec project. We are working with the U of O Community Planning Workshop on a needs assessment/feasibility study to provide guidance to local agencies on preparing for EV technology. Also, Lane Community College is well into the design phase of an EV charging site with grid-integrated photovoltaic panels for its main campus, and we will share some advance views of that innovative project.

For more information, please contact Jeannine Parisi (685-7451) or Jeff Petry (682-5079).

FAQs

Updated 9/30/09

Q1: What is ECOtality?

A: ECOtality, Inc. (OTCBB: ETLE), headquartered in Scottsdale, Arizona, is a leader in clean electric transportation and storage technologies. Through innovation, acquisitions, and strategic partnerships, ECOtality accelerates the market applicability of advanced electric technologies to replace carbon-based fuels.

Q2: What is eTec?

A: eTec (Electric Transportation Engineering Corporation) is a subsidiary of ECOtality and is a recognized leader in the research, development and testing of advanced transportation and energy systems. With a history in electric transportation that dates back to 1989, eTec has worked on every EV initiative in North America since the 1990's.

Utilizing its patented charging algorithm, eTec manufactures the Minit-Charger line of fast-charge systems for airport ground support equipment, material handling equipment, transit vehicles (buses) and light duty passenger cars. ***The Minit-Charge technology can provide a safe and meaningful charge for an EV in approximately 15 minutes.***

Q3: What is the overview of the proposal?

A: eTec was the lead applicant on a proposal in response to a Funding Opportunity Announcement from the U.S. Department of Energy to "accelerate the development and production of various electric drive vehicle systems to substantially reduce petroleum consumption," and support the President's goals for job creation and electric drive vehicle deployment.

The EV Project will be the largest deployment of electric drive vehicles and the largest deployment of electric vehicle infrastructure ever undertaken. It will include:

- A total of 4,700 Nissan electric vehicles. Nearly 1,000 will be deployed in each of five markets: Washington State, Oregon, California, Arizona and Tennessee.
- ***This project will deploy real consumer-ready vehicles, offered for sale at real prices, in real time.***

A mature charging infrastructure will be established in each of the five pilot markets with exact deployment numbers based upon the results of the EV Roadmap infrastructure studies. The EV Project will deploy a total of 11,210 chargers amongst all project areas, distributed in the following quantities:

- 4,700 Level 2 chargers installed in owner's homes
- 6,250 Level 2 chargers installed in commercial and public locations
- 260 Level 3 (fast-charge) chargers installed

Up to 2,240 chargers will be deployed in each market. These chargers will be allotted based upon the results of the EV roadmap process and input from regional project partner and stakeholders.

Data will be collected and analyzed from both vehicles and charging systems to characterize vehicle performance and the effectiveness of local charging infrastructure under various use patterns and climate

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conditions. The program will also conduct trials of various revenue systems for commercial and public charge infrastructure. By studying vehicle operations and the infrastructure for these first 4,700 vehicles, The EV Project enables deployment of the next 5,000,000 vehicles.

Q4: How many jobs will be created through The EV Project?

A: It is anticipated that more than 750 new employment positions will be generated by The EV Project by 2012. In supporting the market launch of the Nissan EV, it is expected that over 5,500 new positions will be in place by 2017 as a direct result of The EV Project.

Q5: What will be the environmental impact of The EV Project?

A: Each Nissan EV will save as much as 436 gallons of gasoline per year compared to a comparable internal-combustion engine sedan (assuming 12,000 miles per vehicle per year). For the entire fleet of 4,700 demonstration Nissan EVs, the fuel saving would be as high as 2,050,909 gallons of gasoline (48,831 barrels) per year. During the two year demonstration period, 4,101,818 total gallons of gasoline (97,662 barrels) would be saved.

Q6: What will be the role of fast-charging?

A: The Nissan EVs included in The EV Project will be fast-charge capable. Pending final approval of charger connection and communication standards, fast-charge stations will be deployed in high-traffic areas and other strategic locations to reduce consumer "range anxiety" and to provide a rapid-charging solution for extending daily driving range. Fast-charging may also be strategically implemented along transportation corridors (interstate highways and major roads) to connect population areas. ECOtality has previously announced plans to deploy fast-charge systems along Interstate-10 between Phoenix and Tucson to create the Nation's first EV Corridor and to allow EV users to commute between two major cities.

Q7: Who will be able to purchase the vehicle?

A: Consumers and fleets in each market are eligible. There are some requirements; for example, project participants will need to have an Internet connection at home to transmit usage data and to receive information from the program.

Q8: Where will the infrastructure and vehicles be deployed in The EV Project?

A: The five markets for The EV Project are Arizona, California, Oregon, Washington, and Tennessee. With the goal of developing mature charging environments, the Project proposes to deploy charging infrastructure in major population areas that include Phoenix (AZ), Tucson (AZ), San Diego (CA), Portland (OR), Eugene (OR), Salem (OR), Corvallis (OR), Seattle (WA), Nashville (TN), Knoxville (TN) and Chattanooga (TN). To support the Nissan EV, the Project will install approximately 10,950 Level 2 (220V) charging systems and 260 Level 3 (fast-charge) systems.

Q9: How do you sign up to be in the program?

A: Individuals interested in learning more about The EV Project can visit www.theEVproject.com and sign-up to receive regular updates. Business owners who would like to have charging stations installed at their place of business, or government entities, utilities and organizations interested in becoming Project partners can also sign-up at www.theEVproject.com. Individuals and fleets interested in participating in the program by purchasing a Nissan LEAF must register at www.nissanusa.com/leaf-electric-car.

Q10: What are the advantages to participating in The EV Project?

A: In exchange for providing usage data for The EV Project, participants will be provided with residential charging hardware and installation at no charge. Monthly user reports and recommendations will be provided to users in the program.

Q11: Will The EV Project provide charging systems for purchasers of the Nissan EV?

A: Yes, a residential charging system that utilizes 220V power and related residential installation costs will be provided to all project participants. These residential charging systems will be used solely to support the operation of the Nissan EV during the duration of the program. After the program ends, project participants may retain possession of the residential charging system.

Q12: Are there financial incentives for consumers to purchase the EV?

A: The Federal government is currently offering a \$7,500 tax credit for customers of the first 200,000 electric vehicles sold by any manufacturer until 2014. Additionally, a variety of state and local incentives are either in place or currently being legislated – from greatly reduced vehicle registration charges, to up to \$5,000 state tax credits. Check with your tax preparer to determine what incentives may be available to you.

Q13: What is the total amount of The EV Project?

A: The EV Project is valued at approximately \$99.8 million.

Q14: Will the infrastructure be compatible with other EVs?

A: The Level 2 (220V) residential infrastructure will be provided specifically for the Nissan EV, but will meet the Society of Automotive Engineers (SAE) J1772 connection standard that will be used by all major automotive manufacturers. All public charge infrastructure will also use this standard and other applicable standards devised by the SAE.

Q15: What organizations have supported The EV Project?

A: The EV Project enjoys support from a wide range of stakeholders.

- **Government/state level:** the states of Washington, Oregon and Tennessee have all pledged their support for this Project.
- **Government/county level:** Hamilton County (TN), King County (WA), Maricopa Association of Governments (AZ), Pima Association of Governments (AZ), and San Diego Association of Governments (CA).
- **Government/city level:** Tucson (AZ), Phoenix (AZ), Chattanooga (TN), Knoxville (TN), and Seattle (WA) have also pledged their specific support.
- **Utilities:** Supporting utilities include the Tennessee Valley Authority (TN), Knoxville Utilities Board (TN), Portland General Electric (OR), Puget Sound Energy (WA), Seattle City Light (WA), Snohomish County Public Utilities District (WA), San Diego Gas & Electric (CA), Salt River Project (AZ) and Tucson Electric Power (AZ). These utilities collectively serve over 35 million customers.
- **Other strategic industry partners:** 350 Green, ATX/Cross-Country Automotive, Bovis Lend Lease, British Petroleum (BP) America, CB Richard Ellis, Coulomb Technologies, GridPoint, Eaton Corporation, Nissan North America, Yazaki North America and Zipcar.
- **Education/research partners:** Ohio State University Center for Automotive Research, University of California-Davis Vehicle Institute of Transportation Studies, Idaho National Laboratory and Oak Ridge National Laboratory are also Project participants.

Q16: Why was Nissan selected?

A: Nissan is the only automotive manufacturer with a mass-market battery electric vehicle that is prepared for launch in 2010. As the Nissan Leaf is a market ready EV, NO Federal funds are going to Nissan and no Federal funds will be used for vehicle development.

More detailed information about The EV Project is available at www.theEVproject.com. Broadcasters: video and audio interviews are available for download at www.ecotality.com.

Agenda Item #4: General Discussion

Background

This memorandum provides information on a number of strategic issues that EWEB staff is actively involved with, often in coordination with city staff. Many other joint endeavors are under way; this memo merely highlights some of the more timely projects. While the issues described are not the focus of the two staff presentations planned for the joint work session, there will be an opportunity for open discussion towards the end of the meeting. Staff invites questions regarding these topics or other issues of interest at that time.

Roosevelt Operations Center Status

EWEB is continuing construction of the new Roosevelt Operations Center at Roosevelt Boulevard and Beltline Road. The new facility will house EWEB's water and electric utility construction, operations and engineering departments. For now, Customer Service and administration employees will remain in the current headquarters building along the Willamette River.

Project construction work, which started in June 2008, is on schedule. Much of the project site work, including initial work on reconstruction and development of the on-site wetlands, was completed in 2008. Additional planting will be completed this year. The building foundations and structures were completed in 2009 and work is now proceeding on electrical, mechanical, and plumbing systems and building finishes and equipment. Final paving work in the equipment yard, access road and employee parking area will be completed this summer. Completion of the project is expected by December 2010.

Sustainable building practices continue to be a key goal of the Roosevelt project:

- The project is currently expected to achieve LEED (Leadership in Energy and Environmental Design) Gold certification.
- The project will include solar hot water equipment (solar thermal) and solar PVs (approximately 74 KW) and will comply with Oregon HB 2620, which requires at least 1.5% of the building construction costs be allocated to solar technology.
- The project also includes an "eco-machine" that will treat wastewater from the facility on site, avoiding the need to connect to the public sanitary sewer system.
- The public parking and fleet areas will have charging facilities for electric vehicles.

Completion costs for the Roosevelt project are currently estimated to be \$72 million, which is substantially less than the \$83.5 million project budget approved by the EWEB Board and the City Council in early 2008. Much of these savings are the result of a favorable bid climate since mid-2008.

For more information, contact Project Manager Ken Beeson at 685-7486.

Lane County Ordinance Review for Water Quality Protection

There is a significant amount of development along riparian areas in Lane County, particularly in the McKenzie watershed, the sole source of water for EWEB customers. Development in riparian areas can pose threats to water quality in the form of increased pesticide and fertilizer use, contamination from septic systems, removal of native vegetation, etc., while putting property at risk through loss of floodplain function and increased use of revetment.

Over the last two years EWEB has been studying the impacts to water quality in the McKenzie watershed from high density development near the river. EWEB has been working with the University of Oregon Community Planning Workshop (CPW) to evaluate Lane County development code and research other model riparian and floodplain ordinances for comparison. One objective of the CPW study was to collect factual information about how county code in its present form is implemented on the ground, and identify potential solutions to address health and safety impacts of development in the watershed.

In general, the results from our research show that:

- Septic systems, especially those in higher densities or clusters, and/or located near the river in soils that are excessively permeable, pose a particular threat to drinking water. Water quality monitoring from samples collected downstream of septic system cluster areas indicated an increase in bacteria and nutrient concentrations in shallow groundwater and the McKenzie River when compared to upstream samples.
- Lane County Code and permitting practices that allow development in sensitive riparian areas, floodplains, and/or meander zones not only increase the threat to drinking water, but impact County staff time and government resources once the structures are built. Review of multiple case studies indicate that granting variances to landowners creates a domino effect in that additional variances or modifications are later requested to allow expansion, decks, garages and other structures.

These results were shared with the Lane County Board of County Commissioners in 2009, along with a request for staff resources to review the riparian and floodplain ordinances with an eye towards protecting surface and groundwater drinking sources. The county commissioners voted unanimously to include this effort in the 2010 work plan, and county planning staff was assigned to develop potential code revisions. A multi-agency technical team has also been formed to assist County staff with this project.

To avoid pitfalls encountered in a previous attempt to strengthen the riparian ordinance, project partners have engaged the Portland State University (PSU) National Policy Consensus Center to assess the potential for a collaborative solution. In January 2010, PSU met with EWEB, Lane County, U of O and others to pull together a diverse group of stakeholders associated with development in the floodplain and riparian areas. The team also developed a list of interview questions that would allow PSU to assess where consensus is likely, and where competing interests will need to be addressed. PSU is currently conducting interviews with these nearly 30 stakeholders and should complete the assessment by early March 2010. Based on the interview results, a strategy for moving forward with ordinance revisions will be developed, with a July target date for completion of a first draft for review by stakeholders.

Contact Karl Morgenstern (685 – 7365) for more information on EWEB source protection plans.

EWEB Riverfront Master Plan Process

The joint Memorandum of Understanding (MOU) identified public engagement as an essential component for developing a master plan for this special property. Since its inception, the Community Advisory Team (CAT) emphasized the need for an active, genuine public involvement process to create a master plan that has broad community support. To that end, a thoughtful and thorough public engagement plan was developed and is being implemented. Staff is pleased that through the efforts of our consultant team and the CAT, a tremendous level of public participation, enthusiasm and interest has been generated. Process highlights include:

- Individual and small group interviews with local experts on site constraints, opportunities and relevant planning efforts.
- Issue-specific focus groups (multi-modal transportation, site ecology, sustainable urbanism, and arts and history).
- An AIA-sponsored design charrette.
- Sept 30 Project Kick-off event (about 150 people got ‘peek behind the fence’ site tours and discussed “what would make this an active, vibrant people place?”).
- Nov 10 Design Options event (nearly 250 people gave feedback on three designs to identify features people liked and disliked, using clickers for electronic polling as one means for input).
- Organizational presentations (City Club, Rotary, etc.), tabling at community events (holiday market, MLK celebration, etc.) and outreach to specific stakeholder groups (i.e., accessibility community, youth, environmental/parks advocates)

Using a combination of local and national expertise coupled with broad-based community input, the project team has generated a single design framework. The framework has been submitted to University of Oregon Professor Bart Johnson for an evaluation of the proposed design from an ecological standpoint and recommendations for improvements. The project team continues to work closely with city staff on a number of technical issues, including land use and stormwater management strategies, and will also begin checking back with many of the individuals who were involved early in the visioning process to share the latest design and gather feedback.

A third public major event is scheduled for March 3, 2010, starting at 6:30 p.m. This meeting is structured to help refine the single design, and provide feedback on issues specific to the MOU requirements. Participants will have a chance to say if the project team “got it right” in regard to the roads and open space framework, including the bike/walking paths and riparian treatment, and weigh in on proposed uses, building heights and density. In anticipation that this third event will attract as many (or more) participants as the previous one, the meeting was moved to a larger venue at the Hilton.

The master plan process is on-time and expected to be completed in May. For more information, please contact Mark Oberle (685-7121) or Nan Laurence (682-5340).

Fire Hydrant Replacement

Due to insufficient city funding, a growing backlog of deferred hydrant replacement has resulted in an aging infrastructure system. There are approximately 4,000 public hydrants in the current inventory. Most of the hydrants in this aging system are nearing the end of their useful lives (50 to 60 years). Approximately 31% of the city’s hydrants are 50 years old or older; another 24% of the inventory is in the 40 to 50 year age range, which means in the next decade, over half of

the hydrant inventory will be at or near the end of its useful life. Some hydrants have already failed and have simply been decommissioned and capped off. Additionally, almost 1,000 of the 4,000 hydrants are in low-income neighborhoods. Approximately one-third of these hydrants are expected to fail over the next 20 years.

The current cost of a hydrant replacement (equipment and installation) is approximately \$5,000. Within the next decade, the City could easily be looking at an unfunded liability in excess of \$10 million to fully address the obsolete, damaged and malfunctioning hydrants in the system. The consequences of failing to address these deferred maintenance issues is that hydrants will continue to fail and many will need to be capped and taken out of service, resulting in substantial public safety liability.

The City of Eugene is requesting federal funds from the Fiscal Year 2011 federal appropriations cycle in order to partner with EWEB for the replacement of many of these aging hydrants. This one-time funding request will allow the City of Eugene to partner with EWEB to leverage an intergovernmental cost-sharing strategy to address the \$10 million deferred public hydrant maintenance and replacement strategy.

Please contact Brenda Wilson (682 - 8441) with any questions.

February Special Session Legislative Update

Fiscal Overview

On Feb. 8, the state revenue forecast predicted a \$183 million drop from the previous forecast, requiring a little over \$100 million in budget rebalancing in the February Special Session. The state will likely use a combination of unspent general fund balance, reserves and BETC savings (see below) to fill most of that gap, staving off cuts to key state services such as K-12 Education and Health and Human Services. The budget solution will be much easier to solve since voters approved Ballot Measures 66 and 67. Had these measures been rejected, the state budget gap would have widened to \$727 million.

Business Energy Tax Credit

The Oregon Department of Energy (ODOE) offers tax credits to Oregon residents and businesses that invest in energy conservation and renewable energy projects. The Business Energy Tax Credits (BETC) have existed for some time but have become much more popular since the credits were enhanced in 2007, when eligible costs for renewable energy were raised to 50 percent. The current price tag to the State in foregone revenue is \$243 million in the 2010-2012 biennium. The magnitude of this lost revenue, coupled by recent newspaper articles alleging that ODOE staff misrepresented the funding impact of the BETC, has created criticism among the public and legislators. The stories also highlighted concerns that the BETC was subsidizing projects that would have been economically viable and completed, without the tax credit, largely as a result of the Renewable Portfolio Standards in Oregon and other Western states.

This February, a long simmering policy discussion on reining in the cost of the BETC program has boiled over into the formulation of HB 3680. This legislation strives to strike a balance between ending tax credits for projects that should prove viable without the BETC incentive, while maintaining the tax credits as a tool for projects that would only "pencil out" with the BETC, especially smaller community-scale projects.

HB 3680 will cap projects larger than 10 megawatts (typically wind projects) at initially \$3.5 million per project, and will contain overall BETC programs expenses at \$300 million for the current biennium, and in advance, \$150 million for the 2012 fiscal year. The proposed changes in HB 3680 would replace over \$55 million in state funding to fill the remaining \$100 million budget gap.

Of interest to EWEB and the City of Eugene, HB 3680 preserves the ability for government and other entities without a tax burden of their own to utilize the BETC pass-through option. No changes were made to the energy efficiency portion of the BETC. HB 3680 also addresses the imminent sunset date for the Manufacturing BETC, extending the sunset to July 1, 2014. The longer sunset period is of great importance to prospective or current electric vehicle or solar manufacturers.

Metal Theft

HB 3695 has been introduced as a “housecleaning” bill with technical fixes for the comprehensive metal theft deterrence legislation passed in the 2009 Session, and now in effect for just over a month. EWEB and City of Eugene staff collaborated at a Feb. 5 hearing to oppose a provision of HB 3695 that would have weakened the requirement for metal recyclers to report the purchase of any metal wire with insulation removed, regardless of the method of removal, to law enforcement within 24 hours. HB 3695 as written would have only applied the requirement to burnt or melted wire, allowing wire that had been stripped to go unreported. Given efforts by EWEB and neighboring utilities to color code and paint their wire specific colors to make them more identifiable to law enforcement and metal recyclers, this change was not acceptable.

At the time of this memo, the legislator sponsoring HB 3695 has agreed to keep the existing law as is regarding the reporting of insulation removal. Staff will continue to monitor and actively engage this safety and resource issue for the remainder of the session.

Please contact Jason Heuser (503-269-5540) or Brenda Wilson (682 - 8441) with any questions.