



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown  
FROM: Lance Robertson, Public Affairs Manager; and Jason Heuser, State  
and Federal Affairs Coordinator  
DATE: Nov. 20, 2015  
SUBJECT: 2016 Legislative Agenda  
OBJECTIVE: Outline legislative priorities for 2016 session; approval of Resolution No. 1538

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## **Issue**

The Oregon Legislature convenes in February of even numbered years for a legislative session of approximately 45 days to enact laws and adjust the biennial budget of the State of Oregon. EWEB has an active presence during legislative sessions to protect the interests of EWEB and its customers.

## **Background**

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol. These directives are approved by a resolution. The adopted directives 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. This practice is consistent with Board policy GP13 - Board Role in Legislative Session.

During the short legislative sessions, EWEB staff prepares a written "legislative update" to be delivered to the Board midway through the legislative session.

## **Discussion**

The accompanying resolution provides a high level of general direction and principles for EWEB's lobbying efforts on the variety of legislative proposals that typically emerge over the course of the session. At this time, a rough picture is developing of what stands a good chance of occupying the bulk of EWEB's lobbying/bill review time for EWEB staff. However, the likelihood of legislation on these issues may change between now and the start of session on February 1, 2016.

The known major issues of interest to EWEB likely to be considered this legislative session are as follows:

### **Expansion of Oregon's Renewable Portfolio Standard (RPS)**

At the time of this memo, there are informal negotiations between interested parties related to an expansion of the renewable energy targets in the "large utility" standard of the Oregon RPS, from the current target of 25

percent by 2025 to a new target of 50 percent by 2040 (with interim targets increased, i.e. the 2025 target would move to 28 percent). EWEB currently is one of three utilities in the “large utility” category, the other two being Portland General Electric and PacifiCorp.

The negotiations are intended to head off the progress of a statewide ballot initiative that would expand the RPS and prohibit the import of coal-based electricity into Oregon.

EWEB staff intends to advocate that EWEB’s compliance should remain as originally agreed to in the 2007 Renewable Portfolio Standards. If there is to be a more stringent standard to achieve meaningful greenhouse gas emission reductions, then EWEB staff will insist that those larger targets apply only to a newly created “super-large” utility category, applying to utilities serving more than 15 percent of the total electricity demand for the entire state of Oregon.

EWEB is currently at about 5 percent of statewide demand; the two larger investor-owned utilities now in the “large” category serve 37 and 29 percent of the state’s total electricity consumption. EWEB is joined in its concerns by a few other public, consumer-owned utilities that could eventually land in the current “large” category due to load growth.

### **Carbon Cap and Trade Legislation**

At the November 17 meeting of the Senate Energy and Environment Committee, Senator Chris Edwards of Eugene (who chairs the committee) announced he had begun work with Senator Lee Beyer of Springfield to cosponsor a Cap and Trade Bill. He shared some initial thoughts on the bill’s framework. The draft legislation would establish a cap on carbon emissions that would produce results consistent with the Kyoto Protocol and would allow for trading of emission allowances. The sale of allowances could fund adaptation/resilience programs, GHG emission reduction efforts and rate relief for the economically disadvantaged.

The draft legislation would include some initial direction, but would otherwise direct Oregon’s Department of Environmental Quality to develop the bulk of program design and report back to the legislature in 2017. Senator Edwards indicated the cap on emissions could be in effect by 2020 and would ideally be linked to other state cap and trade programs, such as California. When the bill draft is released, EWEB staff will analyze the program design and compare with the Board’s adopted position on carbon pricing.

### **Community Solar**

Senator Beyer and Representative Paul Holvey of Eugene plan to introduce legislation requiring that utility customers in Oregon have access to “Community Solar Projects.” They have indicated that their bill will not apply to consumer-owned utilities at this time, because a few community solar projects are now under development within consumer-owned utilities. However, that exemption could be re-evaluated in future years. The bill also will not require virtual net metering or bill crediting at retail rates. Credit to customers will be awarded on the basis of a docket under way at the Oregon PUC to determine the resource value of solar, expected to be completed by the end of 2016.

### **Recommendation and Requested Board Action**

Management recommends that the Board adopt the accompanying resolution No. 1538 as provided.

If you have any questions prior to the Dec. 1 Board meeting, please contact Jason Heuser at 541-685-7425 or [jason.heuser@eweb.org](mailto:jason.heuser@eweb.org).

**RESOLUTION NO. 1538  
DECEMBER 2015**

**EUGENE WATER & ELECTRIC BOARD  
2016 LEGISLATIVE SESSION**

**WHEREAS**, the 2016 Oregon Legislative Session will convene on February 1, 2016;  
and

**WHEREAS**, the Eugene Water & Electric Board (EWEB) will continue to participate in the legislative process on behalf of its customers; and

**WHEREAS**, the Board has traditionally adopted positions and guidelines that provide general direction for purposes of supporting or opposing specific legislation; and

**WHEREAS**, the Board again desires to set forth such legislative directives.

**BE IT RESOLVED** that the Eugene Water & Electric Board adopts the attached legislative agenda, which includes the following issues and goals:

1. Renewable Portfolio Standard (RPS) Expansion: Hold intact the compliance obligations that EWEB agreed to in 2007 in support of RPS passage.
2. Cap and Trade Legislation: Influence this policy to be consistent to the greatest extent possible with the Board's standing position on carbon pricing, adopted April 2014.
3. Community Solar Requirements: Preserve local decision making and shield utilities from mandated approaches that do not equitably allocate costs among customers or that do not accurately value distributed generation based on utility specific conditions.

**WHEREAS**, new and unanticipated legislation can emerge each legislative session.

**BE IT FURTHER RESOLVED** that the Eugene Water & Electric Board goes on record supporting legislation which generally:

1. Preserves and enhances local control;
2. Complements or improves programs that are cost-effective to our customers; and
3. Preserves, conserves, and restores our natural environment in an equitable and cost-effective manner.

**BE IT FURTHER RESOLVED** that the Eugene Water & Electric Board will oppose legislation which generally:

1. Withdraws the capability of the Board to best serve EWEB's customers;
2. Duplicates existing laws, therefore complicating the execution of the Board's duties by state or federal mandate;

3. Imposes fees, assessments or procedures that impede the Board's ability to provide high-quality and cost effective service.

Dated this 1<sup>ST</sup> day of December 2015.

THE CITY OF EUGENE, OREGON  
Acting by and through the  
Eugene Water & Electric Board

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President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its December 1, 2015 Regular Board Meeting.

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Assistant Secretary