



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson  
FROM: Mike McCann, Generation Manager, and Susan Ackerman, Chief Energy Officer  
DATE: May 22, 2018  
SUBJECT: Draft Revisions to SD15, Board Climate Change Policy  
OBJECTIVE: Information Only

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## **Issue**

The Board's strategic direction policy addressing climate change (SD15) was last updated in 2007 and is out of date. Management has revised SD15 based upon current science around climate issues and EWEB's Strategic Plan.

## **Background**

Board policies are reviewed from time-to-time and updated as necessary. Management is presenting the proposed rewrite of the climate change policy to the Board in June for discussion purposes only. After receiving feedback from Commissioners, Management intends to return to the Board in July to request approval of the revised policy on the consent calendar.

## **Discussion**

The revised climate change policy, attached, acknowledges both the *impacts from* EWEB's operations and the *impacts to* EWEB's resources and operations resulting from current and ongoing changes to our climate. The revised policy states the Board's commitment to supporting a low carbon, renewable resource based electric power portfolio consistent with the utility's reliability and resiliency needs, and directs the General Manager to both participate regionally in efforts to reduce greenhouse gas emissions from the energy sector and to continue efforts to reduce the greenhouse gas emissions from EWEB's operations. Finally, the revised policy directs the General Manager to evaluate and enact measures as necessary and appropriate to prepare for and mitigate the effects of climate change that could damage EWEB's resiliency and reliability.

## **Requested Board Action**

Offered for discussion purposes only.

Attachment 1 – Revised Policy, proposed June 5, 2018

Attachment 2 – Former Policy, last revised September 18, 2007

**Policy Number: SD15**  
**Policy Type: Strategic Direction**  
**Policy Title: Climate Change Policy**  
**Effective Date: July 10, 2018**

The Board recognizes that climate change presents ongoing environmental, economic and social risk to EWEB, our customers, our community and the world. The primary potential direct impacts to EWEB operations from climate change include changes in streamflow –quantity and timing- affecting hydroelectric generation, impacts to water quality and watershed health, changes in consumption patterns, and increasing threats from weather events. The Board also recognizes that EWEB, as a water and electric utility, impacts our climate through electric generation resource choices and the operation and maintenance of our lands, buildings, business practices and transportation fleet.

Accordingly,

- The Board is committed to supporting an electric power portfolio utilizing low-carbon, renewable resources to the extent possible and practical without impacting safety or reliability.
- The Board authorizes, delegates and directs the General Manager to participate in local, state, and regional efforts to encourage, develop and enact measures to mitigate carbon emissions in the energy sector that contribute to climate change.
- The Board further authorizes, delegates and directs the General Manager to continue efforts to reduce the greenhouse gas emissions from EWEB’s operations through the use of the Triple Bottom Line analytical framework, and to assist customers with similar reductions through technical assistance and resources that support energy efficiency, water conservation and smart electrification.
- The Board directs the General Manager to evaluate and enact measures, as necessary and appropriate, to prepare for and minimize the effects of climate change that could impact EWEB’s water and electric supply and infrastructure, damaging EWEB’s resiliency and reliability.

Discussion:

Climate change is the greatest environmental threat we have faced, and its impacts affect everyone. Greenhouse gas emissions from human activity are known to be the primary cause of climate change. It is widely recognized that a sustained societal reduction of greenhouse gas emissions is necessary to slow and stabilize ongoing climate change.

The energy, industrial, agricultural and transportation sectors are generally identified as the primary sources of carbon dioxide and other greenhouse gas emissions in the United States. EWEB's energy portfolio is composed almost entirely of carbon-free resources. However, not all energy sources in the Pacific Northwest are carbon-free. Through partnerships with others in the region, EWEB will seek to decrease the energy sector's regional carbon footprint. Through local partnerships, EWEB will seek to aid and assist the mitigation of climate impacts from the industrial and transportation sectors in our community.

It is also important that EWEB, as a public water and electric utility, understands the impacts of climate change to our operations, and commits to do our part to minimize the impacts from our operations. EWEB, as a generator and purchaser of electricity, has a role and an obligation to participate in local and regional efforts to reduce carbon emissions from the electric power sector. Similarly, as an energy provider to homes, industry and business within our service territory, EWEB has a role and obligation to help our community reach its carbon reduction targets. In order to address the climate impacts of our own decisions and operations, EWEB will include climate impacts in future Triple Bottom Line (TBL) evaluations completed for items brought to the Board.

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**Policy Number:** SD15  
**Policy Type:** Strategic Direction  
**Policy Title:** Climate Change Policy  
**Effective Date:** September 18, 2007

For at least 25 years EWEB has recognized the benefit of planning for the future and has recognized that environmental protection and enhancement are sound business practices as well as part of the public trust responsibility we assume as the electricity and water provider for our community. Future climate change represents an environmental, economic and social risk to EWEB, our customers, and others. To address these risks EWEB resolves to:

- Participate in local, state, national and international efforts to encourage mitigation of emissions that contribute to global climate change.
- Support equitable distribution of mitigation efforts between power production and consumption, fuel producers, utilities, and consumers, recognizing there are other sources of emissions that must also be addressed including those from manufacturing and transportation
- EWEB will continue collaborative efforts to develop legislative policies that ensure costs are fairly distributed, mitigation incentives actually result in reduction of Greenhouse Gases (GHGs) and a reasonable cost of power is maintained.

These efforts will focus on State and Local policies recognizing that we believe development of a national policy will follow on successes at regional levels.

- EWEB recognizes the importance of education, research and adaptation to potential climate change scenarios.
- We support development of specific strategies to identify and cope with effects of local climate change.
- We will continue to fund and support academic research on local climate change effects and educational efforts in the schools to inform and encourage the next generation of citizens.

EWEB will continue our work to reduce or offset the greenhouse gas emissions of our energy resource portfolio by providing resources and technical assistance to support energy conservation, acquiring more renewable energy resources when possible and by reducing the energy consumption and consequent GHG emissions from our own facilities and fleet.

EWEB further recognizes that a successful climate change policy must include consideration of all socio-economic sectors of our community. Our community efforts will include working with businesses, institutions, and individual customers to ensure that disproportionate impacts to low and fixed income customers are avoided.

Staff will develop a three to five year operational plan that moves the utility toward the overall objectives of mitigation and adaptation to climate change. This plan will be updated on an annual basis to reflect EWEB priorities and will include the following initiatives:

- 1.) Conduct a preliminary inventory of EWEB operational GHG emissions as the first step to developing a reduction strategy.
- 2.) Develop a specific plan for compliance with Oregon legislation that would establish a CO2 cap and trade regulatory system.
- 3.) Develop specific low and fixed-income programs that provide climate change responses and opportunities for people and families least able to plan and prepare for it.
- 4.) To address supply side opportunities for GHG reductions and liabilities in terms of resource performance, EWEB will update its IERP during 2009

To address operational impacts of climate change

- a. Assess climate change exposures for EWEB physical plant/facilities
- b. Develop water supply model for the McKenzie Basin
- c. Study impacts of water supply scenarios on demand for and treatment of water, conveyance and storage
- d. Study changes in electricity demand and supply scenarios and effects on operations
- 5.) Continue to support conservation, efficiency and ways to increase the value of electric and water services.
- 6.) Support development and implementation of innovative technologies or solutions that result in economic opportunities for our community.

Source: Steve Newcomb, Environmental Manager Date approved: 09/18/2007