



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: January 29th, 2020
SUBJECT: 2020 State Legislative Session Update
OBJECTIVE: ACTION - Amendment to EWEB's 2020 Legislative Agenda

Issue

The 2020 State Legislative Session will convene February 3rd. This memo is to apprise the Board of the current status in the legislative process of issues key to EWEB's adopted 2020 legislative agenda – and propose that the Board make an addition to that agenda – opposition to HB 4043.

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 legislative issues already identified in EWEB's 2020 State Legislative Agenda:

LC 19/SB 1530 – State Carbon Cap and Trade Legislation -- SUPPORT

On January 13th, the Interim Senate Energy and Environment Committee held a public hearing on LC 19/SB 1530, draft legislation that uses HB 2020 from last session as a starting point. EWEB staff have reviewed the sections of the bill pertaining to the electric sector and view them as being mostly unchanged from HB 2020 and again recommend a position of support for LC 19/SB 1530.

In other sectors, including transportation and industrial sources of GHG emissions, LC 19/SB 1530 makes changes to the design of HB 2020 to include some exemptions and phase-ins for these sectors, particularly for rural Oregon and trade-exposed industries. However, the state will retire carbon allowances (i.e. permits) within the state carbon cap to account for these exemptions and phase-ins. Consequently, these exemptions or phase-ins would not abrogate the statewide cap -- Oregon would be living within the same declining "carbon budget" of allowances as in HB 2020 -- as long as all regulated emissions are accounted for by the retirement of carbon allowances.

EWEB staff agree on a preference for the design of HB 2020, but acknowledge that LC19/SB1530 would provide the same or very similar GHG reductions as HB 2020 and preserve an opportunity to link an Oregon Cap and Trade program to the Western Climate Initiative and/or California's existing program.

LC 83 – Omnibus Wildfire Response Bill -- SUPPORT

On January 14th, the Senate Interim Committee on Wildfire and Recovery held a public hearing on LC 83, an Omnibus Wildfire Response Bill. A section of LC 83 would require utilities to submit wildfire risk reduction plans to the Public Utility Commission based on the level of risk in their service area. It would also establish protocols to be followed in the event of intentional de-energization.

LC 83 establishes a requirement that utilities start planning now (it is currently voluntary for utilities, although most utilities do have plans) but allows opportunity for future legislation in 2021 to consider standards for plans after the Oregon Public Utility Commission completes workshops throughout 2020 to identify best wildfire mitigation practices for the utility sector. EWEB staff view this as an acceptable two-stage approach.

HB 4135 – Utility Investment in Electric Vehicle Infrastructure – OPPOSE UNLESS AMENDED

This legislation would mandate that all Oregon electric utilities invest at least 1 percent of annual retail revenues in the electrification of transportation and place requirements on the use of revenues from the sale of credits generated in the Oregon Clean Fuels Program.

EWEB staff recommend continuing a position in opposition to this legislation unless the bill is amended to remove the mandate requiring the use of revenue from ratepayers to support transportation electrification.

****The following is a position on legislation that EWEB staff recommend the Board take action to add to EWEB's 2020 State Legislative Agenda:***

LC 199/HB 4043 – Preemption of Local Authority on Water Pipe Materials – RECOMMENDATION: OPPOSE

This legislation brought forward by the American Chemistry Council would preempt local governments from enacting, adopting, or enforcing any ordinance, resolution, rule or other law that prohibits, restricts or limits an evaluation, comparison or use of pipe or piping materials for a water project. Oregon's public drinking water and wastewater providers have in some instances made restrictions on the use of piping materials for reasons as varied as: water conservation practices; leak detection and repair capabilities; pressurization concerns; asset management approaches to life-cycle costs; etc.

EWEB staff recommend the Board take a position opposing this legislation, as proposed, on the basis that it is entirely appropriate in these and other instances for local governments (including municipal utilities) to determine what will work best for local community and infrastructure needs.

Recommendation/Requested Board Action

Staff Recommends the Board make a motion to add LC199/HB 4043 to EWEB's 2020 State Legislative Agenda, with an "Oppose" position. Other items are informational updates on issues already part of EWEB's 2020 State Legislative Agenda.