



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on February 4, 2020. Staff responses are included below, and are sorted by Agenda topic.

Legislative Update and Board Position Action (HEUSER) - Please shed some light on what happens if IP 48 & 49 are placed on the ballot and pass? I believe they were reinstated by the courts to be able to gather signatures for placing on the fall ballot.

RESPONSE: *Ballot Measures 48 and 49 have both been reinstated by court decision and signature gathering to qualify them to the ballot has resumed. The two nearly identical measures would require all electricity used in Oregon to be 100% clean and carbon-free by 2045. There is precedent in Oregon for the legislature taking action on legislation designed to render an upcoming ballot initiative unnecessary, leading to withdrawal of a measure.*

EWEB has collaborated with Washington consumer-owned utilities subject to Washington's Clean Energy Transformation Act (CETA), approved by the Washington legislature in 2019, in order to assess the compliance obligations of any 100 percent clean energy standards approved by any future initiative or legislation in Oregon. Like several of our Washington counterparts, EWEB's electric resource portfolio is nearly carbon free and EWEB would be able to approach planning for 2045 from a very helpful starting point. Although clean energy standards are not EWEB's preferred carbon reduction policy, the potential ballot measures do not discriminate against any clean energy on the basis of technology type, size, age, or location, this is a positive characteristic consistent with EWEB's principles on carbon reduction policies.

Concerns about EWEB's ability to comply with 100 percent clean energy standards in 2045 or interim targets are modest and would be centered on the technical feasibility of compliance: 1) how the variability of different generation types is managed over compliance periods, including how surplus energy can be utilized; 2) how unspecified generation imported by BPA from organized markets is accounted for; 3) how renewable energy certificates (RECs) might be used for compliance; and 4) whether or not power has to be delivered to EWEB's system to qualify for compliance.

Why does staff oppose HB 4135? Was the sticking point about local control? Why don't we want ratepayer revenue going towards transportation electrification?

RESPONSE: *UPDATED RECOMMENDATION ON HB 4135 AS OF 1/31:*

On January 31st, the sponsor of HB 4135 shared with EWEB and other utilities an amendment that would remove the section of the bill that would require a consumer-owned utility to invest 1 percent of retail revenues in transportation electrification. That section was the basis of the staff recommendation to "oppose the bill unless amended". If this amendment is adopted, staff would recommend a "neutral" position, withdrawing opposition to the bill.

HB 4135 would direct consumer-owned utilities on the use of revenues generated from the sale of Low Carbon Fuel Standard (LCFS) credits. In Oregon's LCFS program, importers of gasoline, diesel, ethanol and biodiesel are required to reduce the carbon intensity of these fuels. Any deficit must be made up by the purchase of credits generated by a specific fuel with a carbon intensity (for example, utility specific electricity mix) lower than the clean fuel standard.

How much and what percent of the budget do we currently spend on assisting with transitioning our economy to using more electric vehicles?

RESPONSE: *EWEB presently budgets approximately \$500,000 for electrification projects. These funds can be directed toward all forms of efficient electrification, not solely transportation. In 2019, we spent approximately \$74K directly on transportation incentives. For reference, one percent of EWEB's electric retail sales revenue is approximately 2.2 million.*

Consent Calendar

CONTRACTS

Cornforth Consultants, Inc. – for a risk informed alternatives analysis (PRICE) I thought we got a legislative fix on the QBS process that allowed us to consider price. Why weren't we able to consider price on the bids for this contract?

RESPONSE: The Dam Safety Risk Informed Alternatives Analysis was solicited in October 2019. The solicitation was completed based on the rules in effect at the time, the revised rules became effective in 2020.

It states that we have worked with the recommended company before on Leaburg Dam and that they would first focus on the Leaburg Dam as part of this new project. How do those projects differ? What new information do we expect to get that we didn't get for the first project that was nearly half a million dollars?

RESPONSE: The risk-informed alternatives analysis will be the second large project that EWEB has with Cornforth. They will continue concurrently. The first project, initiated shortly after the Leaburg Canal was taken out of service, is focused on completing investigations and analyses (drilling, sampling, geophysics, seepage analysis, stability analysis, etc.) needed to complete the design and construction of repairs necessary to allow for the return to service of the canal in the short term.

While this first project was initially focused on seepage repairs in the Cogswell Creek area, it has since expanded to include the Ames area as well as evaluating seismic stability repairs at both Ames and Cogswell. The second project, which is being presented to the Board for approval on Tuesday, is intended to develop the best strategy for managing the canal over the long term, considering alternatives that range from long-term improvements to the canal to decommissioning of the canal. The short-term and long-term analyses will progress in parallel and inform each other. Once the Leaburg strategy has been determined, the Cornforth team will shift their attention to developing a long-term plan for the Walterville Project.

Pacific Excavation – for the Hayden Bridge lab and backup services building (PRICE) All of the other contacts we are being asked to approve have the Bidder/Proposer Information. Why doesn't this one follow that same template? Can you please provide those names?

RESPONSE: The listing of the Bidders for the Lab & Backup Services Building was an oversight. The respondents were:

Bridgeway Contracting, LLC of Lowell, Oregon

Pacific Excavation Inc. of Eugene, Oregon

Rotschy Inc. of Vancouver, Washington

Wildish Building Co. of Eugene, Oregon

Trout Mountain Forestry – for forest management services (KELLEY) I recall the last time we did this type of contract we had an issue as the face of the contract says \$145,000 but in reality the contractor also got a percentage of a substantial timber sale.

RESPONSE: That is correct. The first time the focus was on developing a Stewardship Plan from scratch and the initial harvest was developed out of that process. The previous contract for Forest Management Services did not include the commission for the timber sale, it is included in this contract total.

It appears they have another percentage eclogue in this contract as well.

RESPONSE: *Yes, there is a commission for the timber harvest in the contract and this was factored into the total cost of the contract as part of the RFP process.*

Will this result in the same issue that caused the Board to have an issue with the last time we did this contract?

RESPONSE: *No, we have provided full information for the value of the contract with the intent for transparency to the Board, and consistency with our updated policy.*

Also, in the description of what is happening it appears we are paying for services of creating a stewardship plan for the new 40 acres we recently bought.

RESPONSE: *Yes, contract activities include updating the stewardship plan and one component of the plan update is to incorporate the new 40 acres.*

I thought we did not buy the timber rights so what is the reasoning for establishing a plan unless we 1) intend on carrying out the plan, and 2) own the timber?

RESPONSE: *That is correct. EWEB did not buy the timber rights, but reserved the right to purchase in the future. The reasoning for including these acres in the Stewardship Plan update is to bring in GIS data and add what information we know about how the timber will be managed. It should be noted that this piece is a small component of the plan update. We will also update the forest inventory for the whole forest to account for growth, 2017 harvest, and other activities, as well as fold in more specifics on wildlife habitat mitigation associated with Carmen Smith FERC license requirements (which were not known at time of original plan development).*

Can I get a little more detail about the carbon management project with UO?

RESPONSE: *EWEB is working on a mutually advantageous opportunity that will deliver McKenzie River watershed protection, carbon market development and customer engagement.*

EWEB Source Protection and Customer Solutions staff have partnered with Lucas Silva, Assistant Professor of Environmental Studies and Geography, Institute of Ecology and Evolution. Silva is developing a UO graduate program wherein EWEB-owned land in the watershed can serve as an outdoor classroom for the development of carbon projects capable of producing offsets in the future while also protecting our water supply in the present. This effort is part of a larger Pacific Northwest National Science Foundation accelerator funding proposal. Trout Mountain would be EWEB's forestry consultant to assist with carbon forest design and implementation should EWEB move in that direction.

If formalized, EWEB customers will be invited to participate in this project through an elective watershed stewardship program. This product is being developed in parallel with a Greenpower Program refresh, expanding customer choice on how elective funds are invested. The menu of options will preserve mandated requirements and those which are highly valued by current participants, but will demonstrate a renewed focus on carbon mitigation and watershed source protection.