



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Schlossberg, Brown, Carlson, Barofsky and McRae
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: January 22nd, 2021
SUBJECT: 2021 State Legislative Session Update
OBJECTIVE: Information Only

Issue

The 2021 State Legislative Session convened on January 21st. This memo is to apprise the Board of the status in the legislative process of issues key to EWEB’s adopted 2021 legislative agenda and legislative principles. Although committee hearings will not begin until the week of January 25th, over a thousand bills were released in the online Oregon Legislative Information System (OLIS) at the time of this memo and staff have begun reviewing bills of interest to EWEB.

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 key legislation of interest to EWEB reviewed by staff thus far:

HB 2995 – 100 Percent Clean Energy Standard – Recommendation: AMEND

This legislation will require that 100 percent of electricity sold in 2035 and each subsequent calendar year to retail electricity consumers in Oregon to be clean electricity. It will also accelerate the deadline, to 2025, for investor-owned utilities to eliminate coal from Oregon’s electricity supply.

HB 2995 is lacking in detail on the mechanics of 100 Percent Clean compliance obligations and would direct the Oregon Public Utility Commission and the Oregon Department of Energy to design much of the program in rulemaking. EWEB staff recommend that the legislation be amended to better define some key elements of the program in statute, including a definition of “qualifying non-emitting electricity” that more clearly delineates in statute the specific technologies that will qualify, especially legacy hydropower and nuclear electric generating units, rather than delegating that to

state agency rulemaking. Additionally, EWEB staff recommend an amendment to clarify “delivery” of electricity requirements in statute, using a standard that is consistent with the rules for determining a “bundled” renewable energy certificate in the Oregon Renewable Portfolio Standard (RPS) statute.

HB 2310 – Preemption of Local Authority on Water Pipe Materials – Recommendation: OPPOSE

Similar to legislation in the 2020 legislative session (HB 4043) HB 2310 is again brought forward by the American Chemistry Council and 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 utilities 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; natural disaster resiliency; pressurization concerns; asset management approaches to life-cycle costs; etc.

EWEB staff recommend a position opposing this legislation on the basis that it is entirely appropriate in these and other instances for local governments to determine what will work best for local community and infrastructure needs.

SB 287 – Utility Wildfire Mitigation Plans – Recommendation: SUPPORT

This legislation would require electric utilities to have and operate in compliance with a risk-based wildfire mitigation plan approved by the governing body of the utility using a wildfire risk assessment of utility facilities. The plan must be designed to protect public safety, reduce risk to utility customers and promote electrical system resilience to wildfire damage.

Utilities would be required to regularly update the risk-based wildfire mitigation plan and review and revise the utility facilities risk assessment on a schedule the governing body deems consistent with prudent utility practices. Utilities would be required to submit the first risk-based wildfire mitigation plan to the utility governing body no later than December 31, 2021 and would be directed to provide their plan to a statewide inventory maintained by the Oregon Public Utility Commission.

HB 2187 – Clean Fuels Revenue Mandate – Recommendation: MONITOR

This bill requires investor-owned and consumer-owned utilities to expend any revenues from participation as credit aggregator or credit generator (EWEB is both) in the Clean Fuels Program (CFP) on transportation electrification. It is unclear if this legislation will move forward if the current CFP rulemaking update is adopted by the Oregon Environmental Quality Commission soon. The proposed rules include a directive for electric utilities to use credit revenue for transportation electrification and send an annual report on the use of credit revenue by the utility to the Oregon Department of Environmental Quality.

HB 2188 – Clean Fuels Revenue Sharing with Public Purpose Fund Administrator – Recommendation: OPPOSE

This bill requires investor-owned utilities and consumer-owned utilities to transfer no less than 20 percent of revenue from monetization of clean fuels credits to a Public Purpose Fund Administrator

(i.e. Forth or Energy Trust of Oregon) to be spent for the purpose of transportation electrification. EWEB staff recommend opposition to this legislation as an unnecessary and inefficient diversion of funds from utility programs.

Recommendation/Requested Board Action

No action is requested at this time. This is a monthly informational update.