



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Schlossberg, Brown, Carlson, Barofsky and McRae
FROM: Jason Heuser, Policy/Government Affairs Program Manager
DATE: November 24, 2021
SUBJECT: EWEB's 2022 State Legislative Agenda
OBJECTIVE: Approval of Resolution No. 2117, EWEB's 2022 Legislative Agenda

Issue Statement:

The Oregon Legislature convenes annually – for approximately six months in odd numbered years and almost two months in even numbered years – to enact laws and to set and adjust the biennial budget for the State of Oregon. EWEB has an active advocacy presence during legislative sessions to represent the interests of EWEB and its customers. The 2022 Oregon Legislative Session will begin Feb. 1, preceded by an orientation period and informational hearings in January.

Background:

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the State Capitol. These directives are approved by a resolution, after a presentation and discussion with the Board. The adopted directives guide the work of EWEB's lobbying activities. When political considerations test the applicability of these directives, the General Manager determines whether a fundamental shift in direction is required. The Board may be asked to reaffirm their policy or direct staff to make necessary adjustments. This practice is derived from Board Policy GP-13 – Board Role in Legislative Session. EWEB staff will prepare monthly "legislative update" memos to the Board throughout the legislative session that will apprise the Board of the bills or issues that EWEB staff is devoting time and resources toward in support or opposition, the implications of these bills for the utility, and prognostications on the likelihood of these bills advancing in the legislative process.

Discussion:

The accompanying resolution provides high level direction and principles for EWEB's advocacy efforts on the variety of legislative proposals that typically emerge over the course of the session.

EWEB staff are expecting very little substantive policy will be proposed in the 2022 session regarding energy or water. This assessment could be subject to change between now and the start of session and staff will inform the board if any substantive policy issues of interest to EWEB emerge. EWEB staff are planning a focus in the 2022 session on procuring any available state resources to assist EWEB in replacing or upgrading infrastructure nearing the end of its useful life. Possible resources include unprogrammed American Rescue Plan Act (ARPA) funds, surplus general fund or

lottery revenues, or fast-tracked Infrastructure Investment and Jobs Act (IIJA) funds. Attached is a preliminary summary of IIJA provisions that are potential targets for EWEB to avail itself to.

Recommendation and Requested Board Action

Management recommends that the Board adopt the accompanying resolution as provided. If you have any questions prior to the Dec. 7 Board Meeting, please contact Jason Heuser at 541-685-7425 or jason.heuser@eweb.org.

Attachment: Infrastructure and Investment Jobs Act (IIJA) – Provisions Relevant to EWEB

Infrastructure and Investment Jobs Act (IIJA) – Provisions Relevant to EWEB

GRID MODERNIZATION

Preventing outages and enhancing the resilience of the electric grid.

The U.S. Department of Energy (DOE) will establish a grant program to support activities that reduce the likelihood and consequence of impacts to the electric grid due to extreme weather, wildfire, and natural disaster. The bill authorizes \$5,000,000,000 for the period of fiscal years (FY) 22-26.

Electric grid reliability and resilience research, development, and demonstration.

The “Upgrading Our Electric Grid Reliability and Resiliency” program will be established to provide Federal financial assistance to demonstrate innovative approaches to transmission, storage, and distribution infrastructure to harden resilience and reliability and to demonstrate new approaches to enhance regional grid resilience, implemented through States by public and publicly regulated entities on a cost-shared basis. It also directs the Secretary to improve resilience, safety, and reliability and environmental protection in rural or remote areas and—in collaboration with Department of Homeland Security, the Federal Energy Regulatory Commission (FERC), and the North American Electric Reliability Corporation (NERC)—to develop a framework to assess the resilience of energy infrastructure. \$5,000,000,000 is authorized for the period of FY22-26 for the Energy Infrastructure Federal Financial Assistance program and \$1,000,000,000 for the period of FY22-26 for Rural or Remote Areas.

Siting of interstate electric transmission facilities.

US DOE is directed to study capacity constraints and congestion when designating National Interest Electric Transmission Corridors (NIETC). This section adds that the FERC may issue permits for construction or modification of certain interstate transmission facilities if a state commission withholds or denies an application seeking approval for the siting of such facilities.

Deployment of technologies to enhance grid flexibility.

This section amends the Energy Independence and Security Act of 2007 to include Smart Grid investments that provide flexibility and help quickly rebalance the electrical system, facilitate the aggregation or integration of distributed energy resources, provide energy storage to meet fluctuating demand, provide voltage support, integrate intermittent generation sources, increase the network’s operational transfer capacity, and anticipate and mitigate impacts of extreme weather events or natural disasters on grid resilience. \$3,000,000,000 is authorized for the Smart Grid Investment Matching Grant Program.

Bonneville Power Administration’s transmission borrowing authority.

The Bonneville Power Administration’s (BPA) borrowing authority is increased by \$10,000,000,000 to assist in the financing of the construction, acquisition, and replacement of the Federal Columbia River Power System. It also requires BPA to issue an updated financial plan that considers the projected and planned use and allocation of BPA’s borrowing authority across its mission responsibilities and requires BPA to engage with customers and stakeholders on its financial and cost management efforts.

Study of codes and standards for use of energy storage systems across sectors.

The Secretary of Energy is directed to conduct a study of types and commercial applications of codes and standards applied to stationary and mobile energy storage systems as well as those that move between stationary and mobile applications such as EV batteries.

Columbia Basin Power Management and the Columbia River Treaty

This section rebalances the Columbia River Treaty by upgrading transmission capacity between Canada and the Western and Southwestern United States and authorizes amounts equal to the aggregated amount of downstream power benefits that Canada is entitled to under the Columbia River Treaty (\$1,000,000,000). It also authorizes \$100,000,000 to rehabilitate and enhance water storage and hydroelectric capacity, and \$10,000,000 to study better coordination of water and power flows between British Columbia and the Pacific Northwest.

TRANSPORTATION ELECTRIFICATION AND DECARBONIZATION:

The Secretary of Energy is directed to establish a grant program for Alternative Fuel Corridors, as well as a set-aside grant program for Community grants. These programs are designed to strategically deploy publicly accessible electric vehicle charging infrastructure, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas fueling infrastructure along designated alternative fuel corridors or in certain other locations that will be accessible to all drivers of electric vehicles, hydrogen vehicles, propane vehicles, and natural gas vehicles. Eligible entities include a State or political subdivision of a State, a metropolitan planning organization, a unit of local government, a special purpose district or public authority with a transportation function, including a port authority, an Indian tribe, and a territory of the United States.

RESIDENTIAL & COMMERCIAL ENERGY EFFICIENCY

Energy efficiency revolving loan fund capitalization grant program.

This section creates a revolving loan fund capitalization grant program within the State Energy Program for recipients to conduct commercial energy audits, residential energy audits, or energy upgrades or retrofits. This section authorizes \$250,000,000 for FY22.

Grants for energy efficiency improvements and renewable energy improvements at public school facilities.

This section directs the Secretary to award competitive grants to make energy efficiency, renewable energy, and alternative fueled vehicle upgrades and improvements at public schools. This section authorizes \$500,000,000 for the period of FY22-26.

Weatherization assistance program.

\$3,500,000,000 is authorized for FY22 for the Weatherization Assistance Program.

Energy efficiency and Conservation Block Grant Program.

\$550,000,000 is authorized for FY22 for the Energy Efficiency and Conservation Block Grant Program. This section also amends the Energy Independence and Security Act of 2007 to allow EECBG funding to be used in programs that finance energy efficiency and other clean energy capital investments, projects, loan programs, and performance contracting programs.

HYDROGEN

Clean hydrogen research and development program.

This section re-establishes and expands the scope of DOE's hydrogen research and development program to advance cross-cutting R&D for purposes of demonstration and commercialization of clean hydrogen production, processing, delivery, and end-use application technologies.

Clean hydrogen Hubs

This section establishes clean hydrogen programs at DOE, including: At least four regional clean hydrogen hubs to demonstrate the production, processing, delivery, storage, and end-use of clean hydrogen. This section authorizes \$8,000,000,000 for the period of FY22-26. The development of a national strategy and roadmap to facilitate a clean hydrogen economy. A clean hydrogen manufacturing and recycling program to support a clean hydrogen domestic supply chain. For this program, the section authorizes \$500,000,000 for the period of FY22-26. A demonstration, commercialization and deployment program intended to decrease the cost of clean hydrogen production from electrolyzers. For this program, the section authorizes \$1,000,000,000 for the period of FY22-26. The efficient execution of DOE's clean hydrogen program by instructing the National Energy Technology Laboratory, the National Renewable Energy Laboratory, and Idaho National to work in a crosscutting manner to carry out the new regional clean hydrogen hubs and clean hydrogen manufacturing and recycling programs.

WATER INFRASTRUCTURE

- Increased State Revolving Funds (SRF) Authority – \$13.8 billion
- Supplemental appropriations – \$55 billion
- Drinking Water and Clean Water State Revolving Funds - \$23.426 billion

These provisions provide funds to the Drinking Water and Clean Water State Revolving Funds, which provide below-market rate loans and grants to fund water infrastructure improvements to protect public health and the environment. The legislation reduces the state cost share for the first two years to 10 percent. Forty-nine percent of the funding will be administered as grants and completely forgivable loans.

- Lead Service Line Replacement - \$15 billion of Drinking Water State Revolving Funds are to be directed to lead service line replacement. If a state doesn't have a use for the lead allocation, it is redistributed to other states (using the SRF formula) for the purposes of lead pipe replacement. Corrosion control is not eligible for funding. States are not required to provide a cost share. Forty-nine percent of the funding will be administered as grants and completely forgivable loans.

ECOSYSTEM RESTORATION

Wildfire risk reduction.

This section authorizes \$3,369,200,000 to the Department of the Interior and the Forest Service for wildfire risk reduction by providing funding for community wildfire defense grants, mechanical thinning, controlled burns, the Collaborative Forest Restoration Program, and firefighting resources.

Ecosystem restoration.

This section authorizes \$2,130,000,000 for the Department of the Interior and the Forest Service to restore the ecological health of Federal lands and waters and of private lands, through voluntary efforts, via a variety of programs, including through partnering with States.

FEMA Building Resilient Infrastructure and Communities (BRIC) Program.

This is a pre-disaster mitigation program, supporting states, local communities, tribes and territories undertaking hazard mitigation projects to reduce the risks they face from disasters and natural hazards. The BRIC program will receive a \$1 Billion infusion.

Watershed Programs

- \$618M over 5 years for USDA NRCS Watershed Programs. \$500M for Watershed and Flood Prevention Operations (WFPO) and \$118M for Watershed Rehabilitation Programs. WFPO helps units of federal, state, local, and tribal governments protect and restore watersheds up to 250,000 acres. This program provides for cooperation between the Federal government and the states and their political subdivisions to work together to prevent erosion; floodwater and sediment damage; to further the conservation development, use and disposal of water; and to further the conservation and proper use of land in authorized watersheds. The Watershed Rehabilitation Program helps project sponsors rehabilitate aging dams that are reaching the end of their design lives.
- \$300M over 5 years for the USDA Natural Resources Conservation Service for the Emergency Watershed Protection Program. The Emergency Watershed Protection (EWP) Program, a federal emergency recovery program, helps local communities recover after a natural disaster strikes. The program offers technical and financial assistance to help local communities relieve imminent threats to life and property caused by floods, fires, windstorms and other natural disasters that impair a watershed.

**RESOLUTION NO. 2117
DECEMBER 2021**

**EUGENE WATER & ELECTRIC BOARD
2022 LEGISLATIVE SESSION**

WHEREAS, the 2022 Oregon Legislative Session will convene on February 1st, 2022; 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 which 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 issue and goals:

1. Advocate for state and federal assistance necessary to address Pandemic and Wildfire relief and recovery in our community and replacement and modernization of aging infrastructure.

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 7th day of December 2021.

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

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 7th, 2021 Regular Board Meeting.

Assistant Secretary