



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on February 1, 2022. Staff responses are included below and are sorted by Agenda topic.

Environmental Product Lines (MCGAUGHEY) Will we get more specifics about each product during the presentation? I would love a little more detail and explanation - I know the team has been working hard on this, but I'm a bit unsure of what it entails. The written summary provided in the Board packet is very short and makes me curious about more aspects of this program. I am hoping to hear more about:

1. The goals of this program. The summary indicates one goal of helping customers decarbonize. Are there other goals? I want to be sure I understand the full intent behind this effort.
2. The anticipated revenue (do we have a sense of scale?)
3. The intended use for the funds that are raised through sales of these products.
4. Who will decide how funds are used if/when hard decisions have to be made?
5. Will the use of funds have third party review to provide quality control and confirm the product delivers what we say it will deliver? Will there be a regular public report on the use of these funds?
6. What steps were taken to develop these products? What types of market research has been conducted?
7. How do we anticipate these changes to the Greenpower program will affect the revenue from the Greenpower program?
8. How were the prices for offsets determined? They are far less expensive than carbon credits in many other arenas - so I am interested to learn about how we developed the price point.
9. Will carbon offset prices change with the carbon market - or will they remain static?
10. Do we have a partner for the forest lab investments? I am interested in learning more about the driver behind that product -I know there is need for carbon sequestration research - it just seems further away from our work as a utility - as compared to the other products in this briefing.
11. The proposed timeline for implementation of this program

RESPONSE: A FAQ document (attached) has been created to address many of these questions. Further information will be provided during the Board Meeting presentation.

Goal #5: Integrated Resource Planning "Principles and 2022 Roadmap" (CAPPER) Regarding the previous IRP - How correct were our assumptions, did we plan effectively, and if we had to go back and do it again, what should we have done? Did we make mid-cycle corrections? This is not necessarily key to moving forward, but I know that we get things right sometimes and other times we don't, and I'm wondering how accurate we've been in the past. Also, I really appreciate the clear timeline given in the memo.

RESPONSE: The 2011 IRP had several assumptions that didn't materialize including an increasing load forecast and increasing power market prices. Once this became clear, it was decided EWEB would wait to conduct its next IRP at a time closer to when the utility had key resource decisions. The 2022 IRP will allow us time to prepare for our 2025 and later resource decisions and evaluate the value of customer-facing programs that influence consumption and resources. Recognizing the rapid change in our industry and need to frequently update our assumptions, we will revisit our IRPs every 2-3 years.

Consent Calendar

CONTRACTS

Question: Is there a reason why some of the consent calendar contract summaries don't include the information on the other bids received?

RESPONSE: *There are three consent items on the agenda that do not have information on other bids received: E3, USFS, and Historical Research Associates (HRA). E3 and USFS are direct negotiations that do not have other bids and HRA is an increase to the existing contract. The HRA solicitation followed a QBS process, and the information previously provided is below for reference:*

Purchasing Process

EWEB issued RFP 011-2019 in February 2019. The RFP responses were opened in March and reviewed by staff. Bidders were required to demonstrate relevant experience in cultural resource services, archaeological field investigations and history preservation. Five (5) responses were received and evaluated by staff. Responses were received from the firms shown below. Historical Research Associates was determined to be the most qualified and responsive bid.

Bidder/Proposer Information

AECOM

Archaeological Investigations Northwest, Inc.

Heritage Research Associates, Inc

Historical Research Associates, Inc.

Logan Simpson

Bidder/Proposer Location

Portland, OR

Portland, OR

Eugene, OR

Eugene, OR

Eugene, OR

Historical Research Associates – for additional funds for Cultural Resource Studies and Technical Support for Carmen-Smith. (KELLEY) What is the purpose of this information and how is this information ultimately used and by whom is it used? Is the large increase in cost compared to budget due to additions in work or some other factor?

RESPONSE: *The information from these surveys is used by EWEB to protect historically and culturally sensitive sites or features, as required by the FERC license. Additionally state, federal, and tribal agencies use this information to document the location, features and resources found. The increase in the budget is driven mostly by additional work (scope) required for dam safety projects and new license required projects.*

Energy and Environmental Economics (E3) – for a personal services contract for Integrated Resource (IRP) Support. (CAPPER) What happened? What does this mean for the longer term? Is there a plan to hire someone new? This seems somewhat similar to the situation we faced a few months ago where we had to outsource a position (I know the circumstances were different, but it still seems related to staffing issues around key positions).

RESPONSE: *E3 has substantial industry and modeling expertise and would have provided consulting services regardless of EWEB's in-house capabilities. However, because of unexpected recent retirements, E3's role is being expanded during this first (2022) base-case iteration of the IRP. Because we are backfilling the retirements in February 2022, E3 will be used as needed to provide an independent and strategic review of our assumptions and the architectural/design support required to train and transition staff to meet our future resource planning analytical needs.*

PIVOT Architecture – for engineering and related services for Bertelsen Property Design and Construction Support. (KELLEY) Pivot Architecture’s last contract was almost 25% over the original bid, why was that? Under what circumstances are staff required to bring contract cost overages back to the board?

RESPONSE: *The original contract was based on consolidating most staff to the ROC location but leaving approximately 75 employees at the downtown location. After the initial design and construction contracts were completed and approved, the decision was made to consolidate a much larger group to the ROC resulting in significant revisions to the existing floor and office plans to accommodate the additional staff. The additional scope-driven fees included design for acoustical engineering for the call center and structural engineering.*

According to Board Policy EL2(2), when a Board-approved contract is anticipated to exceed 25% of the originally approved contract amount or crosses a threshold where Board Approval is required, the Board is presented with a request to increase the contract amount.

Wildish Building Co. – for a construction contract for the Hayden Bridge Powder Activated Carbon Building Retrofit. (KELLEY) Are the bulk bags specialized? If so, are there multiple suppliers of the type of bags that would need to be loaded into the system?

RESPONSE: *We will be using industry-standard 1000 lb. bags and there are multiple suppliers. We have not seen any problems with this supply chain or delivery method.*



Environmental Product Lines

Commissioner response and FAQ | Jan. 31, 2022

What are the goals of the program?

Our goal is to expand on the choices available to EWEB customers to participate in environmental stewardship, including reducing their carbon footprint and helping to achieve community climate goals. While the Electrification Plan endeavors to assess the impact of grid decarbonization and the customer costs of achieving it, there are immediate actions that can be taken in partnership with our customers. We are developing a cohesive framework to rebrand product lines already in place (Greenpower, energy efficiency, EVs), and to expand voluntary programs that carry a community, environmental, or carbon benefit.

What is the anticipated revenue?

EWEB's legacy product, Greenpower, has a relatively low participation rate of 2%, which generates approximately \$200k annually in support of local renewable investments, including rooftop solar. By expanding customer choices and actively promoting new offerings, we hope to increase participation to 20% over time, which is consistent with enrollment levels for Northwest Natural's Smart Energy carbon offset program.

How will funds be used?

These voluntary programs are intended to be self-funding; revenues will be invested back into the programs. The use of revenues will be discussed at the February Board presentation, and more specifically detailed in the associated tariffs that the Board will be asked to approve in March. Use of funds will be limited to expressed intent. General Accounting will support the monitoring and tracking of all revenues collected under the voluntary tariff rates. Investments will be limited to funding availability, as is the case with Greenpower, unless the Board wishes to further subsidize the program.

What kind of oversight/quality control will be in place?

Renewable Energy Certificates are validated in WREGIS and issued directly to EWEB's account. Retirements on behalf of customers are executed internally and involve a cross functional team.

Carbon offsets are verified and validated by the American Carbon Registry. Project details are public and will be made available at eweb.org.

Carbon Forest Lab projects are taken in partnership with the University of Oregon. The UO has conducted rigorous site studies and carbon indexing.

Program expenses, including incentives, will be managed within normal budget processes, and product line performance/achievements will be shared annually with additional, customer-specific details provided depending on program.

What steps were taken to research and develop these products?

Staff conducted customer surveys, interviews, an assessment of peer comparators and published research.

How do we anticipate these changes will affect the revenue from the Greenpower program?

Expanding the opportunities for customers to participate, highlighting complimentary benefits, may have a favorable impact on Greenpower revenue. Environmental product lines were developed to be autonomous, but complimentary (i.e. stacked benefits) for those customers who choose to take a multifaceted approach to carbon emissions. For example, RECs provided under EWEB's Greenpower program can only address home energy emissions, while carbon offsets can be used for other sources such as transportation or waste. Further, regional carbon offsets projects are making an impact today, in advance of EWEB's initiatives in the McKenzie watershed that may provide a local source of offsets in the future. In addition to producing offsets for customer consumption, local projects will offer stacking benefits for source protection, enhanced sequestration strategies, and the development of human capital.

How were the prices for offsets determined? Will they change with the market?

Wholesale market pricing analysis of RECs and Carbon Offsets was conducted by the Power Planning department and potential demand was estimated using existing participation rates and probabilistic modeling. Tariffs will be calculated annually and submitted for Board approval under existing protocols.

Who are EWEB's partners in the carbon forest lab, and what is the nexus to EWEB's work?

EWEB is partnering with the University of Oregon Soil Plant Atmosphere Lab, led by Lucas Silva, Associate Professor of Environmental Studies and Geography. Mr. Silva will be presenting at the February Board meeting to update commissioners on the joint efforts being undertaken with the utility.

EWEB is interested in the future of carbon forestry as a means to go beyond carbon reduction and develop the science and understanding of how to maximize carbon drawdown in the atmosphere. Given that EWEB is both an electric and water utility, we are particularly excited about the dual benefits of watershed stewardship and source protection that these projects can offer. By inviting our customers to voluntarily contribute to this effort, we can stretch the available dollars to cover more areas throughout the watershed, resulting in a long-term sustainable voluntary funding stream. Customers can take pride in knowing that they are contributing to protecting our beautiful McKenzie River with strategic plantings that will enhance natural habitats, sequester carbon, and develop best practices for carbon forestry. In the future, we hope to make these locally generated carbon offsets available for purchase under the carbon offset program.

What is the proposed implementation timeline?

Staff will be submitting pricing tariffs at the March Board meeting via consent calendar. Once approved, staff can initiate marketing activities in advance of target product roll out on Earth

Day, April 22 of this year. Like other programs, results will be reported in the Quarterly Operational and Strategic Goals Report.