



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Kelly Hoell, Climate Policy Analyst & Advisor
DATE: July 5, 2022
SUBJECT: EWEB's Role in Eugene's CAP2.0
OBJECTIVE: Information only

Issue

Consistent with EWEB Board Policy SD15, Climate Change Policy, management is providing an update to the Board on EWEB's role and effectiveness in Eugene's Climate Action Plan, CAP2.0.

Background

Passed in 2014 and updated in 2016, Eugene's Climate Recovery Ordinance (CRO) has 4 goals; 2 of which are focused on the community, and 2 which focus on City operations. The two community goals include:

- Reduce community fossil fuel use by 50% of 2010 levels by 2030
- Reduce total community greenhouse gas emissions to an amount that is no more than the city of Eugene's average share of a global atmospheric greenhouse gas level of 350 parts per million (ppm) by 2100, which was estimated in 2016 to require an annual average emission reduction level of 7.6%

In summer 2020, Eugene adopted its Climate Action Plan 2.0 (CAP2.0) which lays out a set of action items to help meet the operational and community goals of the CRO. Over the two-year CAP2.0 development process, Eugene engaged with other community systems-level entities, including EWEB, to understand what high impact practices and system-level changes were happening or planned for the next 5-10 years. Formerly called Large Lever Shareholders, and now called Eugene Climate Collaborative (ECC) partners, EWEB, along with 10 other community organizations identified action items to include in CAP2.0. This process identified where the community was making progress and identified gaps that remained towards emissions reduction goals.

ECC partners are organizations with significant oversight and impact on community-wide fossil fuel use and GHGs, or that have the ability to affect systems that will enable community adaptation and preparation for climate change. ECC Partners include: Bethel School District, City of Eugene, Eugene Chamber of Commerce, Eugene Water & Electric Board (EWEB), Lane Community College (LCC), Lane County, Lane Transit District (LTD), Metropolitan Wastewater Management Commission (MWMC), Northwest Natural, PeaceHealth, and University of Oregon.

CAP2.0 identifies action items in 3 "buckets" of emissions: transportation, building energy, and fugitive emissions. Additional action items include opportunities to reduce emissions from consumption, to apply an equity lens to climate activities, and to make our community more resilient to the impacts of climate change. There are nearly 200 action items in CAP2.0 and EWEB is listed in the document more than 95 times.

The goals of the CAP2.0 process align with EWEB’s Climate Change Policy, SD15. In January 2022, EWEB’s Board updated SD15 to state: *“Consistent with EWEB’s Vision, Mission, and Values (SD1), the Board supports EWEB taking an active role in combating and mitigating the impacts of climate change, within the context of and while executing our strategy and ongoing operations.”* In SD15, the Board authorizes, delegates, and directs EWEB’s General Manager to act in the following five areas: Power Generation, Climate Policy, EWEB Operations, Customer Decarbonization, and Impacts on EWEB (resiliency).

Since the publication of CAP2.0, significant events (COVID-19 pandemic, Holiday Farm fire) have altered staff responsibilities. In May 2022, EWEB hired its first Climate Policy Analyst & Advisor, Kelly Hoell. Ms. Hoell is assisting EWEB with evaluating its role in CAP2.0, reporting progress on action items, and identifying new opportunities. This document outlines the framework and approach EWEB is taking in this evaluation.

The link to the full CAP2.0 document including appendices is [here](#).

Discussion

EWEB conducted a thorough review of CAP2.0 and the full suite of action items related to climate change currently underway across the utility via interviews with more than 35 EWEB staff members. These interviews also identified gaps and opportunities for further work. As part of this effort, EWEB staff developed a framework for how to describe the work that is being done and the opportunities for further improvements. This framework is represented by the 2x2 matrix in Figure 1, below. Actions are identified as being included in CAP2.0 or not and differentiated by whether EWEB staff is taking action currently or not.

For the action items in CAP2.0 where current work is underway (upper left quadrant), EWEB staff will plan to communicate results to the Board and the community via the Strategic & Operational Quarterly Report. Similarly, for action items not in CAP2.0 but where work is underway (upper right quadrant), EWEB staff will communicate results to the Board periodically as appropriate.

For action items in CAP2.0 where no current work is being done (lower left quadrant), EWEB staff will continually evaluate the opportunity in the context of other organizational priorities. For action items that are not in CAP2.0 and where no work is being done, EWEB staff will identify new opportunities and conduct the necessary analysis to understand if, when, and how it fits into the organizational work plan.

Figure 1: EWEB Climate Action Framework

	In CAP2.0	Not in CAP2.0
Current Work	Communicate results quarterly	Communicate results periodically
No Current Work	Continually evaluate and consider	Identify opportunities/conduct reconnaissance

Direct vs. Indirect action items: As an ECC partner, EWEB staff submitted several action items to the plan that relate to programs or initiatives EWEB agreed to undertake. These action items are considered “direct” and usually name EWEB in the CAP2.0 document. Additionally, as the water and electricity provider for the broader community, there are further action items in CAP2.0 that indirectly impact EWEB through policies, programs, or changes to the electricity or water demand of EWEB customers. These are considered “indirect” action items for EWEB and represent opportunities for collaboration with ECC partners.

In the subsequent pages, identified action items related to transportation, building energy, fugitive emissions, and resiliency are plotted on a matrix like Figure 1. Direct actions are in plain text, indirect actions are in italicized text, and if the action item is from CAP2.0 the corresponding action item number is referenced.

Transportation Action Items

Legend:

Plain text = Direct action for EWEB

Italicized text = Indirect action for EWEB

Numbers in parentheses represent action item numbers from CAP2.0 (e.g., T24)

	In CAP2.0	Not in CAP2.0
Current Work	<p>Communicate results quarterly</p> <ul style="list-style-type: none"> a. EV marketing & awareness (T24/T36) b. EV infrastructure incentives (T37) c. EV support to underserved communities (T38) d. EWEB operational GHG reduction goals for owned fleet (T40) 	<p>Communicate results periodically</p> <ul style="list-style-type: none"> a. EWEB-owned direct current fast charging (DCFC) infrastructure installation for public charging b. Provide leadership on bulk renewable diesel purchasing by managing community contract c. Electric bike incentive program d. Hybrid work environment for staff
No Current Work	<p>Continually evaluate and consider</p> <ul style="list-style-type: none"> a. EWEB Small House Incentive (T12)¹ b. <i>CoE to require employers of a certain size and type to prepare, implement, and monitor Transportation Options Plans (T2)</i> 	<p>Identify opportunities/do reconnaissance</p> <ul style="list-style-type: none"> a. Get internal alignment on carbon accounting methods and carbon intensity figures; update factors annually; educate community b. Develop a carbon value white paper to be updated annually; use this to set value of internal programs and educate community c. Research new low-carbon, electro-based fuels (e.g., hydrogen, etc.) to identify opportunities for transportation decarbonization d. Identify appropriate lead and support development of an ECC transportation working group to enhance local coordination/adoption of low-carbon transportation issues e. Enhance coordination between ECC partners on community EV adoption goal setting and progress measurement to reduce potential duplication of effort and standardize calculation methods f. Define “underserved communities” and coordinate with other ECC partners enhance understanding and reduce potential duplication of effort in identification and mapping

¹ Ask Eugene about how T12 relates to transportation and what was meant for this action item. Should this be located under Building Energy? EWEB doesn't have a small house incentive although we do have other energy efficiency / conservation incentives.

Building Energy

Legend:

Plain text = Direct action for EWEB

Italicized text = Indirect action for EWEB

Numbers in parentheses represent action item numbers from CAP2.0 (e.g., B8)

	In CAP2.0	Not in CAP2.0
Current Work	<p>Communicate results quarterly</p> <ul style="list-style-type: none"> a. IRP(Guiding Policy) b. EWEB operational GHG reduction goals for owned facilities (B8) c. Electrification Impact Study (B9) d. Work with partners on smart meter / energy efficiency incentives (B10)² e. Energy conservation and education programs for limited income (B11) f. Meet load growth with conservation (B12) g. Advanced metering infrastructure (AMI) deployment & customer education (B13) h. <i>CoE to participate in EO 20-04 rule-making process (B24)</i> 	<p>Communicate results periodically</p> <ul style="list-style-type: none"> a. Advocate for climate policy / participate in legislative processes that align with EWEB's mission and climate change policy SD15 b. Update technology systems that would allow for future innovative rate design c. Green program development: Live Green, Work Green, Move Green, Lead Green d. Participate in ECC group on energy efficiency e. Identify new grant opportunities for alternative funding streams
No Current Work	<p>Continually evaluate and consider</p> <ul style="list-style-type: none"> a. <i>CoE and NW Natural are working on new franchise agreement (B1)</i> b. <i>CoE Low-income energy efficiency program and funding strategies (B2)³</i> c. <i>CoE Potential regulatory options to increase energy efficiency and carbon reduction through rental housing standard (B3)</i> d. <i>CoE Develop Home Energy Score Program & Commercial Benchmarking Program (B4)</i> e. <i>CoE Updates to Green Building Policy (B7)</i> 	<p>Identify opportunities/do reconnaissance</p> <ul style="list-style-type: none"> a. Get internal alignment on carbon accounting methods & carbon intensity figures; update factors annually; educate community b. Educate customers about peak power and peak carbon intensity c. Develop a carbon value white paper to be updated annually; use this to set value of internal programs and educate community d. Publish carbon intensity of customer purchased products: electricity and water e. Research and understand customer load profiles and evaluate existing programs f. Research new low-carbon, electro-based fuels to identify optimal market opportunities g. Research rate design options (e.g., interruptible tariffs, solar + storage pricing, solar program, etc.) for decarbonization h. Expand tree planting programs on private lots in low tree canopy neighborhoods i. Evaluate EWEB operational GHG reduction goals for alignment with CRO goals

2 EWEB is working on smart meter & efficiency incentives. What opportunities exist to work with community partners?

3 What opportunities for collaboration with Eugene exist to help them meet action item B2 most effectively?

Fugitive Emissions

Legend:

Plain text = Direct action for EWEB

Italicized text = Indirect action for EWEB

Numbers in parentheses represent action item numbers from CAP2.0 (e.g., F5)

	In CAP2.0	Not in CAP2.0
Current Work	Communicate results quarterly	Communicate results periodically
No Current Work	Continually evaluate and consider a. <i>CoE to investigate the use of low-carbon construction materials such as asphalt and concrete (F5) 4</i>	Identify opportunities/do reconnaissance a. Identify opportunities for incentive programs for customer refrigerant capture and disposal

4 What are ways to partner with Eugene in this work to learn from each other and bring prices down?

Resiliency

Legend:

Plain text = Direct action for EWEB

Italicized text = Indirect action for EWEB

Numbers in parentheses represent action item numbers from CAP2.0 (e.g., R20)

	In CAP2.0	Not in CAP2.0
Current Work	<p>Communicate results quarterly</p> <ul style="list-style-type: none"> a. Natural Hazards Mitigation Plan (Guiding Policy) b. Install emergency water stations (R20) c. Pure Water Partners program (R21) d. <i>CoE to consider use of offsets for community emissions reduction goals (A2)</i> e. <i>CoE extreme weather safety awareness program (R2)</i> f. <i>Prioritize power to certain populations in power outages (E13)</i> 	<p>Communicate results periodically</p> <ul style="list-style-type: none"> a. Water and electric capital improvement plans b. Fund soil science carbon sequestration projects in coordination with UO c. McKenzie watershed restoration and recovery d. Carmen-Smith relicensing project e. Wildfire Mitigation Plan f. TBL approach to major capital projects g. Pledge to Prepare h. Participate in ECC group on sequestration and offsets i. Prioritize employee mental health and define “psychological safety” j. Identify opportunities to advance environmental justice and bring an equity lens to EWEB’s climate work, including setting a diversity, equity and inclusion Board policy
No Current Work	<p>Continually evaluate and consider</p>	<p>Identify opportunities / conduct reconnaissance</p> <ul style="list-style-type: none"> a. Define resilience for EWEB; provide education b. Research new low-carbon, electro-based fuels for back-up power opportunities c. Review policies related to batteries, net metering, generation, and interconnections d. Research rate design options (e.g., interruptible tariffs, solar + storage pricing, solar program, etc.) for resiliency e. Set peak load management goal and research opportunities, costs, and timeframes f. Educate customers about peak power, peak carbon intensity, and demand management g. Islanding studies: how could we integrate local generation sources in times of extreme need h. Identify opportunities for workforce resiliency i. Identify medically sensitive customers and research resiliency options or programs

Recommendation

Management recommends this framework to identify and evaluate where the CAP2.0 fits into EWEB's fulfillment of SD15, overall climate change strategy.

Requested Board Action

No formal action is requested at this time. The Board is asked to provide perspectives, feedback, input, or guidance on EWEB's proposed framework and approach to this work.