



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: August 25, 2022
SUBJECT: 2022 Legislative and Regional Policy Update and 2023 Legislative Session Preview
OBJECTIVE: Information

Issue

EWEB monitors, influences, and strategically plans around legislative and regional policy issues.

Background

The Board adopts general policy directives for advocacy on legislation and other public policy matters, 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 policy directives or direct staff to make necessary adjustments.

Discussion

The following is a summary of key legislative and regional policy issues of interest to EWEB thus far in 2022:

Infrastructure Investment and Jobs Act (IIJA) Progress:

Federal Agencies and partner State Agencies continue to make progress in the deployment of infrastructure funding authorized by the passage of IIJA last year. In instances where authorized funds were linked to existing federal/state programs, many funding opportunity announcements have already commenced. For new programs authorized by IIJA, staffing, rulemaking and request for information (RFIs) from interested stakeholders are in progress with many new funding opportunity announcements expected for Q4 of this year and Q1 of 2023. Generally, funding opportunity announcements pertaining to the electricity sector involve new programs. EWEB has participated in several federal/state agency guidance webinars and provided responses to agency RFIs. Key processes EWEB has tracked and participated in include the Grid Resiliency Program and Hydrogen Hubs. The Oregon Department of Energy is holding a Public Hearing August 31st on their planned submission for a federal IIJA grant to the state that would be awarded by ODOE to subgrantees to improve grid resiliency. Any Oregon utility could receive funds as an ODOE subgrantee as well as also apply to USDOE for nationwide competitive grid resiliency funding opportunities that are forthcoming in 2023.

Inflation Reduction Act:

The act provides many new energy efficiency or decarbonization incentives to consumers including:

- \$9 billion in home energy rebate programs to help people electrify their home appliances and for energy-efficient retrofits, with a focus on low-income consumers
- 10 years of consumer tax credits to make heat pumps, rooftop solar, electric HVAC and water heaters more affordable, which make homes more energy efficient

- \$4,000 in consumer tax credits for lower- and middle-income individuals who buy used electric vehicles, and up to \$7,500 tax credits for new EVs
- \$1 billion grant program to make affordable housing more energy efficient

Additional funding for utilities, energy developers and manufactures include:

- Production tax credits to help U.S. manufacturers accelerate production of solar panels, wind turbines, batteries, and process key minerals
- \$10 billion investment tax credit for new manufacturing facilities that make clean tech like EVs, wind turbines and solar panels
- \$500 million to use the Defense Production Act to speed manufacturing of things like heat pumps, as well as processing critical minerals
- \$2 billion in grants to help automaker facilities transition to clean vehicle production
- Up to \$20 billion in loans to construct new manufacturing facilities for clean vehicles

Emerging 2023 State Legislative Session Issues:

Hydroelectric Water Rights:

In December of 2021, the Oregon Supreme Court issued a decision in *WaterWatch of Oregon v. the Water Resources Department (WRD) and Warm Springs Hydro LLC*. The key outcome from the ruling is that water rights for hydro projects, when not used for their intended purposes for greater than 5 years, are at significant risk of being converted to permanent in-stream rights.

EWEB is working with a coalition of hydroelectric project owners to initiate a legislative effort to create flexibility to maintain and operate their facilities within the framework and intent of the ruling. The coalition will be proposing amendments to ORS 543A.305(3) to clarify exemptions to the 5-year timeline, including but not limited to, projects that have an active FERC license or are pursuing a license renewal under the Federal Power Act.

2nd Water Source/Supporting Infrastructure Matching Funds:

EWEB will again submit water infrastructure projects to the legislature for consideration to receive state matching funds in the biennial state budget. Possible funding sources include General Funds, Lottery Funds, unspent or reallocated federal American Rescue Plan Act funds, new Infrastructure and Investment Jobs Act funds.

Codes and Standards:

The Oregon legislature initiated a Joint Task Force on Resilient Efficient Buildings (REBuilding) that has met nine times since May of this year. This Task Force will release a report by the end of the year with recommendations to the Legislature on potential legislative and administrative changes to building codes and standards with consideration for climate change, extreme heat events, wildfire risk, housing affordability, decarbonization, water use, and labor/supply shortages.

EWEB staff have been monitoring the task force meetings and will include the Task Force’s upcoming report and recommendations in a future informational update to the EWEB Board.

Recommendation/Requested Board Action

These are informational updates, and no action is required at this time.