



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Kelly Hoell, Climate Policy Analyst; Frank Lawson, CEO & General Manager
DATE: December 28, 2022 (January 3, 2023, Board Meeting)
SUBJECT: Proposed Update to Board Policy SD15 Climate Change Policy
OBJECTIVE: Action – Approval of Resolution No. 2303

Issue

During Commissioners' annual board policy review in December 2022, a potential amendment to Board Policy SD15 Climate Change Policy was discussed.

Discussion

Management recommends making a change to EWEB's Climate Change Policy, SD15, in the section about EWEB Operations to change the baseline year for EWEB's internal GHG inventory from 2009 to 2010. The rest of the goal targets in this section would stay the same. The last sentence of this paragraph would read: "... EWEB plans to reduce our net Scope 1 and 2 GHG emissions from operations relative to ~~2009~~ 2010 levels by 25% by 2020, 50% by 2030, and achieve carbon neutrality from our operations by 2050."

This change is recommended to facilitate a consistent baseline year for future inventories with the City of Eugene and to ensure that electricity emissions factors as published by both Oregon Department of Environmental Quality and EPA are available for the baseline year.

EWEB's 2010 emissions were approximately 3% lower than its 2009 emissions. Since our goal in SD15 is based on a percent reduction from the baseline by the target year outlined, having a lower baseline year will result in achieving lower (more ambitious) emissions levels by our 2030 target date before getting to full carbon neutrality in 2050.

With the hire of the Climate Policy Analyst & Advisor, EWEB is currently undergoing an update to its internal GHG inventory process. The calculator used for the internal GHG inventory has been updated to the newest version and staff are undergoing a systematic evaluation of the emissions factors in use to ensure they are all in accordance with the best available science and protocols. EWEB will present the latest inventory results to the Board in March 2023. This will include minor adjustments to the historical emissions values reported in the past as a result of this updated process.

Recommendation/Requested Board Action

Management's recommendation is reflected in the amended Board Policy SD15 attached herein and presented for the Board's potential action on Consent Calendar B.

Attachments:

Board Policy SD15 Climate Change Policy as proposed – edit highlighted
Resolution No. 2303



Strategic Direction Policies (SD Policies)

SD15 Climate Change Policy
Effective Date January 4, 2022

The Board recognizes that climate change presents ongoing environmental, economic, and social risk to EWEB, our customers, community, and the world. Greenhouse gas (GHG) emissions from human activity are known to be the primary cause of climate change, with the energy, industrial, construction, agricultural and transportation sectors generally identified as the primary sources of greenhouse gas emissions in the United States.

The primary direct impacts to EWEB operations from climate change include changes in streamflow –quantity and timing– affecting hydroelectric generation, impacts to water quality and watershed health, increased risk of wildfires, changes in consumption patterns, and increasing threats from extreme weather events. The Board also recognizes that EWEB, as a water and electric utility, impacts our climate through electric generation resource choices, business practices, and the operation and maintenance of our assets, lands, buildings, and transportation fleet.

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.

Accordingly, the following *primary directives* are adopted,

- **POWER GENERATION:** The Board is committed to supporting a *low-carbon electric power portfolio* that maintains, on a planning basis, over 90% of annual energy from carbon-free resources and targets over 95% of annual energy from carbon-free resources by 2030 to the extent possible and practical without distinct adverse impacts to customer-owners. Using the Integrated Resource Plan (IRP) process including final adoption by resolution (GP7), the Board will work with the General Manager to establish the long-term (20-year) principles, priorities, approaches, definitions (including carbon-free, carbon intensity), measurements, and goals for the electric generation portfolio, demand response, conservation and energy efficiency, and customer impact limitations (including but not limited to reliability, cost, and equity) supporting this directive.
- **CLIMATE POLICY:** The Board authorizes, delegates, and directs the General Manager to participate in local, state, and regional efforts to encourage, develop and *enact measures to minimize and/or mitigate GHG emissions* that contribute to climate change. Consistent with Board Policy (GP13), prior to legislative sessions the Board develops and guides EWEB’s positions relative to legislation, including those related to climate and environmental policy supporting this directive.
- **EWEB OPERATIONS:** The Board further authorizes, delegates, and directs the General Manager to continue efforts to *minimize and/or mitigate GHG emissions from EWEB’s operations* that contribute to climate change. As initially established in 2010, EWEB adopted a goal to reduce the Scope 1 and 2



(direct GHG emissions and energy) greenhouse gas emissions associated with its operations and facility management activities. Accordingly, and as formally established by this directive, EWEB plans to reduce our net Scope 1 and 2 GHG emissions from operations relative to 2010 levels by 25% by 2020, 50% by 2030, and achieve carbon neutrality from our operations by 2050.

- **CUSTOMER DECARBONIZATION:** The Board further authorizes, delegates, and directs the General Manager to *assist customers with achieving their GHG emission reduction goals* through partnerships, technical assistance, resources, and programs that support, but are not limited to, energy efficiency, alternative fuels, electric and water conservation, electrification, and carbon offsets and sequestration. Long-term conservation, energy efficiency, and demand-response goals are established as part of the IRP process. Additional program objectives, incentives and budgets will be established annually, as applicable, and/or through revisions to the strategic plan.
- **IMPACTS ON EWEB:** Consistent with resiliency initiatives included in EWEB's approved strategic plan, the Board directs the General Manager to evaluate and enact measures, as necessary and appropriate, to prepare for and *minimize the effects of climate change that could impact EWEB's* water and electric supply and infrastructure, damaging EWEB's resiliency and reliability.

IMPLEMENTATION:

In support of the *primary directives* identified above, major decisions and actions, including those related to this policy, will be evaluated based on a triple-bottom-line methodology, including assessments of consistency with the organization's values, including safety, reliability, affordability, environmental stewardship, transparency, and equity.

The Board and General Manager will work together to develop annual goals, consistent with Board Policy BL4 and BL5, related to the *primary directives*, as applicable, including milestones and measurements, and reporting frequency.

So that EWEB's actions are visible to our community, at least annually EWEB will compile and report GHG emission reduction and/or mitigation activity, including a greenhouse gas inventory (Scope 1 and 2, along with Scope 3 where impactful, applicable, and practical), and will calculate and publish the carbon intensity of our energy portfolio. Definitions, GHG emission reduction and/or mitigation details (e.g., fuel mix, use of offsets, etc.) and carbon accounting methods will be published, consistent with industry standards and/or official reporting requirements where applicable.

Source: Steve Newcomb, Environmental Manager, Approved 09/18/07; Revised 07/10/18, Resolution No. 1820; Revised 01/04/22, Resolution No. 2204.

**RESOLUTION NO. 2303
JANUARY 2023**

**EUGENE WATER & ELECTRIC BOARD
RESOLUTION APPROVING REVISION TO BOARD POLICY
SD15 CLIMATE CHANGE POLICY**

WHEREAS the Eugene Water & Electric Board (EWEB) maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS the Board of Commissioners periodically reviews said policies and identifies required modifications or amendments to those policies; and

WHEREAS the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board with regard to governance, Board-staff linkage, strategic direction, or executive limitations; and

WHEREAS the Board of Commissioners has reviewed a modification to Board Policy SD15, Climate Change Policy and has determined that the modification is appropriate and necessary.

NOW, THEREFORE, BE IT RESOLVED the Eugene Water & Electric Board hereby approves the revision to Board Policy SD15 – Climate Change Policy.

DATED this 3rd day of January 2023.

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 January 3, 2023 Regular Board Meeting.

Assistant Secretary