



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown
FROM: Jason Heuser, Public Policy and Government Affairs Director
DATE: March 24th, 2023
SUBJECT: State Legislative Session Update
OBJECTIVE: Information

Issue

The 2023 State Legislative Session convened January 23, 2023. This memo is to apprise the Board of key issues of interest to EWEB, and the current status of these issues in the legislative process.

Background

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol, 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 its policy or direct staff to make necessary adjustments.

Discussion

The following is a summary of state legislative activity thus far of interest to EWEB:

Willamette Water Treatment Plant Funding Request– SUPPORT

EWEB staff met with all Eugene legislators in January to request their support for state matching funds for EWEB's future Willamette Water Treatment Plan. The EWEB Commissioners travelled to Salem March 15^h to meet with Eugene legislators to advocate directly for the project. The Joint Ways and Means Committee is still preparing program budgets for state agencies, however, the Capital Construction Subcommittee of Ways and Means will relatively soon begin hearings on individual project requests. EWEB is in the process now of submitting project information forms to the Legislative Fiscal Office. EWEB staff will sign up to testify on the Willamette Treatment Plant request at all appropriate committee and subcommittee hearings – opportunities should begin in April.

HB 3459 – Utility Shutoff Moratorium – OPPOSE UNLESS AMENDED

This legislation would mandate a moratorium on utility shutoffs. EWEB has extensive experience and data showing that government-mandated shutoffs do not work well. Shutoffs are a necessary last resort not only to compel customers to pay bills but also to incent customer-utility interaction to facilitate payment plan arrangements or steps to connect costumers to bill assistance resources. Moratoriums have many unintended consequences – there are better approaches to reducing shutoffs -- which EWEB has utilized.

EWEB filed written testimony and staff were signed up to testify at the bill's scheduled March 20th public hearing. That hearing was postponed. The bill has now been scheduled for a March 27th

hearing and an amendment has been posted that deletes the entire bill as written and substitutes authorization language for \$5 million to be collected from the customers of Portland General Electric and Pacific Power for additional bill assistance for customers of those two utilities.

2021 Wildfire Recovery Unspent Funding Carry-forward – SUPPORT

The 2021 Legislature appropriated funds for 2020 Wildfire Recovery, including \$4 million allocated to EWEB with a passthrough via the Oregon Watershed Enhancement Board. That balance has not been spent to date. It is currently believed that the Co-Chairs of the Ways and Means Committee plan to include a carryforward for all 2020 Wildfire Recovery funding in OWEB's proposed budget for the 2023-2025 biennium.

EWEB is leading coordination amongst other recipients of OWEB pass through wildfire recovery funding to produce a joint letter of support with logos from several local governments and conservation organizations, and to jointly testify in support of the carry-forward and OWEB's budget the week of April 10th.

HB 3378 – Microgrid Net Metering Tariff Mandate – OPPOSE

A proposed amendment that would have completely replaced the language of HB 3378 (the base bill authorized a microgrid study) would have directed EWEB to develop a microgrid tariff with expansion of net metering limits. The amendment would also include an underfunded mandate on counties to develop energy resiliency plans. EWEB can and may in the future develop tariffs or policies for microgrids, no additionally authority is needed from the state and EWEB's local governance and decision-making is best situated to determine if, how and when that is necessary. EWEB staff recommend this bill remove microgrid tariff mandates for utilities and amend the county energy resiliency planning requirement to instead be a voluntary grant program for counties.

The bill is scheduled for a public hearing March 29th.

SB 124/SB 125 – Renewable Hydrogen Grant Programs – SUPPORT

These two bills would support resiliency and decarbonization through the creation of renewable hydrogen grant programs to support hydrogen fueling stations as well as hydrogen-based emergency generators to replace emergency generators using fossil fuels (i.e., diesel).

On March 20th both bills were passed out of the Senate Energy and Environment Committee with a subsequent referral to the Joint Ways and Means Committee.

HB 2571 – Electric Bike Rebate – SUPPORT

This bill would establish a state electric bike rebate to support Oregonians using electric bikes. The State has existing electric vehicle rebate programs, this bill would create parity and fairness for those who use electric bikes as their mode of transportation.

HB 2571 had a public hearing on February 8th and has been scheduled for a March 29th work session, the bill has a subsequent referral to the Joint Ways and Means Committee.

SB 530 – Establishment of Natural and Working Lands Fund – SUPPORT

SB 530 will fund and direct state agencies to provide incentives and technical support to forest owners, farmers, ranchers, etc., to implement natural climate solutions on natural

and working lands. This new fund could potentially support efforts like EWEB's Carbon Forestry Initiative and Watershed Protection measures that have carbon sequestration co-benefits.

SB 530 had a public hearing on February 15th and has been scheduled for a work session on March 27th.

HB 3166 State Whole-Home Energy Savings and High Efficiency Electric Home Rebate Program – MONITOR

This bill would direct the Oregon Department of Energy (ODOE), in consultation with the Housing and Community Services Department, to establish a whole-home energy savings program and high-efficiency electric home rebate program and a create single resource that provides information and technical assistance to interested persons on available energy efficiency incentives and programs.

The bill is intended to be a receptacle and disbursement mechanism for expected funds that will flow to the state through the federal Inflation Reduction Act (IRA) to assist ratepayers, deploy energy efficiency and reduce bills.

This program could be a successful mechanism to deploy IRA funds in Oregon but could require further coordination with existing energy efficiency programs run by the Energy Trust of Oregon, individual Consumer-Owned Utilities (COUs), and the Bonneville Power Administration. Proper coordination and alignment is needed to ensure resources are deployed strategically and that unintended consequences are avoided (i.e. overlapping incentives that pay for more than 100 percent the cost of a measure – this can be avoided with data sharing between the state and utility programs; state incentives should require performance standards equal to those of the Bonneville Power Administration (BPA) so that any energy savings in COU territories can be claimed towards regional energy efficiency targets set by the Northwest Power Planning and Conservation Council.

HB 3166 had a public hearing at the Senate Energy and Environment Committee on February 22nd and was approved out of committee March 20th, with a subsequent referral to the Joint Ways and Means Committee.

Recommendation

This memo is for informational purposes. No board action is requested.

Requested Board Action

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