



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: October 27, 2023
SUBJECT: November 2023 Legislative/Policy Update
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 an update on interim state and federal legislative/administrative issues.

Emerging 2024 State Legislative Session Issues:

The agenda and length of the upcoming 2024 Oregon Legislative Session is still expected to be narrow and short, consistent with the session preview given by EWEB staff at the September 5th EWEB Board Meeting. Committee informational hearings are still expected to address Data Center/Crypto Mining Electric Load Growth and emerging Western Organized Electricity Markets/Regional Transmission Organization proposals, foreshadowing probable interim legislative task forces or work groups and consideration of legislative concepts relating to these topics in the regular and longer 2025 Oregon Legislative Session.

Oregon Energy Security Plan Rulemaking Kickoff:

The Oregon Department of Energy (ODOE) has been directed by the federal government, in conjunction with SB 1567 passed by the Oregon Legislature, to prepare an Energy Security Plan for Oregon. The plan will identify risks to electricity, liquid fuel, and natural gas/propane systems, and propose ways to mitigate those risks.

The plan will specifically examine the vulnerability of a six-mile stretch of Portland's industrial Northwest known as the Critical Energy Infrastructure Hub, an area home to more than 600 storage tanks full of fuels like oil, gasoline and diesel through which around 90% of the state's liquid fuel supply is transported through and where scientists say the soil would likely liquefy during an earthquake and could dump millions of

gallons of stored fuel into the river.

The Oregon Department of Environmental Quality (DEQ) already completed recently their role assigned by SB 1567 to develop a program that evaluates the vulnerability of fuel tank systems to earthquakes and requires facilities to develop a plan to minimize seismic risk.

ODOE kicked off work October 16th on their parallel SB 1567 assignment to update Oregon's federally required State Energy Security Plan. Specifically, ODOE has been tasked with recommending measures designed to make Oregon's energy infrastructure and delivery systems more resilient to a variety of hazards, including severe weather (flooding, wildfires, earthquakes, etc.), systems and infrastructure failures, pandemics, deliberate physical or cyber-attacks, and other events. The potential strategy may require identifying and mitigating barriers to implementing a more geographically distributed state fuels network, which could include assessing what is required to increase storage capabilities at existing storage locations around the state and building new storage facilities.

Federal Willamette Power Generation Deauthorization Study Kicks Off

The US Army Corps of Engineers (USACOE) held virtual information sessions Sept. 13 and 14 to kick off a directive authorized by the Federal Water Resources Development Act (WRDA) of 2022 that requires the Corps to complete a study by June examining the impacts of deauthorizing hydropower in the Willamette Valley System, including economic analysis as well as impacts to dam safety and Endangered Species Act (ESA) compliance.

The 13 federal Willamette dams were authorized separately by Congress but operate as a system. The purposes authorized for each dam vary, and can include flood risk management, power generation, water quality improvement, water supply, irrigation, fish and wildlife habitat, and recreation. The eight hydroelectric projects in the Willamette system combined generate about 500 MW of power and are operated for the purpose of generating power marketed by the Bonneville Power Administration (BPA) as well as backup power for operating the dams.

EWEB, in coordination with the Public Power Council (PPC) has advocated in recent years for Congress to examine the high overall operating costs and the large cost share assigned to power generation and BPA from the Willamette Project for the relatively small generation output, resulting in the inclusion of the study in the 2022 WRDA Act. Conservation groups also have advocated for the study in the pursuit of examining the potential for greater flexibility if power generation ceased to operate the dams to aid fish.

Later this year, the Corps will also host separate public "listening" sessions, during which the public can provide their perspective and opinions on the future of hydropower across the Corps' Willamette Valley system of dams. The Corps will record the comments during those sessions and include them in its report to Congress verbatim to help inform Congress' decision-making process.

Recommendation/Requested Board Action

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