MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Brown, Carlson, Morris, Schlossberg, and Barofsky
FROM:	Jason Heuser, Public Policy and Government Affairs Program Manager
DATE:	January 26, 2026 (February 3, 2026 Board Meeting)
SUBJECT:	2026 Legislative Session 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.

The 2026 Oregon Legislative Session will convene on February 2 and adjourn no later than March 9.

Discussion

Status of EWEB Legislative Agenda as Adopted in December

Cap and Trade – MONITOR

In late 2025 there were reports from state legislators that the prospect of a Greenhouse Gas (GHG) emissions cap and trade program advancing successfully was not probable. However, there was expected to be a bonafide cap and trade bill introduced with details of policy design choices outlined, that would be given robust consideration in public hearings and perhaps advance out of committee.

In recent weeks there has been a shift in expectations, and it is believed that there will be informational hearings on cap and trade but that detailed design elements are not expected to be presented in any authorization bill. Still, informational hearings could be utilized to direct subsequent interim efforts to develop legislation for consideration in 2027, which could include an advisory group/task force to begin work this year on a straw proposal the legislature could utilize.

Solar Consumer Protection Legislation (LC 283, Bill Number Pending) – SUPPORT

The unsuccessful solar consumer protection legislation from 2025 will be reintroduced as a committee bill (expected to be HB 4029) in the House Energy and Environment Committee. With key involvement from the

Oregon Solar Energy Industry Association, Oregon Consumer Justice, and EWEB in the work group that developed this legislation, the bill is expected to draw widespread support and stands a strong chance of successful passage this session.

Key Features:

- Disclosure: a model disclosure standard will require a contractor disclose to a consumer information including several project specifications, estimated utility bill savings, acknowledgement that without a battery a solar system may not power a home during a power outage, etc.

- Right of Recission: a solar customer may rescind a contract within 72 hours (to address high pressure sales tactics)

- Strengthening DOJ Enforcement: a model disclosure will enhance DOJ's enforcement of the Unfair Trade Practices Act.

- Private Right of Action: DOJ has finite enforcement resources, creating a private right of action for damages can be a deterrent to bad actors.

Emerging Issues

<u>Virtual Power Plants (LC 265, Bill Number Pending) – MONITOR</u>

Distributed Power Plants are dispersed but centrally managed groups of customer distributed energy resources (DERs) that provide supply, reduce demand, and provide services to the grid when needed by a utility company. Aggregators (proposed in the legislation to be a non-utility third party aggregator) manage communication, dispatch, and control to deploy a large number of resources to provide the required grid services in the required quantity at the time the grid requires it.

LC 265 only applies to investor-owned utilities – it would direct them to offer a tariff for virtual power plants that meets criteria outlined on the bill and implemented at the Oregon Public Utility Commission (OPUC) that regulates Oregon IOUs**.**

<u>Balcony Solar (LC 75 Bill Number Pending) – NEUTRAL/AMEND</u>

Plug-in solar, sometimes called balcony solar, is a plug-and-play solar panel with a simple installation compared to rooftop solar. The panel features a micro-inverter and plugs into a standard outlet, providing up to 800 watts, enough to run a small fridge or a laptop. It is a lower cost solar option because it reduces "soft" costs (non-hardware costs) of rooftop solar. The plug-in panels are portable, so renters can take them when they move. There are many places to plug-in solar panels, such as on a balcony, on the top of a carport, or on an RV, etc.

An estimated 3 million balcony solar kits are in operation in Germany. In the United States, Utah's legislature unanimously passed a bill in 2025 that would exempt portable solar devices like balcony solar from state regulations that require interconnection agreements with the local utility. LC 75 is expected to follow an approach similar to Utah, including a provision that plug in solar panels without a utility interconnection are not eligible for net metering.

Amendments would also be needed to indemnify electric utilities when plug in solar panels are used by customers. Additionally, it should be required that plug in solar panels incorporate UL-listed anti-islanding

protection and automatic shutoff that isolates the device from the building electrical system during any loss of utility power, preventing any possibility of back feed onto distribution lines.

Nuclear Energy Study (LC 309, Bill Number Pending) – MONITOR

This bill would direct the Oregon Department of Energy to conduct a study on nuclear energy, including advanced nuclear reactors. ODOE would be directed to engage with tribal governments, consult with certain state agencies and organizations and utilize funding from federal, private and other public sources to carry out the study and submit the report to the interim state legislative committees related to energy not later than February 15, 2027.

Recommendation/Requested Board Action
These are informational updates, and no action is required at this time.

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Brown, Carlson, Morris, Schlossberg, and Barofsky
FROM:	Willamette Treatment Plant Project Team
DATE:	January 23, 2026
SUBJECT:	Monthly Willamette Treatment Plant Progress Report
OBJECTIVE:	Information

Issue

One of EWEB's 2026 Strategic Goals is to "work with the Board to decide Willamette Drinking Water Filtration Plant conditions of continuance and scope based on completed project prerequisites". This project is complex, of high community interest/impact, and as discussed at the October 21, 2025, work session, regular (potentially monthly) updates will be provided to the board to show the progress made in each area of work. This memorandum (memo) provides an update on the previous month's progress towards developing a second source of supply on the Willamette River.

Background

EWEB is one of the largest communities in the Pacific Northwest that relies on a single source of supply to provide potable water for domestic, fire suppression, and emergency uses. EWEB is pursuing development of a second source of water on the Willamette River and is working on several aspects of the project at once, including working towards completing a preliminary (30% design), obtaining land use and environmental permitting approvals, and implementing a communication strategy.

Discussion

The following work items were moved forward this month:

- Preliminary Design
  - Staff met with Carollo Engineers to finalize Level of Service Goals assumptions to inform the preliminary design for the new facilities.
  - A series of 7 workshops to discuss the preliminary design elements for the intake, treatment plant process and storage requirements, electrical systems, and finished water pumping are scheduled between January through March 2026. The workshops and subsequent technical memo will be the basis of the preliminary design.
  - Raw water quality sampling was completed and sent to the lab for analysis. The results will be used to size various treatment processes.

- Land Use
    - Revised Springfield Development Code and Glenwood Refinement Plan Amendment Application materials were submitted to the City of Springfield at the end of December. The required hearings to approve the application will be scheduled after staff have completed their review. The Planning Commission Hearing is scheduled for March 17th, 2026.
- Environmental Permitting
    - The National Marine Fisheries Services (NMFS) accepted EWEB's Biological Opinion for the Willamette Intake and Treatment Plant on December 23, 2025. NMFS concurred with project analyses that show the plant is unlikely to jeopardize key fish species.
    - Thermal modeling results were submitted to DEQ and are under review.
    - DEQ coordinated with the US Army Corps of Engineers to extend the reasonable period of time to provide EWEB a Section 401 water quality certification decision to October 2, 2026.
- Communications
    - The team developed a new handout to describe potential rate increases related to planning-level project costs (attached). This document:
        - Uses information shared with the board in the October 2025 work session.
        - Shows EWEB's low water rates compared to regional peers, many of whom have already invested or started saving for second sources.
        - Emphasizes the uncertain nature of project costs and communicates that changes are likely as the design advances.
        - Information from this handout will be posted to the project website to provide transparency and access to information about budget and rate impacts for this project.
    - An additional letter of support was finalized, bringing the total to three, with others in progress.
    - Met with Chambers Construction to discuss potential impacts of the pipeline and ways to mitigate.
    - Met with Emergency Managers from the City of Eugene and City of Springfield to share project information and answer questions.

Requested Board Action

This memo is for information purposes only. No action required.

Willamette Treatment Plant: Budget & Rates

Note: Project budgeting is an iterative process between EWEB staff, the EWEB Board of Commissioners and the public. This project is in the preliminary design phase, and the below projections will change as the project advances. Consult the project website for the most up-to-date information: eweb.org/projects/willamette-water-treatment-plant.

Overview

EWEB is behind our peers in a key element of our water system. While many utilities have invested in multiple water sources and treatment plants to prepare for earthquakes and climate-driven risks, EWEB relies on a single source of water and a single treatment plant—making the system more vulnerable to natural disasters, wildfires and extreme storms. This shortcoming is reflected in our water rates, which are among the lowest in the region. Building a second treatment plant on the Willamette River will enable EWEB to neutralize our single-source vulnerability. And because our rates are starting low, we anticipate remaining more affordable than many comparable water utilities even after making this investment.

How much will the new plant cost?

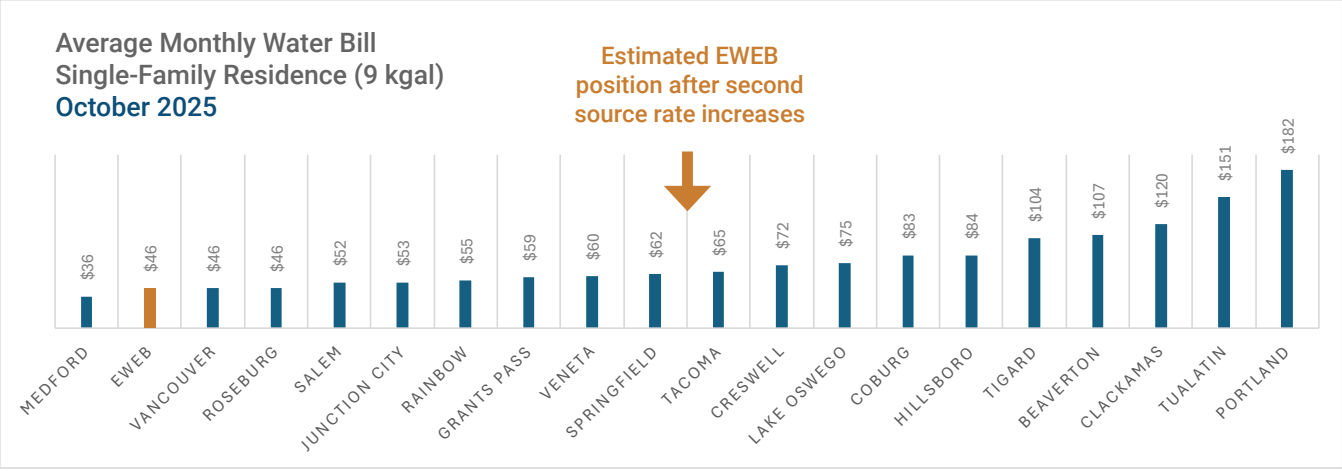
EWEB is working on a preliminary design—expected to be completed in mid-2026—to firm up project costs for the plant. In the meantime, EWEB is using a planning-level cost estimate of $160 million to conduct initial rate analyses. The final project cost will likely be higher than this estimate, as the design progresses and the unpredictable impacts of inflation and tariffs are applied.

How will the project affect water rates?

As a public utility with a high credit rating, EWEB can access long-term financing at favorable interest rates, allowing the cost of major infrastructure investments to be spread over time and shared by current and future residents of Eugene. After a series of gradual rate increases over 10 years, it is estimated an average single-family residence would see a cumulative $17 increase on their monthly water bill related to the Willamette Treatment Plant. This estimate will be updated as more is learned about project costs.

How will this investment change EWEB's rate position compared to other utilities?

Mapping the estimated long-term increase to today's rates, EWEB is expected to remain competitive, even in the unlikely event our comparator's rates remain unchanged.



This chart models future EWEB rate changes due to the second source project. Water rates are likely to rise across the region. For context, the average single-family residence uses 9 kgal or 9,000 gallons of water per month. One gallon of water weighs approximately 8 pounds equating to over 72,000 pounds of water delivered monthly.

Why is EWEB sharing preliminary numbers?

EWEB values transparency and we are committed to sharing information as it develops. These planning-level cost estimates were shared with the EWEB Board of Commissioners in late 2025. While preliminary, they provide a starting place for long-term rate and utility cost planning.

An Irreplaceable Resource

After investing in a second source, the average customer will still pay **less than 1 penny per gallon** for safe, reliable water delivered to their homes. No other resource can come close to that value.

What about general service rates?

Similar to the residential rates, general service customers could see a cumulative increase of about 35-40% over 10 years, associated with the Willamette Treatment Plant, based on current planning assumptions.

How will EWEB work to reduce financial impacts?

EWEB will actively manage costs to help limit impacts to customer rates through:

- **Aggressive cost management:** We will evaluate design options, construction methods, phasing, and materials to identify cost-effective approaches.
- **Careful decision-making:** At each major decision point, we will assess what is essential versus optional to ensure decisions remain aligned with affordability and system needs.
- **Pursuit of outside funding:** We will seek all available state and federal grants, low-interest financing, and other funding opportunities.

Are there other investments that will affect my water bill?

In addition to this project, EWEB is required to fix aging pump stations, pipelines, and storage facilities to continue delivering on-demand water to taps across Eugene. This means you will see additional rate increases beyond the Willamette Treatment Plant in the coming years. Our peer utilities are facing similar challenges, so we anticipate remaining competitive as regional rates rise to address aging infrastructure.

Why didn't EWEB raise rates to start saving for this project sooner?

EWEB operates under the philosophy that customer dollars are best kept in customer pockets until specific investments are identified and fully vetted. EWEB has spent the last several decades analyzing options for a second source of water, carefully confirming the Willamette River as the best option for both water quality and quantity. Regional disasters like the 2024 Ice Storm have reinforced the need and urgency to get the project underway.

What would happen if we don't construct the Willamette Treatment Plant?

The Willamette Treatment Plant is not just about adding a second source of water. It will also provide more storage in our system and will give us a way to get water to Eugene without crossing a river, addressing a significant vulnerability in today's system. Without this investment, EWEB would still need to invest in a series of alternative upgrades to maintain reliable service.

When added up, these smaller upgrades would likely cost about the same amount as investing in a new plant and still fail to provide a backup water supply. This is why EWEB strongly believes that investing in a treatment plant on the Willamette now is the most strategic and cost-effective investment for ratepayers in the long run.

EWEB

Updated January 9, 2026