



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: February 20, 2026
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 convened on February 2 and will adjourn no later than March 9. The session has thus far been very focused on addressing budget deficits, including an Oregon Department of Transportation deficit and debates on moving a transportation funding referendum to the May ballot. Other budgeting deliberations have pertained to disconnecting Oregon tax code from federal tax code as well as a proposal redirecting the Oregon income tax “kicker” rebate to the general fund when surplus revenue exceeds a certain threshold. Discussions on policies to increase affordable housing, address federal immigration enforcement, and revise Measure 114 (gun control) have been central issues deliberated this session.

Discussion

Status of EWEB Legislative Agenda as Adopted in December

HB 4029 – Solar Consumer Protection Legislation – SUPPORT – PENDING

The unsuccessful solar consumer protection legislation from 2025 that EWEB worked to develop as part of a work group was reintroduced this session as HB 4029. The bill includes important requirements for a model disclosure a solar installer would have to provide, designed to give consumers accurate and transparent information they can use to determine if rooftop solar is right for them. The disclosure includes a good-faith estimate of projected utility bill savings using utility-specific rate and net metering policy information. EWEB joined with the Oregon Solar Energy Industry Association and Oregon Consumer Justice to testify together as a panel in support of the bill. This bill should help consumers and could result in good-actor local solar installers recapturing market share from a recent influx of out-of-state companies employing high pressure and deceptive sales tactics. The bill also includes enhanced enforcement authority for the Oregon Department of Justice as well as a strengthened consumer private right-of-action for damages.

HB 4029 was approved 11-0 by the House Climate, Energy, and Environment Committee on February 10 and approved 57-0 by the House of Representatives on February 12th. The bill has been scheduled for a public hearing on February 23 in the Senate Energy and Environment Committee.

Cap and Trade – MONITOR – NO BILL

There has been no activity or bill introduced related to carbon cap and trade program authorization. While it's still possible there could be some informational hearing or directive given, it is more likely to be a topic left to unofficial discussion in the interim between now and the 2027 legislative session.

New Bills/Issues

SB 1582 – Virtual Power Plants – MONITOR – FAILED

Distributed Power Plants are distributed but centrally managed groups of customer distributed energy resources (DERs, i.e. smart thermostats, rooftop solar panels, batteries, etc.) 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 a large group of resources to provide the required grid services in the required quantity at the time the grid requires it. SB 1582 only applies to investor-owned utilities – it would direct them to offer a tariff for virtual power plants that meets criteria outlined in the bill and implemented at the Oregon Public Utility Commission (OPUC) that regulates Oregon IOUs.

SB 1582 received a public hearing on February 9 but did not advance out of committee before the deadlines.

HB 4080 – Balcony Solar – NEUTRAL/AMEND – FAILED

Plug-in solar – sometimes called “balcony solar” – purports to be 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. It is a lower cost solar option that reduces “soft” costs (non-hardware costs) of rooftop solar. The plug-in panels are portable, so renters can take them when they move. The plug-in panels can be placed 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. HB 4080 followed an approach similar to Utah, including a provision that plug in solar panels without a utility interconnection are not eligible for net metering.

Amendments to HB 4080 were needed to indemnify electric utilities when plug in solar panels are used by customers and 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. The bill proponents drafted an amendment that would have addressed these issues identified by electric utilities, however, issues raised by other groups including Oregon Fire Chiefs, Landlords and IBEW will require work that necessitates more time. This bill will likely be reintroduced next legislative

session.

HB 4080 received a public hearing on February 5 but did not advance out of committee before the deadline.

HB 4046 – Nuclear Energy Study – MONITOR – PENDING

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.

HB 4046 had a public hearing on February 10 and was approved by the House Climate, Energy and Environment Committee 12-0 with a subsequent referral to the Joint Ways and Means Committee.

HB 4108 – Noncontiguous Annexation – NEUTRAL/AMEND – PENDING

Under current Oregon law, annexation is limited to contiguous properties. HB 4108 creates a voluntary, property-owner-initiated annexation pathway for qualifying non-contiguous residential parcels. The bill applies only within urban growth boundaries, only to residential or mixed-use residential properties, and only where utilities are already in place. Cities retain full discretion to approve or deny annexations, and no property owner is compelled to participate.

The bill is supported by the Eugene Chamber of Commerce, the City of Eugene and Lane County. Due to opposition to the bill's statewide applicability as introduced, the bill was amended to apply only the City of Eugene, by name. EWEB coordinated with the bill's sponsor, local State Representative Lisa Fragal, providing technical input on the language of the bill with the goal of mitigating any negative effects or unintended consequences for EWEB operations and EWEB authorities under the Eugene City Charter – this input is reflected in the bill as amended.

HB 4108 was approved 13-0 by the House Housing and Homelessness Committee on February 12 and approved 39-2 in the House of Representatives on February 18. The bill has been scheduled for a public hearing in the Senate Housing and Development Committee on February 26.

Recommendation/Requested Board Action

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