



Oregon

Kate Brown, Governor



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Energy Advisory Work Group

DATE: August 30, 2021

TIME: 1:30-4:30

Oregon Department of Energy – via WebEx

Meeting Attendees		
EAWG Members	ODOE Staff	Guests
Annette Price, Pacific Power Fred Heutte, NW Energy Coalition Kelsey Wilson, Western States Petroleum Assoc. Kerry Meade, NW Energy Efficiency Council Kevin Lynch, Avangrid Renewables/Iberdrola Lisa Gaines, Oregon State University Mary Moerlins, NW Natural Nicole Hughes, Renewable Northwest Silvia Tanner, Multnomah County Sunny Radcliffe, Portland General Electric	Janine Benner, Director Adam Schultz, Senior Policy Analyst Alan Zelenka, Asst Director for Planning & Innovation Andy Cameron, Efficiency & Conservation Manager Cathy Connolly, Asst Director for Central Services Christy Splitt, Government Relations Coordinator Jason Sierman, Sr. Energy Policy Analyst Jennifer Kalez, Communications Director Jessica Reichers, Energy Technology & Policy Manager John Hobbs, Project Development Officer Linda Ross, Division Assistant Michael Freels, Energy Analyst Rebecca Smith, Sr. Energy Policy Analyst Rob DeIMar, Sr. Energy Policy Analyst Roger Kainu, Energy Analyst Ruchi Sadhir, Assoc Director, Strategic Engagement Sheila Alicar, Application Administration Analyst Stacey Heuberger, Office Operations Analyst	Alec Shebiel Alex Ruiz Beth Reiley Bill Saporito Chuck Thurman Cindy Strecker Danelle Romain Donald MacOdrum Ellen Mickle Haley Ellett Hannah Cruz Jenna Jones Jennifer Joly Jess Grady-Benson Joe Yaskus Jordan Bice Julia Pommert Kathy Moyd Madeline Do Mason Murphy MW Robert Mullin Ted Case

Welcome and Director's Update *(Janine Benner, Director)*

- Janine started the meeting by welcoming all and introducing two new members of the Energy Advisory Work Group, Silvia Tanner and Lisa Gaines. Silvia is a senior energy policy and legal analyst at Multnomah County Office of Sustainability and Lisa is the Director of the Institute for Natural Resources at Oregon State University.
- State offices were set to open September 1, but due to spikes in Covid cases that has been pushed back. ODOE staff will continue to work remotely to the maximum extent possible. A new date for reopening is not known. When staff are able to return, most will continue a telework schedule and will work in the office 1-2 days a week. Although ODOE will be adding new staff for the programs approved during the 2021 Legislative Session, this new working environment has enabled ODOE to look at reconfiguring workspaces and the possibility of reducing the office footprint. ODOE is working with the Department of Administrative Services to explore those options.

- ODOE will be transitioning from landlines to cell phones. This will save the agency money and be more convenient for staff who will now only have to manage one phone.
- Janine reminded the group that all of ODOE's bills were passed during the 2021 session and information can be found on [ODOE Legislative Priorities webpage](#). ODOE will be undertaking rulemakings for some of these bills; for example, ODOE will be working with PUC on changes to the Public Purpose Charge (HB 3141) and has announced its first stakeholder advisory meeting to finalize energy efficiency standards (HB 2062).
- ODOE's Nuclear Safety and Emergency Preparedness Division has been working on jet fuel delivery. Deanna Henry, Emergency Preparedness Manager, has been responding to requests for jet fuel from small airports from southern and northeast Oregon to support firefighting missions. While there is no shortage of jet fuel in Oregon, there are logistical challenges connecting available supplies with fuel haul trucks and drivers. Deanna has been working with state, local, federal and the private sector to ensure firefighters have the fuel they need to continue to fight fires.
- A rulemaking project for SB 246, which allows ODOE to review and update Oregon's regulations on radioactive waste disposal, has begun.
- The Nuclear Safety and Emergency Preparedness staff will be participating in a FEMA-led exercise related to emergency response planning for the Columbia generating station tomorrow and again in October. The Columbia generating station is the only operating nuclear power plant in the Northwest.
- ODOE's Energy Siting Division is about to initiate a comprehensive evaluation of the energy facility siting program. The purpose is to get feedback from internal and external stakeholders and members of the public on the challenges and benefits of the EFSC siting process and work to identify implementable and measurable programs and tools the Siting Division can use to make improvements. ODOE will be putting out an RFP for a consultant to obtain the feedback and produce a report with recommendations soon.
- ODOE is watching Congress very closely. The bipartisan infrastructure package has funding for new and existing programs that support ODOE's work. Some of this funding will come to ODOE through a formula, and some funding will be in competitive programs where ODOE can seek to participate. NASEO is helping to track these funding opportunities. Janine asked EAWG members to reach out with any ideas or questions relating to these federal funds.

EAWG Roundtable

Silvia Tanner, Multnomah County Office of Sustainability

- Multnomah County has a clean energy goal of meeting 100% of their community-wide electricity needs with renewable energy by 2035, and meeting 100% of their community-wide energy needs with renewable energy by 2050. These goals not only center around getting to clean, renewable energy, but also doing it in ways that center around justice and making sure communities do not get excluded from benefits.
- Silvia explained that her office works on issues of energy access, energy insecurity and energy justice and most recently has been working with the community on the moratorium and ways to ensure that vulnerable community members do not fall through the cracks and end up disconnected.

Nicole Hughes, Renewable Northwest

- Renewable Northwest is still working on executive order implementation and expects that work to continue for a while.
- They are starting to have conversations on what the rulemaking for HB 2021 will look like.
- RNW is also currently working on responses to the policy questions on SB 589 that ODOE has requested feedback on.
- They will be putting out policy principles around renewable hydrogen in a few weeks and can share those with interested EAWG members after they are reviewed by their members.
- They are very interested in getting engaged in the offshore wind and hydrogen rulemakings.
- RNW, Defenders of Wildlife, and other stakeholders are looking at smart siting principles for solar in Oregon.
- RNW has a new Tribal Liaison who is already working on projects, including a nationwide NREL project, community resiliency in partnership with Spark Northwest, and the ORESA Project.

Fred Heutte, NW Energy Coalition

- NW Energy Coalition continues to work on the moratorium on shutoffs and consumer protection, particularly with investor-owned utilities through the PUC.
- Work also continues on the Governor's executive order.
- NW Energy Coalition is looking forward to filing comments at the PUC on the distribution system docket in October (as well as the next phase of that docket in August 2022).
- They are working on resource adequacy issues with the Western Resource Adequacy Program and the Northwest Power Pool Program.
- They are watching various IRPs in the works with PGE, Pacificorp, and NW Natural.
- NWECA has watched the potent impact that hurricane Ida is having in Louisiana and think everyone can learn how to be more resilient in extreme weather planning, preparation, and recovery.

Sunny Radcliffe, PGE

- PGE continues the ongoing work related to resource adequacy and direct access.
- There is a lot of thinking about the new laws that came out of the 2021 session, including HB 2021 and how that fits into their next integrated resource plan.
- PGE is also working on standing-up the HB 2021 advisory group sooner rather than later. They will be talking to various groups and getting input on the vision, timing and membership.
- They are thinking about their current IRP and how they may go about implementing a low-income bill discount program given the opportunities created in HB 2475.

Annette Price, Pacific Power

- Pacific Power is focused on much of what other members have already mentioned in their updates, including bill implementation and stakeholder engagement.
- Pacific Power will file their 2021 IRP on September 1.

Mary Moerlins, NW Natural

- NW Natural is very engaged in the DEQ climate protection plan that came out of the executive order.
- They have an IRP coming and NW Natural has a working group that will meet in late September.
- Continuing to get the word out about their Arrearage Management Program to customers who have been impacted by the pandemic. More than 30,000 fliers have gone out, in five languages, but they would like to grow this program and welcome suggestions from EAWG members on other avenues to reach people.

Kevin Lynch, Avangrid Renewables

- Building is underway on a number of new wind and solar projects in Oregon: Golden Hills Wind Farm, Pachwaywit Fields, Solar Bake Oven, and Daybreak Solar.
- Avangrid is in partnership with PGE on their green tariff program and this has helped accelerate solar development in the state.
- They have been watching the potential transmission rate increase from BPA, which is wrapping up. With the passage of an infrastructure bill, they are hopeful that BPA will be able to borrow money to use for its capital investments rather than pay out of pocket and relieve the upward rate pressure.

Lee Rahr, Sustainable Northwest (*alternate for Bridget Callahan*)

- Sustainable Northwest, ETO, Wallowa Resources, and Heartwood Biomass LLC are hosting a fall energy symposium September 13-15. More information can be found at <https://www.sustainablenorthwest.org/events/2021-making-energy-work-symposium-wallowa-county>.

Budget Update (*Cathy Connolly, Assistant Director Central Services*)

The budget that Cathy is sharing is ODOE's draft budget. This has been submitted to the Chief Financial Officer and will be final once it has passed audit.

- The legislature made several changes to ODOE's budget and increased it by \$94.6 million from the 2019-2021 budget, and \$113.5 million over ODOE's current service level.
- This growth includes \$71 million in General Fund for various programs.
- Changes to the budget include \$10.8 million General Fund (GF) for the Wildfire Energy Efficiency Rebuilding Incentive, \$50 million GF for the Community Renewable Investment Fund, and \$10 million GF for the Solar + Storage Rebate Program.
- New positions, mostly related to the new programs, were added. Three positions were eliminated.
- ODOE's operating budget totals \$35.1 million, which is an increase of \$6.2 million from last biennium. Much of this increase is tied to the rebate and grant programs that will support Oregon communities, families, and businesses.
- The final number for the ESA will be available once ODOE's budget passes audit. The estimate is \$15.64 million. This is a slight reduction from previous estimates.
- The audit of ODOE's budget should be final in the next few weeks.

New Incentives Programs

The 2021 Legislature approved three incentive programs at ODOE: the Solar + Storage Rebate Program, a relaunch of the program initially approved in 2019, an Energy Efficient Wildfire Recovery Program, and a Community Renewable Grant program. You can sign up to receive information on these new programs [here](#).

Solar + Storage Rebate (Cathy Connolly, Assistant Director for Central Services)

- This is a relaunch of the program that was approved by the legislature in 2019 (HB 2618).
- Funding for this program has increased substantially. In 2019, the funding for rebates totaled \$1.5 million; the new funding for rebates total \$9.2 million.
- Temporary rules will be filed to address contractor eligibility.
- Permanent rules will be filed to address improving program availability for solar systems attached to affordable, multi-family housing and expanding to new communities and engaging with low-income service providers.
- ODOE has hired two limited-duration positions to staff the program starting September 7.
- Requested feedback from EAWG includes suggestions on how to facilitate the inclusion of multi-family affordable housing solar projects in this program and changes to make this program a feasible option for underserved communities and an option that low-income providers would choose. Cathy also asked for suggestions on promoting this program, especially among underserved communities.

Questions & Feedback

Silvia Tanner asked if it would be possible to offer a higher level of incentive for low-income customers. Cathy responded that rebate level is set in statute so there are limitations. ODOE is required to reserve 25% of rebates for low-income customers. Last biennium, ODOE reserved 50% of the funding for low- and moderate-income service providers and expects the same for this round.

Joe Yaskus asked if the 30-day notice to contractors will be this year. Cathy said that ODOE intends to open for reservations in October. (Note – [the program opened for reservations on September 27th](#).) Not all of the funding will be available at that time because ODOE will want to reserve some to adjust to the permanent rules and do more outreach.

Jess Grady-Benson asked why the rebate goes directly to the contractors and not the customer. Cathy explained that the requirement is in statute and believes that the goal of the legislature, beyond encouraging the use of renewable energy, was to support the solar industry. However, under the program, contractors are required to pass the savings along to the customer.

Energy Efficient Wildfire Recovery (Michael Freels, Energy Analyst)

- In response to the devastating wildfires in 2020, the legislature addressed the need for wildfire recovery.

- HB 2289 established the guidelines and requirement for rebuilding properties destroyed by the wildfires. Those guidelines set the level of building code at which to rebuild. For older structures, the legislature decided that a property can be rebuilt to the building code in effect on January 1, 2008. For residential buildings, this means the 2005 Residential Codes and for commercial businesses, the 2007 Commercial Code standards. There is a significant difference in efficiency standards from those codes and the current codes in place today. On average, homes today are 30-35% more energy efficient than homes built to the 2008 codes.
- HB 5006 granted ODOE \$10.8 million to create an incentive program to encourage energy efficiency when rebuilding.
- ODOE is looking at potential incentive program designs. One option is to offer a flat incentive to rebuild to current residential or commercial building codes. Another option is to also provide incentives to build beyond current codes.
- ODOE is working with the Oregon Housing and Community Services Department, DCBS, and the Office of Emergency Management to ensure a seamless path for people looking at rebuilding opportunities.
- ODOE has reached out to affected communities and their long-term recovery groups, learning what is happening on the ground and discussing what their capacity is to help support this incentive program and what support they need from ODOE.
- Michael asked for feedback from EAWG on ideas to help reach wildfire survivors and how much should ODOE dedicate to code-level incentives versus above-code program support.

Questions & Feedback

Kevin Lynch asked if there was a way to assess the dollar-in vs benefit-out comparison between incentives to code and incentives beyond code. Michael said they have looked at that and have had conversations with utilities. There are also issues of timing, capacity, and equity that affect that and need to be taken in to account.

Jess Grady-Benson recommended ODOE connect with Rogue Climate to discuss lessons learned from supporting the community in Jackson County rebuild from the fires. She also asked if there could be community-based incentives that could bundle the benefits, creating better rates. Michael replied that the Oregon Housing and Community Services Department has announced a pilot program that addresses community building, specifically manufactured housing. Michael said that ODOE is open to community building and would like to follow up with Jess to further discuss ideas.

Community Renewable Grants (Rob DelMar, Senior Energy Policy Analyst)

- HB 2021 established the Community Renewable Energy grant program. This program has \$50 million in funding to provide grants for planning and developing community renewable energy and energy resilience projects and will run for four years.
- Fifty percent or more of the funding is for projects that qualify as community energy resilience projects.
- Fifty percent or more of the funding is for projects that primarily serve one or more qualifying communities.

- Qualifying communities is defined in the bill and includes communities of color; communities experiencing lower incomes; tribal, rural, and coastal communities; communities with limited infrastructure; and communities traditionally underrepresented in public processes, including seniors, youth, and persons with disabilities.
- HB 2021 allows ODOE to develop an advisory committee. This committee will provide guidance on program rules, establish equity metrics, help identify qualifying communities, and support community outreach and possibly the application review process.
- Grants will be awarded on a competitive basis and include performance agreements and time limits for completing projects.
- ODOE is pursuing a fast timeline and is currently recruiting for the advisory committee. Rulemaking will begin in September/October, material development and community outreach workshops will begin soon and run through February 2022.
- ODOE's target date for the first opportunity announcement is March 1, 2022.
- Requested feedback from EAWG includes ways to reach out to potential applicants, identifying needs for capacity building in rural communities, and ideas on how the advisory committee could support the success over the life of this program.

Questions & Feedback

Nicole Hughes said that interconnection costs are a major financial barrier for tribes and asked if those would qualify. Rob said that this can be discussed during rulemaking, but the deadlines are in statue and interconnections bring cost and delay. Nicole said that it is unfortunate that more of the money was put in the later stages of projects when it's the early, upfront stages of a project that come with the biggest financial barriers. She would like to coordinate with ODOE and see how they can focus some of the capacity building on tribes. Rob agreed that this is a challenge and hopes to see many successful tribal projects in this program.

ODOE Studies *(Alan Zelenka, Assistant Director Energy Planning & Innovation)*

In addition to the three incentive programs, the 2021 Legislature assigned ODOE four new studies to complete. Alan also provided an update on the Biennial Zero Emission Vehicle Report from SB 1044 (2019).

Regional Transmission Organizations

- SB 589 directs ODOE to conduct an RTO literature review and submit a report to the legislature by December 31, 2021.
- Adam Schulz is the lead for this study.
- The RTO advisory committee is in place and held their kickoff meeting on August 5.
- The literature review is available for comments by Committee members until September 13.
- The next advisory committee meetings will be September 20 and October 6.

Renewable Hydrogen

- SB 333 directs ODOE to produce a report, no later than September 15, 2022, on the current uses of hydrogen in Oregon, its application and potential for coupling with electricity, along with future costs and potential barriers.
- Rebecca Smith is the lead for this study.
- There is not a requirement to have an advisory committee for this study, but ODOE will be requesting stakeholder input.
- This study is in the planning phase.

Offshore Wind

- HB 3375 requires ODOE to conduct a literature review and submit a report to the legislature on floating offshore wind by September 15, 2022.
- Jason Sierman is the lead of this study.
- ODOE plans to meet with stakeholders in late October/early November.

Small-scale Renewables

- The Small-scale Renewable Energy Study was included in HB 2021 and requires ODOE to convene a workgroup to study the barriers, benefits and contributions, ownership opportunities, rate impacts and potential legislation to encourage small-scale renewable projects. The final report is due to the legislature by September 30, 2022.
- John Cornwell is the lead for this study.
- ODOE is recruiting for an Economist to analyze costs and rate impacts.
- Planning is underway and ODOE is compiling a list of potential workgroup members.

Biennial Zero Emission Vehicle Report

- The 2019 legislature directed ODOE to report on ZEVs and the state's progress towards achieving its ZEV adoption goals by September 15 of odd-numbered years.
- Jessica Reichers is the lead for this report.
- This report is nearing its due date and ODOE is in the final stages of publication.

Strategic Plan (*Ruchi Sadhir, Associate Director Strategic Engagement*)

Ruchi shared information about the progress of ODOE's strategic plan to keep EAWG informed and to hear feedback from members to help navigate ideas for change at the department and meet the strategic plan objectives.

- ODOE is currently at the stage of strategic plan implementation and this will continue over the next four years.
- ODOE will conduct quarterly reviews and annual report-outs. Updates will be provided at EAWG meetings.
- Coraggio Group continues to support ODOE from the strategy phase to the action phase. ODOE leadership has participated in strategic plan implementation "boot camps" that have helped in the prioritization of initiatives.

- ODOE’s strategic plan has five imperatives that represent the key focus areas of its work. Each of these imperatives has associated, measurable objectives and initiatives.
 1. *Expand and Improve Stakeholder Engagement.* ODOE has prioritized this imperative for early action because it is foundational to the support of the other imperatives. ODOE will be looking for feedback from EAWG on definitions – specifically defining “diversity” for agency stakeholder groups and advisory boards, and determining who are “historically and currently underserved populations and communities.”
 2. *Build Practices and Processes to Achieve More Inclusive and Equitable Outcomes.* ODOE staff have completed an intercultural effectiveness survey and we are currently prioritizing equity for the programs passed in the 2021 session. ODOE will be working on a baseline of who we serve to see if there is a gap and will look at how demographic data can support increased participation.
 3. *Assess and Enhance Organizational Data Capabilities.* Internal planning for data management has begun. This process will be supported by the Research Analyst position approved by the legislature.
 4. *Assess and Modernize Agency Programs and Activities.* This imperative will be especially important if there are additional federal funds or new programs coming to the agency. ODOE has begun modernizing existing programs to ensure they fully align with the strategic plan imperatives and mission. ODOE will start scoping the concept of “Key Energy Indicators” which will help measure the state’s programs toward a safe, clean, sustainable, and equitable energy future and will need feedback from EAWG on the scope of that.
 5. *Optimize Organizational Efficiency and Impact.* With the new programs and funds approved by the legislature, this imperative is more important than ever. While this last year has been a challenge, ODOE has been able to identify and operationalize several efficiencies. ODOE will also be developing a pilot for a process to create a replicable pathway for more process improvements. This will enhance ODOE’s continuous improvement culture.

Questions and Feedback

Nicole commented that while ODOE works to identify who they are serving, another avenue would be to look at who is not being served by other programs in the state, specifically by ETO.

Silvia Tanner said that she really appreciates and encourages ODOE’s objectives to build a more inclusive workforce and the engagement of underserved populations and communities. She shared what the County experienced in 2017 and the outcomes of that experience and offered to engage more on these topics.

Ruchi referred back to the fourth imperative, Assess and Modernize Agency Programs and Activities, and said that EAWG showed a lot of interest in this imperative during the development stages of the strategic plan. Ruchi emphasized that ODOE will need continued help from EAWG to scope this imperative.

Sunny Radcliffe said that the imperative dashboards that Ruchi shared are good at capturing the information but suggested adding target dates to the objectives. Janine responded that they do plan to add dates and hopefully by the next update those dates will be identified and included.

Ruchi asked EAWG members to reach out with any thoughts, lessons learned, or advice on a focus area or initiative that would be helpful for ODOE to consider.

Kevin Lynch asked if there is any distinction between the remit for the Siting program review and the mission statement. Ruchi reviewed the #4 imperative and mission statement to show alignment. Janine added that the RFP for the Siting evaluation includes instructions to look at the mission statement and the way the Siting program fits within that.

Closing Comments/Q&A

Janine closed the meeting by thanking EAWG members for their continued guidance and thoughtful comments and reminded them not to hesitate to reach out to her or other ODOE staff with any further questions or comments.