



Oregon

Tina Kotek, Governor



550 Capitol St. NE
Salem, OR 97301

Phone: 503-378-4040

Toll Free: 1-800-221-8035

FAX: 503-373-7806

www.oregon.gov/energy

MEETING SUMMARY

ODOE Oregon Energy Strategy Advisory Group Meeting #5; November 20, 2024

Attendees

Present Advisory Group members: Alma Pinto, Aaron Orłowski, Andrea Caudill, Andrew Mulkey, Bryan Adams, Cathy Ehli, Charity Fain, Christine Golightly, Cory Scott, Elaine Prause, Emily Griffith, Fred Heutte, Ivy Quach, Jeff Hammarlund, Jennifer Bies, Jennifer Hill-Hart, Jennifer Joly, Joshua Basofin, Lauren Poor, Laura Tabor, Matt Tidwell, Patrick Ford Mills, Rakesh Aneja, Rebecca Smith, Shannon Souza, Timothy L. McMahan, and Tucker Billman

Oregon Department of Energy staff: Abby Reeser, Alan Zelenka, Anne Thrall-Nash, Edith Bayer, Hugh Arceneaux, Jessica Reichers, Joni Slinger, Josh Price, Lauren Rosenstein, Mary Kopriva, Michael Freels, and Ruchi Sadhir

Consultant team: Ben Duncan (Kearns & West), María Verano (Kearns & West), Eileen Quigley (CETI), Ruby Moore-Bloom (CETI), Jeremy Hargreaves (Evolved Energy), Angela Long (Rockcross)

Number of members of the public in attendance: 5

Welcome and Agenda Review

Ben Duncan, Kearns & West, opened the meeting. Ben spoke to operating WebEx and the chat and reaction functions. Edith Bayer, Oregon Department of Energy (ODOE), introduced herself and the goals of the meeting; to:

- Present and collect feedback on framing for energy wallet, air quality modeling, and geospatial mapping;
- Provide updated timeline for activities in 2025; and
- Consult on framing for Phase 2 engagement, which will focus on policy.

Edith explained that the comment portal is still open for input into the complementary analyses and encouraged Advisory Group (AG) members to provide comments there. Ben went over the meeting agenda and how it'll cover the goals of the meeting. Ben also went over the Group Agreements for the AG, emphasizing the importance of collaborating through disagreements and finding areas of consensus.

October Meeting Summary Approval

Ben reiterated the process for formally approving meeting summaries and noted that the process will be a standing agenda item at future Advisory Group meetings. Participants were asked to share any requested edits to the October Meeting Summary. Meeting participation was updated to clarify that Rakesh Aneja was present and Mike Colgrove was absent.

Overview of EJ/Equity Analysis

Ruby Moore-Bloom, CETI, reviewed the complementary analyses, explaining the energy wallet, the air quality modeling, and geospatial mapping, and where ODOE and CETI teams were seeking feedback. Ruby stated that the Energy Wallet and Air Quality modeling will be based on the ongoing energy pathway modeling efforts, whereas the geospatial analysis will be done separately. The geospatial mapping will explore community level energy inequities and their relationship to socioeconomic disparities in order to assist in interpreting the other modeling results.

Jeremy Hargreaves, Evolved Energy Research, explained the energy wallet analysis as well as the elements of energy spending and energy burden that the analysis is intended to explore through representative households. Energy costs to be explored in the energy wallet analysis include home heating, vehicle miles traveled (VMT), and other types of energy use. Jeremy reviewed an example energy wallet analysis for a 2050 net-zero modeling scenario in Wisconsin, explaining that the analysis indicated customer energy costs generally shifted from fossil fuels to electricity and decreased overall. Jeremy added that the analysis examined providing different technology adoption periods, like the timing of a representative customer's purchase of an electric vehicle (EV), and how that affected their energy spending through 2050. Jeremy explained that, to analyze these different cost impacts based on technology adoption and energy use, the Energy Wallet analysis seeks feedback on what representative customers and associated assumptions should be used to support the Energy Strategy. Examples of potential factors to analyze via representative customer group selection include rural versus urban households, income levels, weatherization, and other factors. Jeremy then shared the methodology for the Energy Wallet analysis as relying on 2022 RBSA and EIA cost-per-square-foot data, as well as US Bureau of Transportation Statistics VMT and cost data.

Jeremy explained that the air quality analysis will be based on emissions outputs from the energy pathways modeling. The air quality outputs will in turn be analyzed via EPA's COBRA model to examine health impacts and associated economic impacts. Jeremy provided an example analysis from the Net-Zero Northwest (NZNW) study on air-quality death avoidances. Jeremy clarified that COBRA does not analyze wildfire or indoor air quality hazards but explained that COBRA largely covers air quality impacts that would result from energy production and consumption patterns. Afterwards, Ruby went over the proposed air quality and geospatial mapping analyses.

Ruby reviewed the selection of regions for the air quality analysis, explaining that CETI and ODOE are planning to examine air quality impacts with more regional granularity in response to stakeholder feedback. Ruby stated that CETI is seeking stakeholder feedback on whether the proposed regions are useful for examining AQ impacts.

Ruby explained that the Geospatial Mapping analysis is intended to examine equity overlays that could be used to identify communities with environmental resiliency, community well-being, economic, and equity vulnerabilities in order to inform Phase 2 policy discussions. Ruby explained that CETI is seeking stakeholder feedback on prioritizing 10-15 maps that could be used to support Phase 2 policy discussions. Ruby also explained that the proposed mapping approach and EJ/Equity analysis are posted to ODOE's website along with the requests for stakeholder feedback.

Ben opened for questions but prefaced to state that ODOE is mindful of sensitivity around the distinction of benefits and co-benefits.

Question: For the nine customer groups, do we have data on how many people, homes, or households in Oregon are in each group? It may make sense to study the groups that represent larger populations.

Response: Each group reflects WG (working group) and AG feedback and was based on RBSA (Residential Building Stock Assessment) data. CETI will look into the size of these population groups to inform the selection of representative customers.

Question: Can ODOE provide more information on what the "ODOE priority counties" are and what went into that prioritization? Where can we identify the priority counties under the methodology cited?

Response: High priority areas are defined in ODOE's 10 Year Plan, which developed an index that includes the measure of energy burden along with other factors known to drive energy burden (affordability, poor home energy efficiency, and housing inequity issues, etc.).
<https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf>. Priority counties are available in a Table in Appendix B in the High Priority Area Index column with counties that have a rating of a 3 or 4 <https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf>.

Comment: An energy wallet representative customer should be from a COU (Consumer-Owned Utility), explicitly. The AG member stated that 30% of customers are from COUs and that COUs and IOUs (Investor-Owned Utility) differ substantially in energy costs, based on COU reliance on BPA energy. The national figures would not represent these cost differences.

Response: With respect to the type of energy used to supply customers, it is Oregon-specific, on an Eastern Oregon and Western Oregon basis. Customer costs will be informed by state energy mix data. CETI will rely on federal databases to describe what customers are paying today and agrees that CETI could be more specific on COUs versus IOUs but does not want to get too specific into rate designs. CETI will explore taking this distinction into account.

Comment: A member expressed concern that the energy wallet modeling is showing two energy types, electricity and natural gas, without a user group for propane. The AG member also expressed interest in examining natural gas representation in rural parts of the state.

Question: Why does ODOE assume natural gas heating for single family homes? The AG member stated that there are many oil-heated, low-income homes in Portland.

Response: This assumption reflects the majority fuel source for a given customer group rather than an average based on all users within groups. CETI provides majority energy uses to describe the decisions a representative customer will face. CETI will examine 5 representative customers who should be considered to be actual, individual customers, rather than as an average of customers of their group. CETI and ODOE will appreciate feedback if fuel source is a customer characteristic that should be explicitly examined in the Energy Wallet analysis.

Question: Have you considered creating an interactive map where indicators would be selected by the user?

Response: That is likely out of scope for this project, but data produced from these analyses could be presented in a map. ODOE already has an ORESA (Oregon Renewable Energy Siting Assessment) tool. ODOE is discussing how interactive mapping based on Energy Strategy work could be integrated with the current ORESA tool; however, given timeline, this is likely out of scope for the Energy Strategy.

Comment: A member expressed agreement with an earlier comment that it is important to distinguish IOUs from COUs and examine how connection with BPA hydro energy affects energy costs and emissions.

Question: Would it be useful to study new, efficient multi-family housing? This may be more reflective of future housing construction in the state and how these buildings' energy costs compare with detached, single-family homes.

Response: ODOE and CETI will consider this as an energy wallet representative customer group.

Question: For geospatial mapping indicators, is there data regarding seasonal air quality? For example, air quality in central and eastern Oregon is significantly impacted by wildfires and not necessarily from energy sources.

Response: Yes, the geospatial mapping can examine wildfire risk and associated air quality impacts.

Comment: How are Tribal communities addressed in customer groups?

They are not reflected; data comes from NEEA (Northwest Energy Efficiency Alliance), where Tribal communities are not reflected. CETI will clarify that in reports. ODOE has been conducting government-to-government outreach and exploring how the complementary analyses can be useful to their communities. CETI can consider which customer data appears to match up with household conditions for Tribal groups and consider that in selecting groups.

Question: A member asked if there were any groups in the proposed customer wallet list that AG members would like to be analyzed?

Response: Edith provided a reminder that the comment portal would be open until November 27 for comments on the complementary analyses.

Comment: One member commented that they would like to see low-income households, rural households, and manufactured homes included in the analysis.

Comment: A member would recommend analyzing Homeowner, Manufactured Homes, Average renter (detached home), and a Low-income multifamily renter. Additionally, they would like to add energy efficient new multifamily renter to this group.

Comment: Another member added that they would like to see a consumer-owned utility customer, who has electricity produced by the Columbia River Power System specifically, in the wallet.

Comment: An AG member expressed concern with modeling assumptions for hydrogen and a lack of detail in the Reference and Alternative Scenario feedback process. The AG member requested an opportunity to engage and provide additional feedback before the modeling is finalized.

Response: ODOE is continuing to work on reframing a hydrogen-specific Alternative Scenario. ODOE is working through feedback received during Phase 1 to design the Alternative and will reach out directly to address the AG member's concern.

Question: How do high-priority counties overlap with other potential energy wallet groups? We should ensure that selected groups do not overlap excessively.

*Response: When incorporating feedback and selecting customer groups for analysis, CETI and ODOE will consider to what extent the groups overlap with one another. The table for high-priority counties is available in the following link in Appendix B at High Priority Area Index column; counties that have a rating of a 3 or 4 are high-priority counties.
www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf*

Question: How backwards compatible are the groups? For example, could you see how many representative households are present in a specific county or region? This may help indicate where categories overlap or where a category may be representative of households in tribal territories.

Response: CETI could map the data we have on what the frequency of types of households are and see where they are distributed across the state. CETI would have a more difficult time showing a comprehensive rate analysis of how many representative households may be within a given county or how the modeling would predict them to be impacted. CETI will explore mapping the energy wallet representative households as part of the geospatial mapping efforts.

Ben thanked CETI and Evolved Energy Research personnel for joining the AG meeting and answering questions. Edith introduced the next agenda item for the meeting, reviewing the proposed Phase 2 policy discussions process.

Phase 2 Overview

Edith described that Phase 2 is intended to take information learned from the modeling and complementary analyses efforts of Phase 1 and, on the basis of that information, discuss and develop policy recommendations for the Oregon Energy Strategy.

Edith reviewed the project timeline, stating that Phase 2 will begin with a late-January webinar to present Phase 1 modelling results and stated that ODOE is currently continuing tribal consultations and EJ meetings on the complementary analyses. Edith shared that ODOE will continue monthly meetings with the AG and an interagency steering group (IASG) before initiating a block of Policy Working Group (PWG) meetings. Edith explained that the block of PWG meetings is intended to provide for an additional, subject-specific breakout meeting in response to Phase 1 commenter feedback that additional time would be helpful for these topic-specific conversations. Edith described that PWG meetings will occur in cadence with AG, IASG, and listening session meetings and lead up to an early June webinar where ODOE will present draft recommendations for feedback. Additionally, a job study is planned for release in July; Edith explained that the job study results will only become available in the

summer because that study depends on the availability of modeling results before it can begin. Edith shared that ODOE will examine the job study findings before drafting the Energy Strategy Report.

Edith stated that Phase 2 will begin with the January presentation of modeling results, a plenary PWG meeting to further review the results and PWG topics, two break-out PWG meetings to examine specific model findings, policy gaps, and opportunities, and a final PWG to wrap up those discussions.

Furthermore, Edith explained that there will be five, rather than eight policy working groups, as there were in Phase 1, and that this structure is intended to facilitate Phase 2's focus on policy discussion. This is in contrast to Phase 1's focus on soliciting feedback on modeling data and assumptions. Phase 2 PWG meetings will also be slightly longer, at three hours, and ODOE will work to ensure that the calls are focused and productive. Edith stated that PWG members will likely be expected to prepare homework to prepare for meetings.

The AG took a break from 10:25 - 10:35 am.

Edith returned from break and reviewed the consultative structures slide, describing the various stakeholder groups and venues for public engagement, including Tribal engagement, PWGs, the AG, the IASG, and listening sessions.

Edith went over the working groups' timeline to illustrate the planned meeting and engagement process for Phase 2. Edith emphasized that each engagement group serves a distinct role and that the process is intended to be iterative, with the work of each group informing the others. Then, Edith described that the WG is the venue for discussing policy in the most detail, the AG provides oversight, final review, and accountability, and the IASG reviews for governmental alignment.

Edith also stated that the proposed engagement process will provide for review of draft policy recommendations towards April, in the interest of clarifying these recommendations in advance of report drafting.

The five planned WGs for Phase 2 were introduced by Edith, explaining that the proposed structure is intended primarily to facilitate and support policy discussions. Edith also expressed that ODOE expects that stakeholder representatives may change as a result of this shift in WG structure and purpose.

Edith reviewed the coverage of each WG. She explained that the role of the EJ and Equity group as both reviewing and providing input on the work of other WGs, and to generate their own policy discussions. Edith also explained that the EJ and Equity WG has led much of the complementary analysis discussion and recommended reviewing recordings from those meetings for interested AG members. The energy efficiency and DERs (Distributed Energy Resources) group is focused on the customer side of the meter; the clean energy generation and transmission group is intended to focus on front-of-the-meter issues, recognizing that there will be overlap between these two WGs. The low-carbon fuels group will be focused on barriers and best uses to and for low-carbon fuels. The Transportation WG will focus on BEV (Battery Electric Vehicles) and FCEV (Fuel Cell Electric Vehicles), LD (Light Duty), MD (Medium Duty), and HDVs (Heavy Duty Vehicles). Will also cover VMT (Vehicle Miles Traveled) and transportation fuel infrastructure.

Edith reviewed the slide for WG meeting themes. Edith stated that the first, plenary meeting will focus on ensuring everyone has the same information regarding the modeling and results; in addition to this, ODOE will require PWG members to review the modeling results webinar. ODOE will summarize and

share notes from the webinar and PWG meetings in the interest of keeping all stakeholders apprised in the ongoing Strategy work and development. Edith stated that, in the interest of promoting productive conversation, PWG meetings will be directed and structured with questions and agendas from ODOE, rather than being general, open-ended venues for feedback on modeling results. The second PWG meeting will likely focus on comparing the economic and non-economic costs of benefits of the Reference and relevant Alternative Scenarios, as well as complementary analyses and assigning homework to identify policy gaps. The third PWG meeting will focus on discussing these policy gaps and proposing recommended policy actions for consideration. Edith explains that this proposed WG meeting structure is draft and that ODOE is looking for AG feedback on this plan.

Edith shared a slide illustrating a draft definition of the PWGs' role in Phase 2 as substantively engaging on the results of technical analyses, potential energy pathways, and policy gaps, but not to revisit the modeling inputs or approach or to decide or vote on recommendations.

Edith reviewed the factors informing how PWGs will be formed, including consideration of Phase 1 PWG membership, interagency perspectives, and ODOE efforts to create balanced, representative PWGs under the language of HB 3630.

Finally, Edith went over challenges for Energy Strategy development work going forward, highlighting time constraints, overlapping schedules with the legislative session, and uncertainties regarding the new federal administration.

Phase 2 Process Comments and Questions

Question: One member stated that the legislation provides that ODOE develops the strategy. For Phase 2, is ODOE going to present a straw proposal or recommendations based on the modeling, and seek input from the working groups? Or, the member asked, will the working groups evaluate the modeling data and provide their recommendations to ODOE to consider beforehand? The member shared that they were trying to understand if ODOE will be seeking comments on their specific recommendations prior to submitting them to the Legislature?

Response: ODOE will not be developing recommendations through a straw poll voting process. ODOE will structure conversations to review technical analyses, identify policy gaps, and discuss recommendations. ODOE will prepare draft recommendations and publish these for public comment towards June and in advance of drafting the full, final report.

Comment: A member shared that previously, any interested party could participate in a WG. It sounds like now, for WGs in Phase 2, there will be appointments. The member expressed concern for achieving balance in WGs.

Response: ODOE is going through a process for PWG formation similar to that done for Phase 1. ODOE is interested in hearing who is interested in joining WGs; ODOE is not thinking of this process as being more restrictive than it was in P1.

Question: A member asked if ODOE will accept recommendations for WG appointments?

Response: Yes; ODOE requests that stakeholders please support recommendations with rationale to help ODOE ensure that a diversity of views are being represented in WGs.

Question: Another member asked how reliability fits into the evaluation? Is that just assumed?

Response: The model itself must meet reliability standards. Reliability will be highlighted for policy discussions as well.

Question: One member asked how the AG can be adequately informed on PWG work to provide meaningful input? The AG member wanted to acknowledge the difficulty of this issue, though they clarified that they have no criticism or recommendation regarding ODOE's proposed approach.

Response: AG members will be able to sit in on PWG meetings; ODOE will also work to produce summaries on PWG and AG activities to help the groups work in tandem.

Question: A member inquired if there was an interest form to solicit interest in WG participation?

Response: ODOE will take this option on board and consider sharing an interest form.

Upcoming Meetings and Next Steps

ODOE will send out meeting holds this week for the next AG meeting, to be scheduled for January. Edith thanked the attendees for their participation and reiterated that the comment portal is open for complementary analysis comments through November 27.

Ben expressed his appreciation for Advisory Group members and adjourned the meeting.