



# Oregon

Tina Kotek, Governor



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## Energy Advisory Work Group

DATE: April 22, 2024

TIME: 9:30am – 11:30am

Oregon Department of Energy – via WebEx

### Meeting Attendees

EAWG Members	ODOE Staff	Guests
Angela Crowley-Koch, OSEIA (alternate for Nicole Hughes, Renewable Northwest) Annette Price, Pacific Power Britton Rife, NW Energy Efficiency Council (alternate for Kerry Meade) Fred Heutte, NW Energy Coalition Jana Gastellum, Oregon Environmental Council Jennifer Hill-Hart, Oregon Citizens' Utility Board (alternate for Bob Jenks) Jenny Dresler, Pacific Propane Gas Assoc Kyle Roadman, Emerald People's Utility District Mary Moerlins, NW Natural Sarah Buchwalter, PGE (alternate for Sunny Radcliffe) Silvia Tanner, Multnomah County Tashiana Wangler, Avangrid Tom Wolf, bp America	Janine Benner, Director Andy Cameron, Efficiency & Conservation Manager Christy Splitt, Government Relations Coordinator Danae Hammitt, Finance and Operations Manager James Cogle, Operations and Policy Analyst Jenny Kalez, Communications Director Jenifer Smith, Human Resource Analyst Linda Bures, Assoc Director Human Resources Max Woods, Asst Director Nuclear Safety & Emergency Preparedness Michael Williams, Asst Director Central Services Pandian Krishnaswamy, Energy Incentives Manager Ruchi Sadhir, Assoc Director, Strategic Engagement Sarah Moehrke, Community Navigator Stacey Heuberger, Office Operations Analyst	Alessandra de la Torre Alex Inman Angel Swanson Bala Singh Brad Reed Brandon Capps Brice Dan Solitz Danelle Romain David Heslam Ellen Miller Hannah Cruz Ian Lynch Jason Heuser Jennifer Joly John Elgie John Powell Josie Tecum Joy Aldrich KT Kelleher Laura Tabor Lauren Link Lisa McGarity Molly Hatfield Natalia Ojeda Pedro Simons Penny Williams Phil Barnhart Shameeka H Sylvia Wu Tim Lynch Willem McAvoy Wilson Bates Yuseph Yatzar

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

- Janine welcomed all members and asked attendees to introduce themselves in the chat.
- She announced that the US EPA announced Solar for All awards and the Oregon application was selected. This application was led by ODOE in partnership with the Energy Trust of Oregon and the Bonneville Environmental Foundation.
- Janine also mentioned that ODOE is excited to work with Representative John Lively, who is the new chair of the House Energy and Environment Committee.

### **Overview of Budget Process** *(Michael Williams, Assistant Director Central Services)*

- Michael provided an overview of the budget process state agencies follow to develop the Agency Request Budget. Agencies begin with their current Legislatively Approved Budget, adjust it for expected program and cost changes to determine the Current Service Level budget, then add in any requests through Policy Option Packages for new or additional resources to produce the Agency Request Budget.
- Agencies are now determining their Current Service Level budgets. The CSL budget is the cost to continue legislatively approved activities into the next biennium. It adjusts for inflation, anticipated increases in the next biennium, and phase in/phase out of activities.
- ODOE received one-time funding for incentive programs and they are not included in the CSL budget. Continuing these incentives into the next biennium will need to be requested through a Policy Option Package.
- The impact to ESA from POPs cannot be determined until the CSL budget phase is complete. This should be in the next month or so.
- ESA cost drivers include the number of ESA funded positions and activities; overhead costs, also known as the indirect cost pool; and how many non-ESA positions help pay for that overhead. The indirect cost pool includes things that support the entire agency such as finance and operations, human resources, and IT. It also includes costs that ODOE does not control, such as the cost of services provided to oversee state agencies from the Department of Administrative Services and the Department of Justice.
- The indirect rate is based on positions, not activity, and is negotiated with federal partners. Positions pay their portion of the indirect pool with the same funding source as their position. Federally funded positions will pay the indirect pool with federal funds, ESA funded positions will pay with ESA funds, etc.
- Available General Fund is expected to be relatively flat in the next biennium, while costs are expected to increase.

### **Policy Option Package Ideas and Breakout Room Discussions** *(Janine Benner)*

- Janine shared that ODOE is working closely with the Governor's Office on budget development to refine what goes into the Agency Request Budget. Given the economic forecast, all indications are that the budget process for the coming biennium will be tighter with little room for additional General Fund expenditures and ODOE's budget will reflect that. Not all of the POP ideas being shared today will make it in ODOE's ARB. EAWG members can help prioritize these POPs and where it is most important to spend limited General Fund and ESA resources.

- There are nine potential POPs. Details for each of these POPs were previously sent to members in the meeting packet and posted on [ODOE's website](#). There will be two rounds of breakout sessions. EAWG members were able to select two breakout rooms they would like to join to further discuss specific POPs:
  - Room 1 – Growing Smart and Better Serving Oregonians
    1. Diversity, Equity, Inclusion, and Belonging / Employee Services
    2. Siting Compliance
    3. Paid Internships
  - Room 2 – Addressing Needs of Oregon Communities
    4. Expanding Community Navigator Program
    5. Rural Energy Project Fund
    6. Hub for Incentive Programs in Oregon
  - Room 3 – Continuing and Enhancing Existing Programs
    7. Continuing Incentive Programs
    8. Potential Changes to Incentive Programs
    9. Climate Action Research Extension
  - Room 4 – Christy Splitt and members of the public to discuss all nine POPs.

### Breakout Room Discussion Session 1

#### Room 1 Attendees:

- Tashiana Wanger
- Sarah Buchwalter
- Janine Benner
- Linda Bures

#### Diversity, Equity, Inclusion, and Belonging/Employee Services

- Janine reported that the group discussed the importance of diversity, equity and inclusion work in the energy industry. She clarified what the proposed positions would do. EAWG members shared some of the benefits that they had seen from their organizations' DEI work.

#### Siting Compliance

- The group reviewed the need for another siting compliance position, and EAWG members expressed support for additional capacity at ODOE for Siting compliance.

#### Room 2 Attendees:

- Silvia Tanner
- Jana Gastellum
- Mary Moerlins
- Tom Wolf
- Jennifer Hill Hart
- Jenny Dresler
- Ruchi Sadhir
- Sarah Moehrke

### Expanding Community Navigator Program

- Ruchi Sadhir reported that the group discussed the Community Navigator Program and the need for more people power, especially for dedicated attention to Tribes and communities east of the Cascades. Ruchi reviewed the progress of the existing Community Navigator Program. , There was discussion that understanding the benefits of this program can help decide questions on funding.

### Rural Energy Project Fund

- There was a discussion about what the \$100,000 Rural Energy Project Fund would be used for and how much energy savings it would generate. Ruchi explained the projects funded would be surfaced in energy audits through the already existing, USDA-funded Oregon Rural & Agricultural Energy Assistance Program (ORAEA). We anticipate funding small projects, such as de-icers for water troughs and efficiency upgrades for irrigation pumps. ODOE doesn't currently have an estimate on the amount of energy savings that would come from the \$100,000 investment. Based on the energy audits completed through ORAEA, staff believe there will be savings from these projects. With the complicated nature of federal funding, it can be off-putting for some businesses to seek federal funds for the projects. ODOE does consider this Rural Energy Fund as a pilot to get a foot in the door with small projects that show savings, which could lead to additional and/or bigger projects. Also, this summer, ODOE plans to review suggested energy measures and what other projects/programs are available to see whether there are priorities and gaps. This pilot would build on that analysis with what is already seen through the energy audits that are not moving towards USDA REAP grants for projects. There was another follow up question asking if ODOE will leverage this program to move into a bigger program in the future and Ruchi explained that ODOE will take a look at that if this pilot version is created and as ODOE learns more about the types of projects and technologies for agricultural producers and rural small businesses.

### Hub for Incentive Programs in Oregon

- There was a comment that the one stop shop ("Hub") is critical for access to resources and where there is so much to navigate.

### Room 3 Attendees:

- Britton Rife
- Annette Price
- Fred Heutte
- Angela Crowley-Koch
- Pandian Krishnaswamy
- Michael Williams

### Continue Existing Incentive Programs

- There was a comment appreciating that these incentive programs are included in the POPs and the amounts for the Solar program and C-REP program seem appropriate. There was another comment stating no objections and support for the POP.

#### Potential Changes to Incentive Programs

- There was a comment about the resilience-only addition to the Community Renewable Energy Grant Program, where the resilience-only addition would only be supported if it was still through renewable energy. If the resilience is through diesel or conventional, there would not be support. There were also questions about if the request of \$20 million would be enough for the additional storage-only projects.

#### Climate Action Research Extension

- Michael Williams clarified that the Climate Action Research Analyst position would be a permanent position at ODOE.

#### Breakout Room Discussion Session 2 *(All)*

##### Room 1 Attendees:

- Annette Price
- Fred Huette
- Janine Benner
- Linda Bures

##### Diversity, Equity, Inclusion, and Belonging / Employee Services

- Janine reported that the group again discussed the importance of investing in our workforce. Given budget constraints, an EAWG member expressed concern that POPs proposed as general funds might be eventually shifted to ESA. Janine indicated that ODOE would not propose a shift of any POPs to ESA.

##### Room 2 Attendees:

- Angela Crowley-Koch
- Tashiana Wangler
- Ruchi Sadhir
- Sarah Moehrke

##### Expanding Community Navigator Program

- There was a comment about the need for a second community navigator east of the Cascades, but acknowledgement that not all of these priorities could be funded in the current budget environment. There was interest in discussing this POP more.

##### Rural Energy Project Fund

- Ruchi clarified the differences between the Rural Energy Fund and ODOE's C-REP program and said that C-REP focuses on public bodies. This new program would be for rural small businesses and small agricultural producers. Also, it would be focused on energy efficiency projects surfaced through energy audits from the Oregon Rural & Agricultural Energy Assistance Program (ORAEA). The energy audits are finding efficiency opportunities in specialized technologies or projects that would range from \$5,000-\$10,000, which isn't enough to go through an application process for USDA REAP funds. They have slim margins and ODOE staff is working with ag producers and rural small businesses to see an opportunity to fill the gap to save them money and energy. There

was a suggestion to call the program Rural Energy Efficiency Fund instead since it's just for efficiency projects and not for renewables. There was agreement on that idea of using "energy efficiency" in the program name.

#### Hub for Incentive Programs in Oregon

- There was a suggestion that the Hub also include renewable programs so Oregonians can learn about incentives available for solar and storage.

#### Room 3 Attendees

- Sara Buchwalter
- Silvia Tanner
- Jenny Dresler
- Britton Rife
- Tom Wolfe
- Marcy Marlene, NW
- Jana Gastellum
- Jennifer Hill-Hart
- Mary Moerlins
- Pandian Krishnaswamy
- Michael Williams

#### Continuing Incentive Programs

- There were multiple comments supporting continuation of incentive programs. Protecting underserved communities is important, and there was a comment encouraging ODOE to consider federal funds for underserved communities if these programs are not funded at 100%. Michael said that if ODOE doesn't get all the funding, staff will review how to scale up or down. The first step is getting feedback from EAWG and the Governor's Office, but ODOE is looking into how to use federal funds to support existing programs.

#### Climate Action Research Extension

- There was a comment noting that it is not a huge amount of money to make the Climate Action Research Analyst position permanent. There was another comment that every year a person stays in a position, they contribute more, leading the commenter to making the position permanent.

#### Room 4 Attendees:

- All members of the public (non-EAWG members)
- Christy Splitt
- ODOE Staff

#### Diversity, Equity, Inclusion, and Belonging / Employee Services

- There was discussion about the size and structure of the current HR section to facilitate evaluation of whether additional capacity was needed. ODOE staff noted that ODOE has

4 FTE in HR – the agency has grown quite a bit in the last couple of biennia, and addition HR staff capacity is necessary to provide services to employees.

#### Energy Facility Compliance

- There was interest by ESA payer representatives in ensuring that, in this tough budget climate, costs are not shifted onto ESA when they would otherwise be covered by General Fund or developers.

#### Paid Internships

- There was interest in having paid internships be evaluated at an enterprise level rather than agency-by-agency as well as support for federal funds paying for interns.

#### Community Navigator Program

- There was a question of whether this POP is premature and interest in learning more about what effect the position has had. This questioner supported contracting rather than an additional position. Another commenter expressed support for the Community Navigator Program but was interested in whether there is any cross-agency collaboration in this effort. The commenter noted that it would be advantageous for those who are working within the clean energy and siting area to work together if staff is already traveling across the state, meeting with community members, and building relationships, to share information. ODOE staff responded that ODOE's Siting team is funded for very specific work, and their positions are mostly funded by fees from developers, so they don't have the flexibility to also serve as community navigators, though it's worth considering if there's room for it.

#### Rural Energy Project Fund

- There was a question of whether utility programs could meet the needs of the small businesses served by this fund. ODOE staff noted that ODOE has looked into those and hit a dead end, but would love to hear more or get leads if anyone knows of any.

#### Information Hub on Incentives

- Multiple people expressed support for this type of program for helping people navigate all the incentives, including adding education resources.

#### Continuing Existing Incentive Programs

Commenters involved in implementation of the Community Heat Pump Deployment Program indicated that money is being expended quickly due to high demand, and expressed appreciation for the change and progress with these incentive dollars, so extending sunsets and adding more money is a win all around. They also indicated that the program works well with existing BPA and Energy Trust incentives. An ESA payer representative expressed support for continuing the programs in general; as long as they are supported with General Fund, she generally supports the continuation of programs. There was also support resilience-only as an option to Community Renewable Energy Grant Program. There was discussion about the level of funding for each heat pump program.

## Climate Action Research

- No comments due to time constraints.

## Summary of Stand-alone Legislative Concepts Q&A and Feedback *(Christy Splitt, Government Relations Coordinator)*

- Christy reviewed the legislative concepts that ODOE is considering.
- ODOE would like to make modifications to existing incentive programs and will pursue legislative concepts to make these changes:
  - One would extend the sunset of the Rental Home Heat Pump Program and make minor changes to reporting requirements. This LC will also be updated to include any statutory changes needed to the Community Heat Pump Program after meeting with its advisory committee next month.
  - Another LC would update the Community Renewable Energy Grant Program to include energy resilient-only projects. Currently, the program allows for renewable projects or renewable + resilience projects.
  - ODOE would like to modify the Oregon Solar + Storage Rebate Program to include storage-only projects. This program currently allows for installation of solar panels or solar panels with storage, but you cannot add storage to existing panels.
- An LC to remove the redundant reporting requirements for the State Energy Efficient Design program and to remove the requirement to report on a program that is no longer open.
- ODOE has been working with the Department of Administrative Services to develop an LC that will amend Public Contracting Codes to allow for state agencies to contract with US DOE's national laboratories.
- Another legislative concept would enable changes to expand the Community Navigator program.
- ODOE will propose an LC to establish the Rural Energy Project Fund. This fund will help rural businesses fund small energy efficient projects.
- ODOE will submit these concepts by April 30 and will have until June 30 to make any updates or changes before they are sent to Legislative Counsel for drafting.

### ***Questions and feedback:***

Tom Wolf asked if this is a typical number of legislative concepts for ODOE to move forward, and which one does ODOE think may take the most work. Christy said that ODOE usually is right around this amount of LCs in past years. The Community Navigator may be challenging because of the budget environment.

## Closing Comments/Q&A

- None.