



# 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](http://www.oregon.gov/energy)

## MEMORANDUM

**To:** Energy Advisory Work Group Members

**From:** Janine Benner, Director

**Date:** December 12, 2024

**Re:** Materials for December 19, 2024 EAWG Meeting

2024 is coming to an end, and we are looking forward to bringing EAWG members together to share a few updates on key ODOE projects and hear about your priorities as we turn the corner to 2025 and our next legislative session.

After a brief update from me on the [Governor's Recommended 2025-2027 Budget](#) and the status of [federal funding](#), we look forward to hearing from you during the roundtable on your legislative priorities and what else you are tracking ahead of the upcoming session.

Christy will then discuss ODOE's 2025 legislative proposals, which are summarized in an attached two-pager. Also attached is a summary of the policy option packages included in the Governor's Recommended Budget.

The heart of this meeting will focus on ODOE's [2021-2024 Strategic Plan](#). We have deeply appreciated EAWG's engagement as we developed and implemented the plan over the last four years, and we're eager to share a wrap up of the progress we've made. Please see the attached summary for a brief overview, and we'll dive into additional details – including major growth and lessons learned – during the meeting.

We'll also provide updates on the [Oregon Energy Strategy](#) and would appreciate if you would share anything in particular you're hearing about the strategy. Do you have concerns or red flags? What are you excited about? Please see the attached summary for more information on the strategy.

Finally, we'll wrap up by walking through the [2024 Biennial Energy Report](#), which we published in November 1.

Thanks in advance for taking some time out of your busy December to join us. I look forward to seeing you all next week!

### Meeting Log-in:

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## AGENDA

### Energy Advisory Work Group

DATE: December 19, 2024

TIME: 2:00PM – 4:00PM

Oregon Department of Energy – via WebEx

Meeting Link: [December 2024 EAWG Meeting](#)

Password: December

Call-in number: 1-650-479-3208 Access Code: 2662 762 1080

Time	Topic	Lead
2:00PM	Director's Update	Janine Benner, Director
2:10PM	Roundtable (2025 Legislative Preview)	EAWG Members
2:35PM	2025 Legislative Session	Christy Splitt, Govt Relations Coordinator
2:45PM	Strategic Plan	Janine Benner Ruchi Sadhir, Associate Director for Strategic Engagement
3:25PM	Energy Strategy	Edith Bayer, Energy Systems Senior Policy Analyst
3:35PM	Biennial Energy Report	Jessica Reichers, Energy Technology & Policy Manager
3:50PM	Wrap Up	All

### Package 201: Energy Development Services Staffing

ODOE's incentive programs support our mission to help Oregonians make informed decisions and maintain a resilient and affordable energy system. The programs also strengthen equity in the energy sector by expanding access to incentives and rebates for Oregonians with lower incomes, who may otherwise be unable to afford renewable energy or energy efficiency improvements.

This POP extends seven limited duration positions into permanent full-time positions and aligns the positions to the type of work (such as processing rebates across programs or conducting administrative rulemaking) rather than have them be program specific. Staff extended by the POP will support the Community Renewable Energy Grant Program as well as remaining administrative work from programs phased out of the division. This continuity will help ensure ODOE is able to continue to offer strong customer service and engage with the public, Oregon Tribes, utilities, public bodies, and the solar industry and HVAC industry on these programs. (\$1,759,694 Other Fund – 7 FTE)

### Package 202: Single Resource General Fund Carryforward

The Oregon Department of Energy is working to launch an information hub with resources to help people understand what energy efficiency incentives are available for them, as well as to share educational materials about energy efficiency technologies.

This POP retains the General Fund investment made by House Bill 3630 (2023) into the 2025-27 biennium to continue support for a single resource information hub pertaining to home energy rebates, which connects Oregonians with information regarding available resources for energy efficiency investments. Continuing this funding will allow ODOE to add functionality and resources to better serve members of environmental justice communities and additional target audiences. (\$292,766 General Fund)

### Packages 90 and 203: Grid Resilience Match General Fund Carry-Forward and Investment

The Grid Resilience program provides federally supported grants to Oregon utilities for projects that strengthen the electric grid. The legislature previously provided \$3 million in matching General Fund that was necessary to receive \$20 million in federal grants. ODOE will spend the match funding across the grant's performance period, which will span multiple biennia. Package 203 carries forward the General Fund investment made in the 2023-25 biennium for matching funds that are unspent into the 2025-27 biennium. Package 90 provides an additional \$1 million as partial matching funds for the third allocation of an additional \$10 million in federal grants. This program has a Legislative Concept for this technical adjustment, including the creation of a dedicated fund. (\$2,523,876 General Fund – 2 FTE)

### Package 204: C-REP Other Fund Carry-Forward and Investment

This POP provides ODOE an additional \$25 million in General Fund for deposit into the Community Renewable Energy Grant Program, with the expenditure authority to continue the program.

The Community Renewable Energy Grant Program provides grants to public bodies and Tribes for planning and constructing renewable energy and energy resilience projects. ODOE has made three rounds of grants available: \$18 million in spring 2024 and two \$12 million rounds in 2023. Across the three rounds of opportunity announcements, ODOE received 195 eligible applications and awarded 50 planning projects totaling \$4,387,990 in grants and 44 construction projects totaling \$37,454,977 in grants. Projects have been

awarded in 28 of Oregon's 36 counties. ODOE is proposing a related legislative concept to enable funds from this program to support resilience only or energy efficiency planning and projects, which would respond to a need we have heard from public bodies and consumer-owned utilities. (\$25,000,000 General Fund, and carrying forward unspent dollars)

### **Package 301 County Energy Resilience GF Carry-Forward**

This POP retains the General Fund investment made in the 2023-25 biennium for a program to provide planning grants to counties to prepare a county-level resilience plan. The program is set to sunset on January 2, 2026. (\$540,905 General Fund – 0.25 FTE)

### **Package 401 Facility Siting Staffing**

This POP will provide an additional compliance officer to strengthen the energy facility siting compliance program, enable the agency to review and inspect facilities in a timely manner, and ensure that any compliance issues or incidents have a swift agency response. The position is supported by Other Funds revenue derived from charges for services. (\$256,953 Other Funds – 1.0 FTE)

### **Package 451 and 452 Employee Services**

This POP creates two new positions at ODOE to help enhance employee services and strengthen the organization. A dedicated Learning and Development Specialist position will elevate employee development and succession planning, which will ensure a highly skilled workforce that meets current and future staffing demands and aligns employee development with organizational goals. An Employee Diversity, Equity, and Inclusion Implementation Specialist will foster an inclusive and welcoming workplace through initiatives that value and celebrate diversity, equity, inclusion, and belonging among employees. (\$534,198 Other Funds – 2 FTE)

### **Packages 81 and 90 Policy Advisors**

These packages provide funding and position authority for two Governor's office policy advisor positions. A Climate Policy advisor, supported by federal and grant funding, provides leadership and direction from the Governor's Office to state agencies, boards, and commissions that administer climate and energy policies to ensure they understand, support, and implement the Governor's climate policy and strategy for achieving the state's climate and energy goals. A second policy advisor, supported by General Fund, provides oversight and coordination of state agencies in meeting the obligations of the Columbia Basin River Initiative agreement, serves as a liaison to the Federal government, Tribes, State of Washington, and other interested parties on Columbia River Basin matters, and provides the Governor with policy analysis and advice on Columbia Basin issues. (\$733,410 General Fund, \$339,224 Other Fund, \$339,224 Federal Funds – 2 FTE)

### Heat Pump Programs – Extension and Updates (LC 380)

The Oregon Rental Home Heat Pump Program and Community Heat Pump Deployment Program were established by the Oregon Department of Energy at the direction of SB 1536, which was passed by the Oregon State Legislature in 2022. The two programs provide financial assistance for the purchase and installation of heat pumps and related upgrades. The legislative concept would extend the Rental Home program by six years and make changes to the Community program based on feedback from participants.

### Resilience Projects in the Community Renewable Energy Grant Program (LC 376)

In 2021, the legislature passed HB 2021, which included a \$50 million fund at ODOE to provide grants for planning and developing community renewable energy projects and energy resilience projects with a renewable energy component. The Community Renewable Energy Grant Program is open to Oregon Tribes, public bodies, and consumer-owned utilities. With the recent increase in power outages and damage from extreme weather, the need for funding for energy resilience-only projects is clear. The new federally funded Grid Resilience Program could provide funding, but for smaller utilities, the match requirements are a barrier. This legislative concept would allow up to 20 percent of Community Renewable Energy Grant Program funding to support energy resilience-only projects.

### Storage Only in the Oregon Solar + Storage Rebate Program (LC 378)

The Oregon Solar + Storage Rebate Program was established by the Oregon Department of Energy at the direction of HB 2618, passed in 2019. The legislation called for the department to adopt a program to provide rebates for the purchase, construction, or installation of solar electric systems and *paired* solar and storage systems. This legislative concept would allow a rebate to help offset the costs of adding battery storage to homes with existing solar arrays, enabling Oregonians to access home battery technology as backup power to strengthen resilience.

### State Contracting with National Labs (LC 371)

The U.S. Department of Energy's 16 National Laboratories are designed to carry out objective research and provide in-depth technical support and data – work that could be of value to state agencies working on energy and climate issues, including the Oregon Department of Energy. This legislative concept would amend state contracting statutes to treat National Labs like federal agencies so that the state can contract with them, which is currently not possible.

### Removing Redundant Reports (LC 374)

This legislative concept would remove parts of the State Energy Efficient Design program that are also required by the new Building Performance Standard requirements, making more efficient and effective use of state agency staff resources. Additionally, this legislative concept would remove the outdated references to previous state agency energy reduction goals and remove a reporting requirement for the Small-Scale Local Energy Loan Program, which is no longer issuing new loans.

## **Creating a Dedicated Grid Resilience Fund (LC 384)**

This legislative concept would allow federal and state matching funds for the Grid Resilience Program, established by the Infrastructure Investments and Jobs Act, to be placed in a dedicated fund. This would prevent uncertainty in program delivery between two-year budget cycles.

### **Contact**

Christy Splitt

Government Relations Coordinator

[christy.splitt@energy.oregon.gov](mailto:christy.splitt@energy.oregon.gov)

503-510-4473

In 2021, the Oregon Department of Energy adopted an ambitious new strategic plan that would guide the agency's work through 2024. A set of five imperatives outlined the major focus areas for the plan, which each had a set of initiatives to support the work and objectives to measure success. As the strategic plan horizon comes to a close, ODOE is reflecting back on the plan, celebrating our accomplishments, and identifying challenges and opportunities that can inspire our next strategic plan.

The first phase of developing ODOE's [2021-2024 Strategic Plan](#) was to “get clear.” This included developing new a new vision and mission, as well as a “position statement” that provides a high-level overview of ODOE’s work. The development of the new vision, mission, and position was informed by extensive outreach done by ODOE’s strategic planning consultant, who presented ODOE staff with insights from their research. These insights included findings such as ODOE struggled to communicate its mission and efficacy in an unaligned and self-interested energy ecosystem and that ODOE’s ideal role is believed to be as a data provider – a “central point of truth” for Oregon’s energy system.

The ODOE team has embraced this guiding clarity and leaned on its important messaging as the Oregon Legislature added new responsibilities to the agency, we welcomed a new Governor, and the agency brought significant new federal funding to support Oregon’s energy programs and goals.

Over the last four years, ODOE has made significant progress on each imperative. Some initiatives and objectives have been successfully completed, while the agency continues to make progress on others. There are numerous successes that the agency can highlight. One of ODOE’s imperatives was to *expand and improve stakeholder engagement*. Our engagement strategy and approach has strengthened as ODOE created a new Strategic Engagement Team within the agency that includes a Community Navigator, Community Equity and Inclusion Analyst, and other skilled experts. These efforts have improved engagement with communities across Oregon, which bolsters our programs and ensures they are set up for success to serve Oregonians equitably. These actions have also contributed to progress on a second imperative *to build practices and processes to achieve more inclusive and equitable outcomes*.

A third imperative involved *assessing and modernizing agency programs and activities*, which strengthened ODOE's role as a central repository of energy data, information, and analysis. A key accomplishment in this area was the completion of an assessment of all agency data sets, where they are stored, how they are used, and how the data was validated. The findings from this effort helped the agency determine which agency products needed defined data practices to ensure accurate reporting that is traceable, defensible, and flexible enough to accommodate a diversity of data and deliverables. Ultimately, these findings led to the development of data management practices as part of individual project planning documents.

In working to *assess and modernize agency programs and activities*, the agency and interested parties benefited from undertaking a strategic evaluation of all outside-facing programs and articulating how they align with ODOE’s mission and position statement. This effort also enabled the team to identify opportunities to increase effectiveness and efficiency in those programs. Significant progress was also made to *optimize organizational efficiency and impact*, including meeting the objective of increasing the Gallup Q12 engagement score to above 4.0.

A lot can happen in four years, and ODOE’s strategic plan provided a solid foundation as Oregon recovered from the COVID-19 pandemic and ODOE embraced the state’s transition to more remote work. The agency was challenged by competing priorities as ODOE leaders worked on strategic plan



implementation while ensuring other projects and business needs – including the launch of several new incentive programs and federal funding opportunities – were well executed. While the agency made strong progress on all of the plan’s imperatives, there were also objectives and initiatives that didn’t quite get over the finish line. Throughout the strategic plan’s implementation, we took our consultant, Coraggio’s, advice to *adopt, adapt, or abandon* certain efforts or approaches to better respond to ODOE’s needs.

ODOE is proud of our work through the 2021-2024 Strategic Plan. We learned a lot that will help us as we begin our next strategic planning effort – including that this plan was probably a bit too ambitious and complex. When drafting the plan, it was hard to narrow down the number of initiatives, for example, because each one felt important to include and achieve. With so many different activities, it was difficult to track progress and keep momentum on each of them.

We look forward to developing a new strategic plan over the next year that still embraces ambition and sets us up for success. In 2025, ODOE is celebrating its 50<sup>th</sup> year serving Oregonians. We’re excited to celebrate how far the agency has come – and where we’ll go next together.

### 2021-2024 Strategic Plan Progress Summary



The table below includes ODOE’s imperatives, objectives, and initiatives from the 2021-2024 Strategic Plan. Completed objectives and initiatives will have a green check mark. Objectives without a check mark are incomplete. Some initiatives have been adapted (blue arrow) or are in progress (orange arrow).

Imperatives	Objectives	Complete	Initiatives	Status
Expand and Improve Stakeholder Engagement	Increase diversity of agency stakeholder groups, rulemaking, oversight, and advisory boards	✓	Conduct assessment of current agency decision-making and advisory bodies to identify opportunities for more diverse representation	✓
	Year-over-year increase in agency engagement with organizations representing historically and currently underserved populations and communities	✓	Develop a communication plan and engagement process collaboratively with historically and currently underserved populations and communities that includes actively listening, being responsive, and incorporating feedback in the development of programs, policies, and other areas of work	↻
			Build on existing tribal engagement efforts by expanding internal responsibilities and resources, and reaching out to tribes to assess and amplify shared interests and priorities	✓



			Work with external entities to assess their needs and priorities to strengthen relationships and better inform Oregon's energy policies and programs	✓
	Year-over-year increase in the external use of agency produced reports, studies, and presentations	✓	Strengthen staff capacity within ODOE to serve as liaisons and ambassadors with communities, stakeholder groups, and Tribes	✓
<b>Build Practices and Processes to Achieve More Inclusive and Equitable Outcomes</b>	Year-over-year increase in the percent of agency job applicants identifying as Black, Indigenous, and People of Color.	✓	Enhance ODOE's internship program to provide benefits to interns, such as paid positions and greater access to educational credits, to help build a more diverse network of ODOE and energy industry employees	✓
	Year-over-year increase in the percent of historically and currently underserved populations and communities participating in ODOE programs and services	✓	Develop a Diversity, Equity, and Inclusion Action Plan in partnership with historically and currently underserved populations and communities	↻
			Create inclusive, multi-lingual communications to increase accessibility of agency program information and services	✓
	Increase agency Diversity, Equity, and Inclusion awareness and fluency	✓	Conduct agency-wide DEI assessment and training to measure and increase employee knowledge, awareness, and skills	✓
<b>Assess and Enhance Organizational Data Capabilities</b>	100% of specified agency products (e.g., produced reports, studies, and analyses) use standardized agency data methodologies or tools	-	Establish and internally communicate agency data standards and tools	➡
			Assess and enhance agency data management roles, responsibilities, and internal structures	✓
			Enhance staff data analysis and visualization skills to bring more interactive, value-add products (e.g.	✓

			external data dashboards) to stakeholders	
	Year-over-year increase of collection, review, and analysis of data	✓	Audit agency datasets to identify gaps and ensure they support implementation of state programs and priorities	✓
			Collect and analyze demographic data to better inform ODOE’s work and to identify barriers to achieving equitable energy outcomes	✓
	Year-over-year increase in data sharing relationships	✓	Identify, catalog, and conduct outreach with data-holders across the state and among stakeholders	➡
<b>Assess and Modernize Agency Programs and Activities</b>	100% of ODOE programs and activities align with ODOE mission and position statements	✓	Conduct a strategic evaluation of each program and activity.	✓
			Share the outcomes of the strategic evaluation and describe the alignment of programs and activities with ODOE’s mission and position statements.	➡
	Complete assessment of ODOE work in the context of the state’s energy ecosystem to identify redundancies and gaps	-	Collaborate with energy stakeholders to identify Key Energy Indicators and state priorities and objectives	✓
			Create dashboard(s) to monitor and report on status of Key Energy Indicators	➡
		Build on collaborative effort to assess how other agencies and organizations in the state are working toward KEIs and state priorities, and identify areas where ODOE’s work may overlap with other entities or where there might be gaps in state efforts.	➡	
<b>Optimize Organizational Efficiency and Impact</b>	Increase average Gallup Q12 engagement score to at least 4.0 (out of 5.0)	✓	Update and improve employee development and recognition plans and programs	✓
	Increase “Efficient and effective processes &	-	Create internal action teams to identify and implement	✓

	procedures” (Whole Systems Model) survey score to at least 3.5		cross-functional process improvements	
			Evaluate and improve agency collaboration and communication culture	
	Increase in Key Performance Measure customer satisfaction score to at least 95%	-	Update ODOE’s KPM customer satisfaction survey and implement timelier customer service evaluations	

 **Complete**    
  **Adapted**    
  **In Progress**



The Oregon Department of Energy is developing the Oregon Energy Strategy, which will identify pathways to achieve the state’s energy objectives. The Strategy will evaluate benefits and challenges of different pathways, present policy recommendations, and reflect input from Oregonians who informed the Strategy.

Developing the Oregon Energy Strategy will follow a process that combines data gathering, technical analysis, and policy discussions anchored in engagement with Oregonians with diverse backgrounds and perspectives from across the state. Following public comment on the draft report, the Oregon Energy Strategy will be presented to the Governor and Legislature by November 2025.

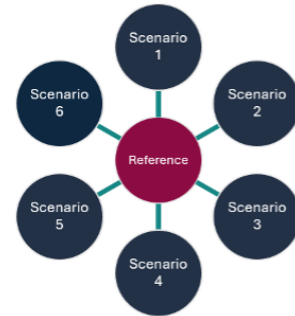
### Achieving Oregon’s Energy Policy Objectives

As directed by HB 3630, the strategy will account for the state’s energy policy objectives, including reliability, affordability, and its greenhouse gas emission targets:

- Executive Order 20-04: Economy-wide 80% reduction in greenhouse gas emissions by 2050
- HB 2021: Clean energy targets for PGE, Pacific Power, and covered electricity service suppliers of 80% emissions reductions by 2030, 90% by 2035, 100% by 2040
- Climate Protection Program: 90% reduction in greenhouse gas emissions from natural gas, liquid fuels, and propane by 2050

### Three-Phase Approach

- Phase 1:** Technical Analysis – Identifying Pathways
- Phase 2:** Policy Discussions – Developing Recommendations
- Phase 3:** Final Report – Presented November 2025



### Phase-One: Identifying Pathways

#### Technical Analysis

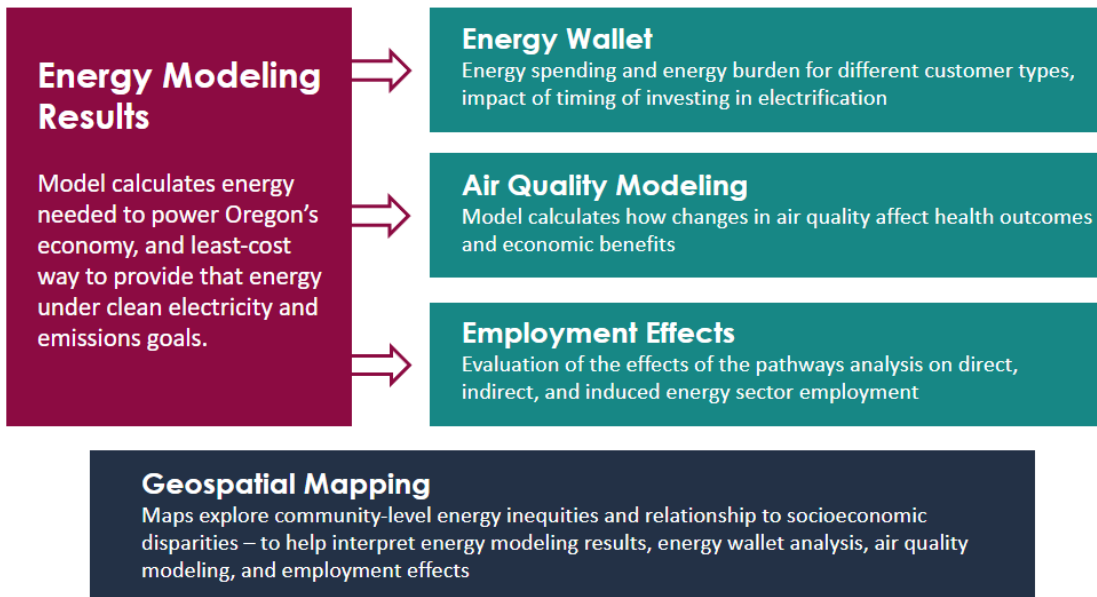
Using input from Tribes, the Energy Strategy’s Advisory and Working Groups, staff-to-staff conversations with state agencies and participation in an Inter-Agency Steering Group, and comments from the public, ODOE and its technical contractors have developed scenarios that represent different energy pathways the state could take to achieve its energy policy objectives by 2050.

The Reference Scenario includes “aggressive but achievable” assumptions on the adoption of technologies such as energy efficiency and electrification, which numerous studies indicate are key to decarbonizing the energy sector. Alternative scenarios each contain a different mix of assumptions about technologies and fuels and will be compared to the Reference Scenario.

Building on the results of the energy modeling, the technical analysis will evaluate effects of different pathways on energy burden for different households in Oregon, air quality and public health, and employment. Geospatial mapping will provide additional context to understand the modeling results.

The results of this analysis will inform the next phase of the Oregon Energy Strategy. ODOE’s technical contractors will be conducting the modeling analysis through the end of 2024.





## Phase Two: Policy Discussions

### *Developing Recommendations*

With the input of Tribes, the Advisory Group, Working Groups, state agencies, and the public, ODOE will evaluate the information gained from the technical analysis in Phase One about the different costs and benefits of the pathways that Oregon could take to achieve our policy objectives and develop recommendations. These recommendations could pertain to legislative or policy actions, programs and funding, or recommendations on areas requiring further study.

The policy discussions will begin in early 2025 and continue through the spring. Draft policy recommendations will be issued for public comment before the final report is drafted.

## Phase Three: Final Report

### *Recommendations and Summary of Engagement*

Once the technical analysis and policy discussions are complete, the Energy Strategy project team will develop a final report. The report will summarize the process, evaluate costs and benefits of different ways the state could maintain a reliable energy system and achieve its greenhouse gas targets, and present policy recommendations. ODOE expects to share the draft report with Tribes, the Advisory Group, Working Groups, state agencies, and the public for comment before finalizing it.

The final report will be presented to the Governor and Legislature by the legislative deadline of November 1, 2025. It will also be included as part of Oregon's Comprehensive Climate Action Plan, which includes other important work that the state is undertaking through ODOE, DEQ, and other agencies in 2024 and 2025.

## Accessibility

Advisory and Working Group meetings, as well as Listening Sessions and other public forums, will include closed captioning, and ODOE can provide other resources, translation services, or other accommodations. Contact [energy.strategy@energy.oregon.gov](mailto:energy.strategy@energy.oregon.gov) with requests.

## Connect

ODOE maintains a project webpage with the latest information about the Oregon Energy Strategy where you can also sign up to receive email updates about the project. Learn more at by visiting [www.tinyurl.com/OregonEnergyStrategy](http://www.tinyurl.com/OregonEnergyStrategy).

## Explore Online!

