



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Schlossberg, Brown, Carlson, Barofsky and McRae
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: February 19, 2021
SUBJECT: 2021 State Legislative Session Update
OBJECTIVE: Information Only

Issue

The 2021 State Legislative Session convened on January 21st. This memo is to apprise the Board of the status in the legislative process of issues key to EWEB's adopted 2021 legislative agenda and legislative principles. Although the legislature convened on January 25th and nearly 4000 bills have been introduced to date, the 2021 legislation is progressing very slowly. The legislature has already made two different multi-day pauses, once for concerns about civil unrest centered at the US Capitol and State Capitols and once for widespread and prolonged power and telecommunication outages caused by a devastating snow and ice storm in the North Willamette Valley.

Background

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol, which guide the work of EWEB's lobbying activities. When political considerations test the applicability of those directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm its policy or direct staff to make necessary adjustments.

Discussion

The following is a summary of the status of key legislation of interest to EWEB (bills from previous updates with no change in status since are not included here):

HB 2995 – 100 Percent Clean Energy Standard – Recommendation: AMEND

At the start of the session, it seemed improbable that the logistics of a virtual legislative session and looming pandemic/wildfire recovery priorities would be conducive to completing major clean energy legislation. The probability of clean energy legislation has increased somewhat though as an ad-hoc stakeholder work group, including EWEB, has been meeting twice weekly starting in February to evaluate the technical mechanics of how an enhanced Oregon clean energy standard would function.

While subject to major proposed revision, as drafted HB 2995 would require that 100 percent of electricity sold in 2035 and each subsequent calendar year to retail electricity consumers in Oregon be clean electricity. It would also accelerate the deadline, to 2025, for investor-owned utilities to eliminate coal from Oregon's electricity supply.

HB 2995 is lacking in detail on the mechanics of 100 Percent Clean compliance obligations and would direct the Oregon Public Utility Commission and the Oregon Department of Energy to design much of the program in rulemaking. EWEB staff recommend that the legislation be amended to better define some key elements of the program in statute, including a definition of "qualifying non-emitting electricity" that more clearly delineates in statute the specific technologies that will qualify, especially legacy hydropower and nuclear electric generating units, rather than delegating that to state agency rulemaking. Additionally, EWEB staff recommend defining in statute any "delivery" of electricity requirements, using a standard that is consistent with the rules for determining a "bundled" renewable energy certificate in the Oregon Renewable Portfolio Standard (RPS) statute.

HB 2310 – Preemption of Local Authority on Water Pipe Materials – Recommendation: OPPOSE

This bill was scheduled for a February public hearing in committee but has been removed from the schedule for the time being.

Similar to legislation in the 2020 legislative session (HB 4043) HB 2310 is again brought forward by the American Chemistry Council and would preempt local governments from enacting, adopting, or enforcing any ordinance, resolution, rule or other law that prohibits, restricts or limits an evaluation, comparison or use of pipe or piping materials for a water project.

Oregon's public drinking water and wastewater utilities have in some instances made restrictions on the use of piping materials for reasons as varied as: water conservation practices; leak detection and repair capabilities; natural disaster resiliency; pressurization concerns; asset management approaches to life-cycle costs; etc.

EWEB staff recommend a position opposing this legislation on the basis that it is entirely unneeded and inappropriate, local governments are already well situated to determine what will work best for local procurement policies to meet community and infrastructure needs.

HB 5010 – Elimination of DOGAMI and LiDAR Program – Recommendation: OPPOSE

Governor Kate Brown's proposed biennial budget would reduce funding and positions at the Department of Geology and Mineral Industries (DOGAMI) and eliminate the agency in 2022, dissolved the agency's work into the Department of Environmental Quality (DEQ) and the Department of Land Conservation and Development.

DOGAMI's work, especially the agency's LiDAR (Light Detection and Ranging) program, is vital to Oregon's emergency preparedness and resiliency, including post-fire McKenzie River Recovery. LiDAR is a technology that uses light in the form of a pulsed laser to provide three-dimensional images of the surface of the earth. High quality, high density LiDAR collection along the McKenzie River this year would be extremely valuable to local agencies, including EWEB, working with DOGAMI to conduct a debris flow and landslide mapping and modeling analysis of the fire impacted area to understand the risks to infrastructure, homes, and water quality. These elements are

crucial to protecting lives and watersheds from landslides and water turbidity by informing effective plans to implement erosion controls.

EWEB staff, along with a plethora of local governments and members of the scientific community testified in front of the Way and Means Natural Resources Subcommittee as to the importance of DOGAMI and the LiDAR program. The testimony included conveying that a federal grant to pay for LiDAR work on the McKenzie had been denied by the US Geological Service due to the uncertainty about DOGAMI's future. The Ways and Means Natural Resources Subcommittee has since pledged not to disassemble DOGAMI and made a commitment to seek stabilization for the funding of the agency.

SB 333 – Hydrogen Study – Recommendation: SUPPORT

EWEB staff testified before the Senate Energy and Environment Committee on February 11th in support of SB 333 a bill that would direct state agencies to study the potential benefits to Oregon from Renewable Hydrogen.

EWEB staff view Renewable Hydrogen as potentially delivering multiple benefits and use cases in the region including but not limited to: decarbonization of multiple sectors, better utilization of intermittent renewable electricity generation, resource adequacy, clean energy storage for duration of weeks/months/seasons, and local resiliency for a Cascadia Subduction Earthquake and any other natural disaster or prolonged regional grid outage.

Recommendation/Requested Board Action

No action is requested at this time. This is a monthly informational update.