

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **General Pacific, Inc.** for the purchase of **Single Phase Padmounted Transformers.**

Board Meeting Date: 3/1/2022
Project Name/Contract #: Single Phase Padmounted Transformers / 21-262-G
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$1,534,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$1,534,000
Percentage over last approval: NA
Resulting Cumulative Total: **\$1,534,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: One time purchase
Option to Renew? No
Approval for purchases "as needed"
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 2 (\$1,122,822.40 – 1,533,377.00)
Selection Basis: Lowest Responsive and Responsible Bidder
Narrative:

Operational Requirement and Alignment with Strategic Plan

This Contract is for the purchase of a select number of single phase padmounted transformers for use in our electric distribution system. This contract will serve to fill the gap where EWEB's current contract holder for these transformers is unable to supply in a timely manner due to severe supply chain and labor issues. Due to these constraints, the current contractor has had to limit the amount of production it can offer to EWEB, which is currently 42 remaining transformer builds in October 2022.

Staff developed a list of transformers to purchase based upon forecasted project needs, current inventory and where open orders will fall short of project schedules. This will allow EWEB to continue to meet the need of new connections and installation and maintain critical inventory for outages and emergencies.

Contracted Goods or Services

The transformers to be purchased under this contract include varying quantities of six (6) sizes of single phase padmounted transformers to be stocked and stored in our Transformer shop for as-needed use in our electric

distribution system. Transformers are requested to be delivered no later than 52 weeks of final contract award in order to fill transformer needs where EWEB’s current contract holder is unable to supply due to limited production slots and excessively long lead times. A portion of the funding for these transformers is reimbursable through customer work.

Purchasing Process

A Formal Invitation to Bid (ITB) was posted on OregonBuys in January 2022. Two bids were received and General Pacific, Inc. was deemed the lowest responsive and responsible bidder based on meeting the solicitation’s delivery and lead time requirements.

Bids Received

Vendor Name	City, State	Offered Price	Notes
General Pacific, Inc.	Fairview, OR	\$1,533,377.00	Lead time bid is 52-64 weeks.
WESCO/Anixter	Portland, OR	\$1,122,822.40	Lead time bid is 145 weeks.

Competitive Fair Price (If less than 3 responses received)

The Invitation to Bid was formally advertised on the State of Oregon’s solicitation site, Oregon Buys, and direct outreach was made to several manufacturers and distributors. Pricing received, while high, is at current market value compared to various transformer manufacturers Staff have contacted.

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
050-2016	DuraLine Fiber	6/6/17	6/9/17 – 12/31/2018	\$180,000	\$192,892.75
19-179-MOU	Heat Pump Water Heater Promotion	1/7/20; 8/3/21	11/19/19 – 12/31/22	\$700,000	NA
20-092-G	Douglas Fir Crossarms	6/2/20	5 years	\$230,000	NA
21-055-G	Deadfront Padmounted Switchgears	5/4/21	5 years	\$695,000	NA

ACTION REQUESTED:

Management requests the Board approve a new contract with General Pacific, Inc. for the purchase of Single Phase Padmounted Transformers. Approximately \$470,000 was planned for purchase of transformers in the 2022 Electric Capital Budget of \$55 million, however units from this order are expected to be received in Q1 of 2023. This contract amount will be accounted for in 2023 budget planning that will occur later this year. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **McKenzie Watershed Alliance to design, source large wood, and implement large wood instream restoration projects on tributaries with severely burned landscapes after the Holiday Farm Fire.**

Board Meeting Date: 3/1/2022
Project Name/Contract #: Instream Large Wood Restoration Projects / 22-023-S
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$800,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$800,000
Percentage over last approval: NA
Resulting Cumulative Total: **\$800,000**

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Sole Source
Term of Agreement: Initial term is 1 year
Option to Renew? Yes, annually up to 5 years total
Approval for purchases *“as needed”*
for the life of the Contract: Yes No
Proposals/Bids Received (Range): NA
Selection Basis: Sole Source

Narrative:

Operational Requirement and Alignment with Strategic Plan

In 2018, EWEB’s Board of Commissioners approved a 10-year strategic plan to protect the McKenzie Watershed as EWEB’s sole source of drinking water for nearly 200,000 people. As indicated in the strategic plan, EWEB and the partners have established a program to protect and improve riparian conditions on private lands, known as the Pure Water Partners (PWP) Program. In September 2020, the Holiday Farm Fire burned over 170,000 acres (over 20%) of the McKenzie River Watershed and destroyed over 450 homes and structures. In coordination with the PWP (McKenzie River Trust, McKenzie Watershed Alliance, and Upper Willamette Soil & Water Conservation District), USFS, BLM and other state and local entities, EWEB is working on designing and implementing large scale restoration projects in key tributaries to the McKenzie River to mitigate and buffer the impacts of upstream fire impacted landscapes on water quality.

The Board is being asked to approve a new contract with the McKenzie Watershed Alliance (the 501(c)3 entity of the McKenzie Watershed Council) for providing design, project management and coordination, and subcontractor selection and oversight to implement sourcing large wood with root wads (if feasible) for instream large wood restoration projects in key tributaries. The first Task Order to be issued is for the McKenzie Watershed Alliance to

use a subcontractor to source large hazard trees and use for the instream large wood restoration project on Gate Creek in 2022. The services will be reimbursed in the amount of 75-100% by the Oregon Watershed Enhancement Board (OWEB) wildfire recovery grant.

Contracted Goods or Services

The McKenzie Watershed Alliance (MWA) is working with the Bureau of Land Management (BLM) on sourcing hazard trees within the Gate Creek tributary to the McKenzie River for a flood plain restoration project as part of the larger efforts to rehabilitate the McKenzie River from the devastation of the 2020 wildfire.

EWEB has an opportunity to support this restoration work by coordinating with MWA and BLM on the timber harvest of 300 hazard trees that will later be placed strategically within Gate Creek to restore the floodplain of the tributary and slow the flow of sediment into the McKenzie River. To support this effort, EWEB has acquired a grant from the Oregon Watershed Enhancement Board (OWEB), in part to fund MWA. This allows the MWA to engage in the wood sourcing and logging operation to gain these 300 trees within the next month.

The total contract is estimated at \$800,000, which includes conducting up to 3 additional instream large wood restoration projects on other key tributaries downstream of severely burned areas (i.e., Bear Creek, Ennis Creek, Martin Creek, Elk Creek, or Fern Creek). The contract amounts are based upon a similar project completed in 2021 on Deer Creek and pricing negotiated for the first Task Order (Gate Creek), with estimates created for the remaining three tasks. These additional task orders will be assigned on an as-needed basis and are part of the OWEB grant budget and scope of work. EWEB and MWA will negotiate each Scope of Work, staffing plan, delivery schedule, and compensation for each Task Order prior to the work being performed.

Purchasing Process

Sole Source

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
19-155	Wetland Planting Planning	NA	12/31/2020-12/31/2022	\$14,776	\$14,776
20-184	Deer Creek Enhancement	NA	8/2020-8/2025	\$65,000	\$65,000
21-071	Upper Willamette Education Initiative	NA	3/2020-3/2025	\$20,400	\$20,400

ACTION REQUESTED:

Management requests the Board approve a contract with the McKenzie Watershed Alliance to design, source large wood, and implement large wood instream restoration projects on tributaries with severely burned landscapes after the Holiday Farm Fire. Approximately \$800,000 was planned for these services in the Holiday Farm Fire Restoration 2022 budget of \$4,279,000. EWEB has the option of using the \$4 million OWEB wildfire recovery grant awarded to EWEB to fully reimburse this project but may choose to use a lesser amount in order to fund other emergent priorities. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Northwest Youth Corps** for **Vegetation Management in the McKenzie River Restoration Effort**.

Board Meeting Date: 3/1/2022
Project Name/Contract #: Vegetation Management HFF / 21-266-S
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:
Original Contract Amount: \$750,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$750,000
Percentage over last approval: NA
Resulting Cumulative Total: \$750,000 (over 5 years)

Contracting Method:
Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Youth Crew Exemption
Term of Agreement: 5 years
Option to Renew? No
Approval for purchases "as needed" for the life of the Contract Yes No
Proposals/Bids Received (Range): NA
Selection Basis: Exempt per ORS 344.425

Narrative:

Operational Requirement and Alignment with Strategic Plan

In 2018, EWEB’s Board of Commissioners approved a 10-year strategic plan to protect the McKenzie Watershed as EWEB’s sole source of drinking water. As indicated in the strategic plan, EWEB and the partners have established a program to protect and improve riparian conditions on private lands, known as the Pure Water Partners (PWP) Program. In 2020, the Holiday Farm Fire (HFF) burned 173,000 acres in the Middle McKenzie watershed, on both private and public riparian lands. PWP are responding to the need for fire recovery alongside continued efforts to restore and protect stream-adjacent floodplains that have high value for water quality and Endangered Species Act (ESA)-listed species in the McKenzie Sub-basin.

The board is being asked to approve a new contract with Northwest Youth Corps (NYC) for as needed and emergent vegetation management, light wildfire fuels reduction work, erosion control installation, and assistance with planting new seedlings. NYC is a youth job development organization that operates under ORS 344.425. Public bodies may enter into agreements with youth job development organizations for the provision of services by youth participants in connection with public resource projects. These services will serve over 240 private properties ranging in size from 2 to 500 acres that are enrolled in the PWP program and other fire-affected areas of the McKenzie Watershed. The services may be reimbursed in part by the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program up to 75%, Oregon Watershed Enhancement Board grant (\$4 million), Oregon Department of Forestry grant (\$300,000), or by other future wildfire recovery grants that support continued restoration efforts.

Contracted Goods or Services

Contracted services include the following:

Invasive Species Removal: Manual brush cutting treatment and hand grubbing root crowns targeting the invasive species to help release the growth of native plants.

Light fuels reduction works: Thinning small tree stands, removing ladder fuels that tend to be invasive vegetation (e.g., blackberry and ivy), removal of woody debris from properties, and pruning and scattering of dense understory areas.

Plant maintenance and mulching: Brush cutting and placement of chips around newly planted seedlings for moisture retention.

Erosion Control: Making jute wattles using wood chips and native materials, installing jute wattles and silt fencing per best management practices, spreading wood chip mulch, and manual spreading of native grass seed mixes.

Planting Assistance: Future potential task once NYC crews are properly trained in planting techniques to assist with planting native trees and shrubs in riparian and floodplain areas.

Work will be assigned on an emergent basis. EWEB and the Contractor will coordinate the Scope of Work, staffing plan, delivery of materials, and project schedule prior to the work being performed.

Purchasing Process

Cooperative Agreements with a youth job development organization, such as Northwest Youth Corps, for the provision of services by youth participants, are exempt from the Public Contracting Code (ORS 279A, 279B, and 279C).

Bids Received

NA

Competitive Fair Price (If less than 3 responses received)

NA

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration	Original Contract Amount	Final Contract Amount
21-025-S	Vegetation Management at Carmen Smith/Leaburg	3/2/21	3/3/2021 – Current	\$500,000	\$500,000
2434	Vegetation Management on EWEB Owned and Controlled Lands, Forest Service Lands	7/21/15	7/24/15 – 7/23/20	\$400,000	\$495,000

Note: The Board approved Contract 21-025-S with NYC in March 2021. They have been meeting EWEB’s quality and service requirements under that contract and have assisted in some of the restoration efforts required due to the HFF. This new contract is specific to efforts related to the PWP program and other fire-affected areas of the McKenzie Watershed.

ACTION REQUESTED:

Management requests the Board approve a new contract with Northwest Youth Corps for Vegetation Management in the McKenzie River Restoration Effort. Approximately \$750,000 was planned for these goods and services in the Holiday Farm Fire Restoration 2022 budget of \$4,279,000, a portion of which may be reimbursed by FEMA (up to 75%), OWEB, ODF, or other wildfire recovery grants. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Royal Switchgear Manufacturing Company** for **115kV Air Switches**.

Board Meeting Date: 3/1/2022
Project Name/Contract #: 115kV Air Switches for Currin Substation Contract 22-018-G
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$200,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$0
Percentage over last approval: NA
Resulting Cumulative Total: **\$200,000**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: NA
Term of Agreement: One time purchase
Option to Renew? No
Approval for purchases *"as needed"*
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 2 (\$200,250 - \$275,950)
Selection Basis: Lowest Responsive and Responsible Bidder
Narrative:

Operational Requirement and Alignment with Strategic Plan

EWEB uses high voltage disconnect switches to safely isolate equipment within electric substations for safety or operational needs. These switches are designed to comply with EWEB's substation design and functional requirements.

Contracted Goods or Services

One time purchase of 25 disconnect switches for the Currin Substation Rebuild, scheduled to start construction in Q4 2022 and extend through 2023. No field services are included with this contract.

Purchasing Process

A formal Invitation to Bid was posted to the OregonBuys bid site on January 24, 2022. Two bids were received and were deemed responsive and responsible. Royal Switchgear Manufacturing, Inc. offered the lowest bid.

Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Royal Switchgear Manufacturing Company	Bessemer, AL	\$200,250	NA
MindCore Technologies Inc	Terrebonne, QC, Canada	\$275,950	NA

Competitive Fair Price

Staff have contacted other known suppliers to verify this pricing is in line with the current market but have not received responses. Considering past pricing, current supply chain issues, and escalation seen in almost all areas, Staff consider this pricing is competitive.

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
1016-2017	115kV Disconnect Switch- Holden Creek	NA	3 months	\$78,000	\$78,000
1031-2015	115kV 1200A Center Break V-Switches	NA	1 month	\$55,800	\$55,800
15939	Westmoreland Switch Replacements	NA	4 months	\$55,800	\$55,800

ACTION REQUESTED:

Management requests the Board approve a contract with Royal Switchgear Manufacturing Company for purchase of 115kV Air Switches for Currin Substation. Funds for these switches are planned for in the 2022 Electric Capital budget of \$55 million. Variances will be managed within the budget process and Board policy.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a Contract with **Stella-Jones Corporation** for the purchase of **Wood Poles** for use in EWEB's overhead distribution system.

Board Meeting Date: 3/1/2022
Project Name/Contract #: Wood Poles Contract 22-016-G
Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$1,100,000
Additional \$ Previously Approved: \$0
Invoices over last approval: \$0
Amount this Request: \$1,100,000
Percentage over last approval: %0
Resulting Cumulative Total: **\$1,100,000 (over 5 years)**

Contracting Method:

Method of Solicitation: Formal Invitation to Bid
If applicable, basis for exemption: N/A
Term of Agreement: Initial term is 1 year
Option to Renew? Yes, annually up to 5 years total
Approval for purchases "as needed"
for the life of the Contract: Yes No
Proposals/Bids Received (Range): 1 – (\$1,138,551)
Selection Basis: Lowest Responsive and Responsible Bidder

Narrative:

Operational Requirement and Alignment with Strategic Plan

This contract is to establish a price agreement for wood poles to support overhead conductors and electrical distribution equipment.

Contracted Goods or Services

The vendor will provide Wood Poles for use in EWEB's overhead distribution system. The overall contract cost is only an estimate based on previous usage. Purchases will be based on need and not on any specific annual quantity. The annual cost will be within the amount budgeted for that specific year.

Purchasing Process

In January 2022 staff issued a Formal Invitation to Bid (ITB) for Wood Poles. The solicitation was advertised on the State of Oregon's public procurement site, Oregon Buys. One (1) bid was received, and Stella-Jones Corporation was deemed responsive and responsible.

Bids Received

Vendor Name	City, State	Offered Price	Ranking (for RFPs)
Stella Jones Corporation	Eugene, Oregon	\$1,138,551	NA

Competitive Fair Price (If less than 3 responses received)

The solicitation was publicly advertised on the State of Oregon’s procurement site, OregonBuys and in the Business Tribune. Additionally, staff contacted several manufacturers and distributors directly to advise of the bidding opportunity. Although proposed pricing is on average 31% higher than previous contract pricing, market research shows that Stella Jones offers the most competitive pricing in our region. Contributors to the price increase in the recent years include increases in the cost of Wood, Oil, Preservative treatment, and overall manufacturing costs.

Prior Contract Activities

EWEB Contract No.	Project Name (Description)	Board Approval Date	Project Duration (Notice to proceed to close out).	Original Contract Amount	Final Contract Amount
038-2016	Wood Poles	12/6/16	12/13/16-2/15/22	\$665,224	\$860,000

ACTION REQUESTED:

Management requests the Board approve a Contract with Stella-Jones Corporation for the purchase of Wood Poles for use in EWEB’s overhead distribution system. Approximately \$220,000 was planned for these goods in the 2022 Electric Capital Budget of \$55 million. Variances will be managed within the budget process and Board policy.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg

FROM: Leon Atkinson, Communications & Control Supervisor; Gretchen Lowen, Engineering Technician

DATE: March 1, 2022

SUBJECT: Annual Rate Adjustment for Dark Fiber Lease Pricing

OBJECTIVE: Action

Issue Statement

In accordance with the provisions of Board Resolution No. 1304 which established a Dark Fiber Lease Rate in 2013 (DFL-1) and Board Resolution No. 2206, the rate is adjusted annually based on either the City of Portland Consumer Price Index (CPI) or an updated Cost of Service Analysis (COSA); the implementation date is April 1 each year. EWEB’s current ‘public purpose’ rate (public agencies, higher education, and existing medical service providers) is \$29.60 per fiber strand-mile per month. The published CPI is 7.1%

Background

In 2021 EWEB Fiscal Services and Engineering staff initiated a cost-of-service study to recalibrate dark fiber lease pricing. In accordance with the provisions of Board Resolution No.1705, the intention is to produce an updated COSA every other year. The DFL rate to be adjusted based on the CPI in the off year.

Discussion

Pursuant to past Board action, EWEB’s three Dark Fiber rates will automatically be adjusted on April 1, 2022, per the CPI.

Customer Group	Current DF Rate	April 1, 2022, DF Rate
Public Agencies DFL-1	\$29.60 per fiber strand-mile month	\$31.70per fiber strand-mile month
School Districts K-12	\$5.27 per fiber strand-mile month	\$5.64 per fiber strand-mile month
For-Profit Companies	\$59.20 per fiber strand-mile month	\$63.40 per fiber strand-mile month

Recommendation

Approval of Resolution No. 2206 to implement the new dark fiber lease rate effective April 1, 2022.

Please contact Gretchen Lowen at 541-685-7443 or e-mail at gretchen.lowen@eweb.org with questions.

Attachments:

- 1) Electric Customer Service Policies and Procedures, E-V, Subsection R; Dark Fiber Lease
- 2) Resolution No. 2206



A. Dark Fiber Lease

1. Availability

EWEB’s fiber optic cables run through public right-of-way and are owned and maintained by EWEB. This Price Schedule applies to public agencies and higher-level educational institutions as well as medical service providers within EWEB’s service territory, with the exception of any other price that may apply under a separate agreement or Price Schedule.

2. Character of Service

EWEB’s Dark Fiber Lease Price Schedule (DFL-1) pertains to the available surplus fiber strands contained within EWEB’s existing fiber-optic system, covering the Eugene metropolitan area and other areas within EWEB’s service territory. Subscribing to EWEB’s Dark Fiber Lease allows the interconnecting entity to obtain an indefeasible right of use of allocated EWEB-owned fiber strands for the purpose of transmitting voice, data and/or video signals between locations.

3. Interconnection

The Customer is responsible for providing a complete Conduit path from the termination point inside their facility to EWEB Facilities near the Customer premise, in accordance with EWEB’s Fiber Optic Customer Standards. All Customer provided Conduit pathway facilities and patch panels shall be inspected and approved by EWEB prior to connection of the lateral extension. After connectivity, EWEB will own and maintain all Facilities up to and including the patch panel.

4. Advance Engineering Fee

All prospective EWEB Dark Fiber Lease subscribers must work with EWEB to complete an Advance Engineering Estimate of the cost and schedule for EWEB to provide dark fiber connectivity. A non-refundable \$500.00 fee is required prior to completing the Advance Engineering Estimate.

Advance Engineering Fee\$500.00
(Resolution No. 1304)

5. Construction Agreement

A signed “Dark Fiber Optic Circuit Construction Agreement” is required by EWEB before commencement of the detail Engineering design and construction of the lateral extension.



6. Non-Recurring Charges

The Customer shall pay an amount equal to 100 percent of the actual design and construction costs, payable upon completion of Dark Fiber connectivity.

7. Recurring Charges

The monthly charge for Dark Fiber Lease is determined by multiplying the length of the subscribed fiber strand(s) times the current monthly price. The length of each fiber strand is determined from EWEB's Geographic Information System (GIS) Fiber Manager Application rounded up to the nearest one-half mile length. This information will be recorded in the Lease Agreement.

Dark Fiber Lease bills shall be rendered quarterly.

~~2020-2021~~2021-2022 Monthly Price per Strand Mile* ~~\$29.60~~31.70

Note: *The Dark Fiber Lease Price Schedule will be adjusted annually based on updated Cost of Service Analysis (COSA) or the City of Portland Consumer Price Index if no COSA was performed. (Resolution No. 1907)

Dark Fiber Lease price to for-profit commercial customers shall be two-times the above published public purpose price. (Resolution No. 1705)

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

RESOLUTION NO. 2206

March 2022

**EUGENE WATER & ELECTRIC BOARD
DARK FIBER LEASE PRICE REVISION**

WHEREAS, the Eugene Water & Electric Board (EWEB) offers surplus Dark Fiber optic strands for lease by public agencies, higher and K-12 educational institutions, medical service providers, and commercial entities;

WHEREAS, Dark Fiber Leases are not considered by the Federal Communications Council or the Oregon Public Utilities Commission to be a regulated Telecommunications Service;

WHEREAS, EWEB leases Dark Fiber via “indefeasible Right of Use Agreements” (IRUs) or “Intergovernmental Agreements” (IGAs) that make provision for annual escalation based upon updated Cost of Service Analysis (COSA) or the City of Portland’s Consumer Price Index (CPI) if no updated COSA was performed;

WHEREAS, EWEB has developed plans for a municipal high density, compact Dark Fiber network in downtown Eugene in partnership with the City of Eugene, Lane Council of Governments, and Technology Association of Oregon;

WHEREAS, EWEB’s current Dark Fiber Lease Schedule (DFL-1) contains mileage-based billing determinants;

WHEREAS, EWEB desires to treat ‘short distance’ Dark Fiber service customers equitably;

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to adjust the Dark Fiber Lease Price to revise billing length increments under Section E-V ‘Dark Fiber Recurring Charges’ to allow one-half mile incremental billing lengths for Dark Fiber services that are under one-mile in total length.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to adjust the Dark Fiber Lease Rate for public agencies and higher education institutions and the rate applied to existing leases for medical service providers to \$31.70 per strand-mile per month, adjusted annually thereafter based on updated Cost of Service Analysis or the City of Portland CPI if no COSA was performed, beginning with bills rendered on or after April 1, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to adjust the Dark Fiber Lease Rate to for-profit commercial customers to \$63.40 per strand-mile per month, adjusted annually thereafter based on updated Cost of Service Analysis or the City of Portland CPI if no COSA was performed, beginning with bills rendered on or after April 1, 2022.

Dated this 1st day of March 2022

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its March 1, 2022, Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Julie McGaughey, Chief Customer Officer; Anna Wade, Business Line
Manager
DATE: February 15, 2022
SUBJECT: Environmental Product Line Pricing
OBJECTIVE: Approval of Board Resolution No. 2208

Issue

Staff are seeking Board approval of Resolution No. 2208 which will establish 2022 pricing for the Lead Green product line, consistent with the structure, intent, and data provided to the Board at the February meeting.

Background

On January 4, 2022, the Board established a strategic direction for climate change policy under SD15. Under this policy, the Board authorized and directed the General Manager to assist customers with achieving their GHG emission reduction goals through a variety of mechanisms which include programs that support alternative fuels, carbon offsets, and sequestration.

Staff followed this directive by developing customer facing products which will support customer decarbonization. Product line specifics were shared with the Board at the February 1, 2022 meeting. The products included in this line are:

- Greenpower
- Cleanpower
- In The Clear
- Carbon Forest Lab

Discussion

In order to facilitate product line implementation, staff are now seeking Board approval of product price schedules. Staff has committed to the Board, the following:

- Prices will be calibrated annually and presented to the Board for approval under existing protocols.
- The Lead Green product line is voluntary and therefore, self-funding. Program expenses will not impact standard cost of service prices for Electric or Water service.
- Staff will provide quarterly product line updates to the Board which will include, at a minimum, participation rates, revenues and program expenses.
- Staff will inform the Board of product line achievements for each program year.
- Any and all commodity activity associated with the Lead Green product line will be overseen and monitored by the Risk Management Committee.

TBL Assessment

EWEB's new product lines will provide expanded access to environmental commodities such as Renewable Energy Certificates and Carbon Offsets. EWEB will also invite customers to provide voluntary funding for carbon sequestration and local renewable energy projects. Each of these will carry carbon benefits commensurate with customer participation levels.

Recommendation

Management recommends that the Board approve Resolution No. 2208 along with associated pricing schedules which will be incorporated into the Customer Service Policy.

Requested Board Action

Approve Resolution No. 2208 and associated pricing schedules.



APPENDIX G - ENVIRONMENTAL PRODUCT LINE PRICES

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A. Greenpower Schedule

1. Purpose

Provide a voluntary pricing option in support of the development and use of renewable energy. This schedule is offered in accordance with the Oregon Renewable Energy Act.

2. Applicable

This service is available to both Residential and General Service customers.

The customer account must be current and in good standing to enroll in Greenpower. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match Renewable Energy Certificate procurement and retirement to customer subscriptions.

4. Authorized Use of Funds

- a. Renewable Energy Certificates (RECs) – EWEB will retire an amount of RECs equivalent to the aggregate subscription volume for all Greenpower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource. These resources may include:
 - Wind;
 - Solar;
 - Certified low impact hydroelectric;
 - Geothermal;
 - Biomass;
 - And any other resource that meets the EPA guidance and DEQ reporting requirements set forth in this schedule.
- b. Solar Electric Program – Greenpower revenues are the exclusive source of funding for EWEBs Solar Electric Incentive program. This program supports the investment and installation of solar electric systems for residential and non-profit customers within EWEBs service territory.



- c. Greenpower Grants – EWEB issues grant funding on an “as-available” basis. Recipients can receive up to \$50,000 for projects that promote a commitment to the environment and the community by increasing awareness and use of renewable energy sources, adoption of emerging technologies, and/or reducing or offsetting our community’s carbon footprint.
- d. Education – Funding for local schools to support educational activities relating to renewable energy.

5. Quantity

Customers purchasing RECs under this schedule will have two subscription options:

- 1. Full Requirements – A variable rate equivalent to 100% of kWh consumption billed under Energy Charges on the customer bill.
- 2. Block purchases – Fixed amounts in increments of 100 kWh or 1,000 kWh

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees.

Variable Rate: \$0.01 per kWh
Small Block of \$1.50 per 100 kWh block
Large Block of \$10.00 per 1,000 kWh block

7. Participation

Only EWEB electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated RECs will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

B. Cleanpower Schedule

1. Purpose



Provide an affordable and voluntary pricing option for the procurement and retirement of Renewable Energy Certificates (RECs), representing the legal property rights to the environmental attributes of renewable electricity generation on behalf of participating customers.

2. Applicable

This service is available to both Residential and General Service customers that either meet the minimum consumption criteria required for variable pricing under this service or participate under the block option.

The customer account must be current and in good standing to enroll in Cleanpower. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match Renewable Energy Certificate procurement and retirement with customer subscriptions.

4. Renewable Energy Certificates

EWEB will procure and retire an amount of RECs equivalent to the aggregate subscription volume for all Cleanpower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource.

In accordance with [Environmental Protection Agency guidance](#), purchasers of RECs own the exclusive rights to characterize the quantity of their purchased electricity associated with the RECs as low or zero-emissions electricity.

All RECs retired under this schedule are generated by zero-emissions generating resources for the purposes of [Greenhouse Gas Emissions Reporting](#) to the Department of Environmental Quality (DEQ). These resources may include:

- Wind;
- Solar;
- Certified low impact hydroelectric;
- Geothermal;
- Biomass;



- And any other resource that meets the EPA guidance and DEQ reporting requirements set forth in this schedule.

The certification and retirement of RECs purchased under this schedule shall be performed by and executed within the Western Renewable Energy Generation Information System, or any equivalent successor thereto.

5. Quantity

Customers purchasing RECs under this schedule will have two subscription options:

1. Full Requirements – A variable quantity of RECs which are equivalent to 100% of kWh consumption billed under Energy Charges on the customer bill.
2. Block purchases – Fixed amounts in increments of 5,000 kWh or 20,000 kWh

Under either option, subscriptions may not exceed 2X average monthly consumption for any individual customer. Customers must have a minimum average consumption of 5,000 kWh per month to participate in the full requirements option. Notwithstanding the foregoing, all customers are eligible to purchase a single small block of 5,000 kWh.

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees. Variable and Block prices are calculated annually, based upon transacted purchase price and a 12-month rolling average of comparable market prices for RECs, plus an additional 28% for transactional and administrative expenses.

Variable Rate: \$0.00475 per kWh (\$4.75 per MWh)

Block Rates: Small Block of 5,000 kWh \$23.75 or Large Block of 20,000 kWh \$95

7. Participation

Only EWEB electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated RECs will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.



C. In the Clear Schedule

1. Purpose

Provide resources to customers which allow them to mitigate carbon footprint above and beyond EWEB energy use through the purchase and retirement of carbon off-sets.

2. Applicable

This service is available to Residential customers only.

The customer account must be current and in good standing to enroll in this schedule. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match voluntary Carbon Offset procurement and retirement with customer subscriptions. Retirements will be performed annually and in aggregate for all participants.

4. Carbon Offsets

Carbon offset credits represent verified greenhouse gas (GHG) emissions reductions or removal enhancements achieved under voluntary market protocols. Offsets are issued as Emission Reduction Tons (ERTs). One ERT represents the reduction or removal from the atmosphere equivalent to one metric tonne of carbon dioxide.

All offsets retired under this schedule shall be verified with a registry approved by California Air Resources Board (ARB) as an Offset Project Registry. These entities oversee the registration and independent verification of projects that meet science-based Standards and follow approved carbon accounting methodologies which ensure accuracy, precision, and rigor in the measurement, monitoring and verification of emissions reductions. Approved registries currently include the American Carbon Registry (ACR), Climate Action Reserve (CAR) and Verra.

5. Quantity

Customers purchasing Carbon Offsets under this schedule will have two subscription options:



1. Small Block – 1 MT CO₂e
2. Large Block – 5 MT CO₂e

Multiple blocks may be purchased. However, total offsets may not exceed 16 MT CO₂e in a calendar year. The annual quantity of offsets shall be divided by 12 and charged monthly, such that the total quantity and charge for offset subscription amounts can be accomplished with a full year of program participation.

6. Monthly Price

(Resolution No. 2208)

The price of service under this schedule is additive to all other services, charges and/or fees. Prices are calculated annually, based upon transacted purchase price and a 12-month rolling average of comparable market prices for Carbon Offsets, plus an additional 28% for transactional and administrative expenses.

- Small Block (1 MT CO₂e) = \$1.25/mo.
- Large Block (5 MT CO₂e) = \$6.00/mo.

7. Participation

Only EWEB residential electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated Carbon Offsets will begin upon the next meter date following sign up.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

D. Carbon Forest Lab Schedule

1. Purpose

Promote and secure auxiliary funding for utility initiatives in the McKenzie River watershed for customers interested in natural climate solutions including carbon forestry, source protection, and carbon sequestration research.

2. Applicable



The customer account must be current and in good standing to maintain participation under this schedule. Electric or water service Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and will only be used for the express purposes of McKenzie River Watershed habitat investments and/or cost associated with the analysis of carbon impact of these investments.

4. Investments

Carbon Forest Lab revenues will support material costs for trees, shrubs, protective materials, seedling transportation and storage. Customers may also choose to support funding for the annual carbon inventory and research work conducted by UO graduate students.

Surplus funds may also be utilized to secure additional project space within the McKenzie watershed through conservation easements, land use partnerships, or direct investment. Additional projects will adhere to the general structure, activities, and purpose of the existing High Banks project.

5. Monthly Price

(Resolution No. 2208)

The price of service under this schedule was established using the actual costs associated with the High Banks project. These costs reflect the prices paid for plant materials and activities conducted by the University of Oregon Soil Plant Atmosphere Lab. Program costs may be adjusted annually to ensure that customer contributions are commensurate with stated expenses and objectives:

Basic: \$6.50/mo. organic materials and maintenance only

Plus: \$8.50/mo. organic materials, maintenance, and carbon research activities.

6. Participation

Participation under this schedule shall not be limited to EWEB electric or water service customer base. All participants must establish an active Customer Information System account in order to facilitate monthly billing and payment for participation.

Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation. Service under this



schedule may be immediately removed from a customer account for failure to pay any charges relating to EWEB service.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

REVISION HISTORY

Version	Section Revised / Description	Resolution No.	Approved	Effective
1	Environmental Product Line Product and Price Schedules added	No. 2208		

**RESOLUTION NO. 2208
MARCH 2022**

**EUGENE WATER & ELECTRIC BOARD
ENVIRONMENTAL PRODUCT LINE PRICES**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a customer-owned municipal utility chartered to operate and maintain the Electric & Water Utility systems;

WHEREAS, the Board supports EWEB taking an active role in combating and mitigating the impacts of climate change through customer decarbonization, among other directives formalized in Board Policy SD15;

WHEREAS, Lead Green is a voluntary product line that will help facilitate customer decarbonization;

WHEREAS, EWEB sets its prices based in part on the cost of service;

WHEREAS, Voluntary programs are priced to self-fund associated expenses, with no impact to standard cost of service prices.

WHEREAS, the Environmental Product Line and prices were presented to the Board at its February 1, 2022 Board Meeting.

WHEREAS, individual product schedules are incorporated by reference hereto.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to establish product prices effective March 1, 2022 and reflect those prices in EWEB's Customer Service Policy as presented at the March 1, 2022 Board Meeting.

Dated this 1st day of March 2022.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its March 1, 2022 Board meeting.

Assistant Secretary