



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager
DATE: October 21, 2022
SUBJECT: 2023 Legislative Session Preview
OBJECTIVE: Information

Issue

EWEB monitors, influences, and strategically plans around legislative and regional policy issues.

Background

The Board adopts general policy directives for advocacy on legislation and other public policy matters, 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 policy directives or direct staff to make necessary adjustments.

Discussion

The following is an update on issues that will potentially be included in EWEB's 2023 Legislative Agenda that will be approved by the Board in December.

Emerging 2023 State Legislative Session Issues:

Hydroelectric Water Rights:

In December of 2021, the Oregon Supreme Court issued a decision in *WaterWatch of Oregon v. the Water Resources Department (WRD) and Warm Springs Hydro LLC*. The key takeaway from the ruling is that water rights for hydro projects, when not used for their intended purposes for greater than 5 years, are at significant risk of being converted to permanent in-stream rights.

EWEB has partnered with State Senator James Manning to initiate a request to Legislative Counsel to draft legislation remedying this issue that could have serious implications for Leaburg.

EWEB staff have met with Water Watch of Oregon, PGE, and Pacific Power to explain the problem posed by the court decision and pursue a consensus-based legislative solution agreed to before session if possible. Stakeholder meetings will be ongoing in November and December to advance this effort.

2nd Water Source/Supporting Infrastructure Matching Funds:

EWEB will again submit water infrastructure projects to the legislature for consideration to receive state matching funds in the biennial state budget. Possible funding sources include General Funds, Lottery Funds,

unspent or reallocated federal American Rescue Plan Act funds, new Infrastructure and Investment Jobs Act funds.

Talking points have been or will be provided to the Board by the November meeting. EWEB staff are also preparing a “leave behind” project advocacy document with graphics and maps that should be finalized by the end of the year.

Codes and Standards:

The Oregon legislature initiated a Joint Task Force on Resilient Efficient Buildings that has met twice monthly since May of this year. This Task Force will release a report by the end of the year with recommendations to the Legislature on potential legislative and administrative changes to building codes and standards with consideration for climate change, extreme heat events, wildfire risk, housing affordability, decarbonization, water use, and labor/supply shortages.

EWEB staff have been monitoring the task force meetings and will include the Task Force’s upcoming report and recommendations in a future informational update to the EWEB Board. The Committee has continued to meet throughout October and has pivoted to consider the implications of new funding and tax credits that will be made available to states and citizens through the passage of the federal Inflation Reduction Act (IRA) and how to integrate resulting new programs into their recommendations.

EWEB Legislative Advocacy Planning:

EWEB staff are already engaging with legislators and interest groups to make them aware of potential EWEB legislative agenda items. EWEB staff will be meeting with City of Eugene staff in early November to discuss joint coordination.

EWEB Commissioners have traditionally held an in-person (or virtual during pandemic) “Lobby Day” to augment the advocacy efforts of staff. This has typically been held early in a legislative session, February or March. The 2023 session is expected to be conducted primarily in person. If there is interest in conducting joint Board advocacy earlier (i.e. January) that could prove feasible although it may require a mix and match approach with meetings with legislators over multiple days and/or a mix of in-person and virtual meetings.

Recommendation/Requested Board Action

These are informational updates, and no action is required at this time.



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Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Megan Capper, Energy Resources Manager; Jonathan Hart, Power Trader
DATE: November 1, 2022
SUBJECT: New PURPA Standards – Demand Response & Vehicle Electrification
OBJECTIVE: Information Only

Issue

Recent legislative changes to the federal Public Utility Regulatory Policies Act (“PURPA”) requires EWEB to consider and respond to new energy efficiency standards before November 15, 2023.

Background

PURPA was enacted in 1978 to promote energy efficiency, conservation, and to encourage independent generation. PURPA requires both regulated and non-regulated utilities (like consumer-owned utilities here in Oregon) to 1) make mandatory purchases from certain qualifying generators and 2) consider certain federal standards when setting their rates and practices.

When new standards are added to PURPA, non-regulated utilities with retail electric sales in excess of 500 million kilowatt-hours must consider adoption of those standards. The Oregon Public Utility Commission’s 2021 Oregon Utility Statistics Report indicates that EWEB made retail sales of 2,301,228 megawatt-hours in 2021, meaning that EWEB is subject to this PURPA requirement.

In 2021, Infrastructure Investment and Jobs Act (“IIJA”) resulted in a change to federal standards included in PURPA. The two new sections added to Section 111(d) of PURPA, relate to demand-response and electric vehicle charging programs. The amendments require EWEB, as a qualifying non-regulated utility, to conduct hearings to consider the new standards.

Discussion

Demand Response

EWEB must consider ways to promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

Electric Vehicle Charging

EWEB must consider ways to promote electrification of the transportation sector, including establishing rates that

1. Promote affordable and equitable electric vehicle charging options for residential,

- commercial, and public electric vehicle charging infrastructure;
2. Improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
 3. Accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
 4. Appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

To maintain compliance with PURPA, EWEB must, before November 15, 2022, begin a process to review and consider the new standards. Further, staff must determine whether implementation of each standard is appropriate by November 15, 2023. Such consideration must be made in writing and only after a public hearing on the new standards.

In accordance with these requirements, staff will begin review and consideration of the standards. This memorandum serves to launch the review and consideration process. Public comment on the issues is welcome, and there will be a properly noticed public hearing on the standards in 2023.

Requested Board Action – None at this time. This is an information update only.