



Oregon

Tina Kotek, Governor



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Energy Advisory Work Group

DATE: May 8, 2023

TIME: 9 – 11am

Oregon Department of Energy – via WebEx

Meeting Attendees

EAWG Members	ODOE Staff	Guests
Angela Crowley-Koch, OSEIA (alternate for Nicole Hughes, Renewable Northwest) Fred Heutte, NW Energy Coalition Jana Gastellum, Oregon Environmental Council Jennifer Hill-Hart, Oregon Citizens' Utility Board (alternate for Bob Jenks) Kyle Roadman, Emerald People's Utility District Lisa Gaines, Oregon State University Mary Moerlins, NW Natural Nate Rivera, Hermiston Energy Services Silvia Tanner, Multnomah County Sunny Radcliffe, PGE Tom Wolf, bp Tony Schacher, Salem Electric	Janine Benner, Director Alan Zelenka, Asst Director Planning & Innovation Christy Splitt, Government Relations Coordinator Danae Hammitt, Finance & Operations Manager David Skidmore, Internal Auditor Jenny Kalez, Communications Director Jessica Reichers, Energy Technology & Policy Manager Michael Williams, Asst Director Central Services Ruchi Sadhir, Assoc Director Strategic Engagement Stacey Heuberger, Operations Analyst Tony Raeker, Program Coordinator	Alec Shebiel Anthony Samperio Danelle Romain Haley Ellet Jennifer Joly Lauren Link Maddy Do Mark Freeman Martina Steinkusz Natalia Ojeda Natasha Jackson Sarah Buchwalter Tucker Billman

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

- ODOE has opened and closed the second round of [Community Renewable Energy Grant](#) projects and hopes to announce the selected projects shortly. This round again offered \$12 million for planning and construction of renewable energy and resilience projects. ODOE is excited about the projects supported in the first round, including \$1 million that will go to the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians to support construction of two microgrid systems that pair solar and battery storage to provide energy and resilience benefits to Tribal buildings; \$100,000 to Wallowa County to develop a plan for resilience hubs in the cities of Joseph, Wallowa, and Enterprise; and \$1 million to Deschutes County for biomass district heating to replace a propane heating system for four buildings at Mt. Bachelor.
- [The Community Heat Pump Deployment Program](#), which provides grants to regional entities to provide financial incentives for the purchase and installation of heat pumps and related upgrades, has launched. ODOE has received applications and is in the process of selecting regional administrators for the program. Because ODOE did not receive applications for all regions or tribes, another application period will open in the near future.
- Rulemaking for the [Rental Home Heat Pump Program](#), which provides rebates and grants for heat pumps in rental units, has been completed. The rebates will be distributed to contractors who do the work, and ODOE hopes to be opening the contractor registration soon.

- Last month ODOE supported the Oregon Global Warming Commission’s effort to publish an [Oregon Climate Action Roadmap to 2030](#), which includes recommendations to inform state climate action. At the top of the list is to support robust and continuous implementation of existing climate programs and regulations, such as the work that utilities and PUC are doing to implement HB 2021 and DEQ’s Climate Protection Program.
- In March, the Supreme Court affirmed EFSC’s final order for the [Boardman to Hemmingway transmission line](#). There were three petitioners with 10 issues and the court concluded that EFSC did not err in any of the ways contended by the petitions.

EAWG Roundtable

Lisa Gaines, Oregon State University Institute for Natural Resources

- The Oregon Explorer website will be undergoing a redesign. Users will be contacted this summer for input and the new site is expected to be available in December.

Tom Wolf, bp America

- In Washington State, the governor signed a sustainable aviation fuel incentive bill. The coalition supporting this bill plans to come to Oregon with the same ideas for the 2024 session.
- Bp’s Cherry Point refinery has announced that they are a preferred site for two major projects: a sustainable aviation fuel project and a green hydrogen project.

Mary Moerlins, NW Natural

- NW Natural’s second RNG facility is online and delivering methane.
- The pilot using Carbonics is almost finalizing construction.
- The hydrogen blending pilot in Sherwood continues to go well and is providing opportunities to train their team and first responders on hydrogen.
- NW Natural’s IRP is coming to a close.

Nate Rivera, Hermiston Energy Services

- Tracking 11 bills in Ways and Means. Concerned about the amount of work that is being directed at ODOE and the staff it may take to implement that work. IJJA and IRA dollars should be a priority and looking at how ODOE can best maximize that money.

Jana Gastellum, Oregon Environmental Council

- OEC hired new Legislative Director, Thomas Baker, in April.
- Focused on resilient buildings package this session. There are many federal funding incentives that could be harnessed for this type of work.
- Watching the federal funding opportunities closely to ensure that there is good coordination amongst agencies.
- OEC has been doing state agency budget advocacy to make sure that agencies have the right FTE to adequately administer federal dollars.
- Working on well water testing bills and transportation electrification bills this session.

Sunny Radcliffe, PGE

- PGE is focused on their securitization bill this session.
- They are talking about transformer supply chain issues and transmission siting and permitting reforms.
- Working on a number of federal grants with local governments and others.
- PGE filed their IRP/Clean Energy Plan with PUC on March 31. The plan identifies an action plan target around community-based renewable energy with a goal of 155 megawatts of community-based renewable energy resources by 2030 and an action plan target of 66 megawatts by 2026.

Fred Heutte, NW Energy Coalition

- Last week, NWECC held the first of two virtual Spring conferences focusing on local energy, resilience, value of markets, and transmission. The second will be held tomorrow.
- Fall conference will be held in person on December 6 in Portland.
- The buildings package is the top priority they are watching in Oregon.
- NWECC is very involved in the equity efforts at PUC.

Silvia Tanner, Multnomah County Office of Sustainability

- Multnomah County Office of Sustainability has been tracking the community resiliency and rebuilding task force bills this session.
- Working with the City of Portland, the Coalition of Communities of Color, and other online organizations on the climate justice planning process.
- Coordinating with energy justice advocates across the state to collaborate on how to make sure there's clean energy transition that brings tangible benefits to environmental justice communities.
- Working on Community Green Tariff program.

Kyle Roadman, Emerald People's Utility District

- This is the beginning of construction season and they are pushing their largest capital improvement budget ever. This includes undergrounding, strengthening overhead lines, and tree trimming to help with wildfire and other outage mitigation.
- Currently in a resource planning phase. They are growing and are looking at where they will procure power supply from, mainly in the next 5 to 10 years.
- Working to decide if they will expand the generation plant at the Short Mountain Landfill or look at decommissioning of some type. They would like to expand and hope the new federal programs through the renewable fuel standard could help pay for some of the new infrastructure that would be required. They are working through a decision-making process with their Board and hope to have an answer on the direction they will take by mid-summer.

Angela Crowley-Koch, OSEIA

- Priority this session is HB 3418, which would extend the Oregon Solar + Storage Rebate Program at ODOE.

Jennifer Hill-Hart, CUB

- Engaged in the PUC IRP.
- Looking forward to seeing PGE's Clean Energy Plan at the end of the month.
- Supporting the securitization bill and the resilient buildings package this session.
- CUB's policy conference will be in Portland on October 6 this year and will focus on building resilience.

Budget Update *(Michael Williams, Assistant Director Central Services)*

- ODOE presented its budget to the [Joint Subcommittee on Natural Resources on March 2](#) and is expected to go to Full Ways and Means this week.
- Michael reviewed the differences between ODOE's Agency Request Budget, the Governor's Recommended Budget, and the Legislative Fiscal Office's recommended budget.
 - The Energy Research Fund has switched from Other Funds to Federal Funds in the LFO budget.
 - ODOE's Paid Interns Policy Option Package did not make it in the Governor's or LFO budgets.
 - The LFO budget includes two POPs that were not included in either the Agency Request or Governor's budgets. One is for a GIS Research Analyst position and the other is for an Equity and External Engagement position.
 - ODOE's POP for the Navigator for Community Capacity Building position was not included in LFO's budget. ODOE feels this is a critically important position and may have a path to get this through SB 852.
- The ESA is down slightly from the Agency Request Budget to LFO's budget, mostly due to fund shifting.

Questions and feedback:

None.

[Federal Funding Update & Feedback Request](#) *(Janine Benner, Director)*

- Janine highlighted 10 federal funding programs that ODOE is closely tracking.
- This first batch are formula funded programs. These programs are not competitive but still require an application and a lot of work to access the funds. These programs include:
 - State Energy Program. Application was submitted in December 2022 and \$5.6 million will be awarded this week.
 - Grid Resilience. Application has been submitted. This is for \$50 million over five years and ODOE's application is for the first two allocations of \$20 million.
 - Climate Pollution Reduction Grants. DEQ is the lead agency and ODOE worked with them and the Governor's Office and submitted a workplan in April for how the state is going to create a Priority Climate Action Plan and a Comprehensive Climate Action Plan.
 - Energy Efficiency and Conservation Block Grants. These grants will help cities meet their energy goals. Some funds will go directly to larger cities, and some will come through ODOE to distribute to smaller cities. ODOE held a webinar in April to talk to cities about program design. Application is due in July.

- HOMES/HEEHR. ODOE has received initial guidance from USDOE and is working to be prepared when they open the application, which is expected sometime in the summer or fall. HB 3166 will provide ODOE state funding to ensure the work is aligned with existing programs and easy for consumers to access the incentives.
- The second batch of programs ODOE is tracking and is likely to apply for are competitive, and include:
 - Resilient and Efficient Building Codes Implementation. ODOE partnered with two nonprofits and submitted applications in March.
 - Regional Clean Hydrogen Hub. Joined Washington State and other public and private sector partners and submitted an application for a little more than \$1 billion in April. Anticipate USDOE making a decision near the end of this year.
 - Assistance to Latest and Zero Building Energy Code Adoption. ODOE worked with the Building Codes Division and submitted a response to USDOE’s Request for Information in April.
 - Climate Pollution Reduction Grants – Implementation. This is the second phase of this program where eligible measures and activities identified in the Priority Climate Action Plan can compete for the \$4.6 billion. Anticipate USDOE coming out with an application and guidance next spring.
 - Greenhouse Gas Reduction Fund – Solar for All. Guidance has only recently come out and ODOE is meeting internally and looking at options.
- Janine reviewed some of the ways ODOE has connected with the community and stakeholders over the last year to inform, consult, and collaborate on these federal funds. She asked EAWG members to think about how this outreach effort has been working from their perspective.
- Janine introduced Tony Raeker, ODOE’s new program coordinator, who will be helping to track and communicate federal opportunities. Tony is also working on a searchable spreadsheet of all energy-related funding opportunities in the IJA and IRA. This will go beyond what ODOE is specifically working on and be a resource where utilities, universities, cities, etc., can go look and see what opportunities they may be eligible for. ODOE hopes to have something to share on that soon.

Questions and feedback:

Nate Rivera commented that ODOE is doing a great job at presenting strategies and keeping stakeholders informed but would like to see more time built in after the webinars to provide comments.

Tom Wolf said that as a board member of the Pacific Northwest Hydrogen Association, it has been a pleasure to work with Director Benner who has been a leader in making sure that the application for the hydrogen hub is a true Pacific Northwest hydrogen hub. He thinks it is a good application and is proud of the effort that was put forth.

Angela Crowley-Koch is excited for the Greenhouse Gas Reduction Fund and hopes that there is also a focus on community solar, especially for low-income participants, in the application.

Kyle Roadman commented that the spreadsheet containing all energy-related opportunities will be extremely helpful, especially if it could contain deadlines. Outreach and reminders on deadlines would also be helpful.

Jana Gastellum added that including who is eligible to apply for which type of funds and then the type of incentive in the spreadsheet would also be helpful as people may be trying to stack opportunities or types of financing mechanisms together.

Nate Rivera suggested one-pagers with bullet points to include funding amounts, eligibility, and timelines/deadlines that could be sent out via email.

Legislative Session (Christy Splitt, Government Relations Coordinator)

- ODOE is tracking 313 bills and has prepared 68 Fiscal Impact Statements so far.
- ODOE has three priority bills: [HB 3418](#) Solar + Storage Rebate; [SB 852](#) Community Navigator; [HB 5016](#) ODOE's budget. All three bills are currently in Ways and Means.
- Christy reviewed a [list of other bills](#) that is giving ODOE a lot of work to do. ODOE does not have a position on any of these bills.
- The revenue forecast is coming up on May 17 and bills with price tags will be able to move out of Ways and Means after that.

Questions and feedback:

Nate Rivera said that it seems like ODOE is lobbying in support of HB 2534 and is disappointed that ODOE did not support the amendment that would explicitly prohibit ESA funds. He would like it if ODOE could prioritize and focus on the IJA and IRA funding since there is such a small window to access these funds and put off some of the other stuff that doesn't have to be done immediately. Janine said that while ODOE does not have a position on the bill, it was a recommendation in the Biennial Energy Report. ODOE's fiscal impact analysis for HB 2534 indicated that any new funds would be General or federal funds. If there are any ESA dollars that go to support the development of an energy strategy, those would be just existing staff and not incrementally new funds.

Strategic Plan Update (Ruchi Sadhir, Associate Director Strategic Engagement)

- Ruchi reviewed a few highlights on ODOE's five strategic plan imperatives.
- [Expand and Improve Stakeholder Engagement](#)
 - ODOE has already had 15 legislative presentations so far this year compared to 13 for the entire year of 2022.
 - Partnered with University of Oregon's RARE program and have a RARE member on the ground in Eastern Oregon coordinating outreach on ODOE programs.
 - Working to increase diversity of agency stakeholder groups, rulemaking, oversight, and advisory boards.
- [Build Practices and Process to Achieve More Inclusive and Equitable Outcomes](#)
 - For 2022, 48.8% of applicants identified as Black, Indigenous, or People of Color compared to 25.1% in 2019.
 - ODOE is currently drafting a Diversity, Equity, and Inclusion Implementation Plan and Strategic Approach ([posted to ODOE's website](#) in June 2023).

- Working to analyze the Justice 40 requirements, where at least 40% of the federal funding benefit flows to disadvantaged communities, so those can be used in federal funding applications.
- [Assess and Enhance Organizational Data Capabilities](#)
 - Working with the State CIO on an IT strategic plan.
 - Completed GIS training for staff who could use that in their work.
 - Trying to be more thoughtful on how to get demographic data on who participates in all of ODOE’s services and programs.
- [Assess and Modernize Agency Programs and Activities](#)
 - Applying the evaluation criteria, reviewed with EAWG at the last meeting, to two programs. Ruchi will share how these evaluations go at the next EAWG meeting and if more discussion on criteria needs to take place.
- [Optimize Organizational Efficiency and Impact](#)
 - ODOE will be sending surveys to staff on engagement and efficient and effective processes and procedures to see how the scores have changed from the baselines in 2019.
 - Trying to address some of the challenges of building the infrastructure internally to meet the needs of tracking and applying for federal funds.

Questions and feedback:

Nate Rivera asked if each state will be able to define Justice 40 requirements in their own way. Ruchi said ODOE is working on equity and inclusion metrics that will be included in applications to help explain how it is meeting the definitional pieces from the federal government and also how ODOE is already doing certain activities that are reaching these communities.

Jane Gastellum asked how ODOE is supporting new people who step on to an advisory board. Ruchi said that is something ODOE is working on but have had some recent successes, specifically with the Community Renewable Energy Grant Program, using an external evaluation committee, offering stipends, and one-on-one discussions.

Janine shared [Governor Kotek’s Agency Expectations](#) and ODOE has found much alignment with those expectations and ODOE’s strategic plan. DAS is [tracking](#) how agencies are meeting those expectations.

Mary Moerlins and Nate Rivera expressed their appreciation of the information shared in the strategic plan updates.

Closing Comments/Q&A

- None.