



# Oregon

Kate Brown, 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

## MEETING NOTES

### Energy Advisory Work Group

Tuesday, January 21, 2020

9:00 a.m. to 12:00 p.m.

Meitner Conference Room

Meeting Attendees		
EAWG Members	Guests	ODOE Staff
Janice Thompson, Oregon Citizens Utility Board	Renee Klein, DAS - CFO	Janine Benner
Nate Riviera, Hermiston Energy Services	Danelle Romain, OPUDA	Ruchi Sadhir
Annette Price, Pacific Power	Mike Freese, OPUDA	Alan Zelenka
Bill Edmonds, NW Natural	Colin Stoetzel, Coraggio Group	Cathy Connolly
Tony Schacher, Salem Electric	Zach Baker, Climate Solutions	Warren Cook
Nicole Hughes, Renewable Northwest	Tracy Rutten, League of Oregon Cities	Jessica Reichers
Fred Heutte, NW Energy	Jason Heuser, EWEB	Blake Shelide
Rebecca Carey-Smith, Portland General Electric		John Hobbs
Bridget Callahan, Sustainable Northwest		Adam Schultz
Jana Gastellum, Oregon Environmental Council (via phone)		Michelle Miller Harrington

### Meeting Materials:

[Uploaded to website here.](#)

### Welcome and Agency Update: ODOE Director Janine Benner

Janine gave an update on ODOE's activities since the last EAWG meeting, including January Legislative Days' presentations:

- ODOE presented to the [Joint Ways and Means Committee](#) during January Legislative Days to seek approval for an increase in expenditure limitation for federal funds. ODOE and its partners were awarded a grant from the Department of Defense Grant for an

Oregon Renewable Energy Siting Assessment (ORESAs) project. The expenditure limitation is expected to likely be approved during February Session.

- ODOE also presented to the [House Energy and Environment Committee](#) about the [Oregon Solar Dashboard](#), an interactive tool on the agency's website.
- Following the dashboard presentation, ODOE discussed [Energy Efficiency in the Built Environment](#) with the [House Energy and Environment Committee](#).
- In January, Janine joined Oregon Public Utility Commissioners in Portland to offer an Energy 101 presentation for legislators, presenting the Biennial Energy Report.
- For the Short Session, the Governor's priorities are - climate change, wildfire response, resilience and emergency response, which includes funding to the University of Oregon to build out the ShakeAlert earthquake early warning system.
- Robin Freeman has moved to the PUC to serve as a policy director, so ODOE will be seeking a new legislative coordinator.
- ODOE [coordinated a response with 15 fellow state agencies to questions posed by the U.S. House Select Committee on the Climate Crisis](#). The response shared what Oregon is doing and made recommendations for action the federal government can take on Climate Change.
- ODOE produced a set of [policy backgrounders and a mini Biennial Energy Report](#) for the Citizens Utility Board Conference in November. The materials are included in the EAWG meeting packet.
- Janine provided an update on the Statewide Transportation Strategy. Directors of DLCD, ODOT, and DEQ are collaborating on the state's strategy to reduce greenhouse gas emissions from the transportation sector at the direction of Governor Brown.
- The Energy Facility Siting Council has a new member, Cindy Condon, who is retired from Pacific Pride Services. She is a Salem Electric Cooperative board member. There is still one more vacant spot.
- The Supreme Court ruled that the EFSC temporary rules are valid, so projects can now move forward. EFSC will soon adopt permanent rules to replace the temporary rules.
- Janine indicated that at the next EAWG meeting, they would walk through the Electricity Resource Mix to show its new data display and asked if there were any questions.

*Question:* Fred Heutte asked about the DOD/ORESAs Grant. The grant will be used to understand military training and compatibility constraints around energy siting. Fred chairs a coordinating council workgroup interested in on- and off-shore energy and renewables, which also looks at difficulties dealing with military issues like wind siting in the gorge encroaching on their lands and offshore development with navy issues. This group is interested in coordination with state agencies and are having a general meeting in early April, which he will attend.

#### **EAWG Members Roundtable and Introductions**

Janice Thompson - The [CUB Conference background papers](#) were a cooperative effort with ODOE, which received positive feedback. Janice moderated a panel at the CUB Conference where she made use of the background papers. The Citizen's Utility Board is currently focused on IRPs and legislative session activities, also focusing on interaction between energy related activities and telecom, broadband and virtual access. They are working on a rural broadband bill for session.

Nate Rivera - Hermiston Municipal Electric Utility is watching multiple efforts and appreciate the shared dialogue and additional time allotted to this meeting.

Annette Price - Pacific Power is monitoring cap and trade and wildfire issues. With the recent snow in southern Oregon, they have been working to get the power back on.

Bill Edmonds - NW Natural is continuing to work on SB 98 (legislation on renewable natural gas that passed last year) that is currently in rulemaking at the PUC. It allows more RNG in the pipeline, addresses the purpose of RNG, and examines prudence and how the costs flow through to rates. A group of NWN staff went to Europe where they learned about leadership on renewable natural gas. The US is nearly a decade behind gas utilities in Europe. NW Natural representatives met with utility representatives from Great Britain, Germany, France, and the Netherlands, who are all heading toward carbon neutrality, eventually transitioning to renewable natural gas and hydrogen. Furthermore, a new study by ICF outlines the potential for what is possible in this country. NW Natural is supportive of LC 19 (Cap and Trade).

Tony Schacher - Salem Electric is watching session, are following Cap and Trade, and noted that they use a low carbon energy source with Bonneville Power.

Nicole Hughes – Renewable NW represents non-profits and others interested in renewables. They are pleased that the Oregon Supreme Court is allowing EFSC's temporary rulemaking on project amendments to move forward, since several renewable projects were potentially affected. Renewable NW is on a joint taskforce with Department of Defense and has experience in working with military. Renewable NW will put together a conference later this year to focus on interconnectivity between solar, agriculture, and conservation. Nicole indicated that they are partnering with The Nature Conservancy and will confirm the date. They view Oregon cap and trade efforts as an opportunity to reduce carbon in an economically effective manner. Regionally the focus is on creating new markets for clean energy, working on transmission, and identifying capacity and interconnectivity issues.

Fred Huette – NW Energy Coalition has a new Equity Coordinator, Heather Moline, who will focus on Oregon. The Oregon Community Solar Program is now taking applications. It has a good program design but there is an issue with whether the bill credit rate will be sufficient to support projects that can be economically feasible. The program hopes to support access to renewable electricity, and possibly renewable gas to renters and multifamily units. The Coalition is following LC 19, and are engaged in two dockets with the PUC: resource adequacy

and distribution system planning. They are interested in offshore wind, focusing on southern Oregon; and are following wildfire resilience efforts and are monitoring outages - with a focus on low-income and those with medical devices in fire-affected areas. They are involved in the debate on clean energy replacement for the lower Snake dams, where there are possibilities for clean energy build-out for the Snake River and Washington area, with economic benefits. The regional NW Power Council is working on their 8th five-year plan, due out in 2021.

Rebecca Carey Smith – Portland General Electric has an IRP meeting coming up on February 20<sup>th</sup> and they are getting ready for session.

Jana Gastellum - Oregon Environmental Council (participated by phone). They have a new executive director, Diana Nuñez. They are fully focused on the climate bill, which is now SB 1530, and are staying engaged on those conversations and water issues.

### **ODOE Updates:**

#### **Rulemaking updates: Solar + Storage Rebate Program (HB 2618) and 1.5% Green Energy Technology program (HB 2496)**

**John Hobbs** – provided an update on the [Solar + Storage Rebate Program](#) (in meeting materials). Nate Rivera offered that while rural Oregon is often served by consumer-owned utilities that do not participate in Energy Trust, those incentives are often touted in COU territory. There are challenges in rural areas, which suggests a need for contracting firms with regional representation in rural areas. Janine asked how ODOE can get the word out to those contractors.

John Hobbs said ODOE will stagger application windows with reservations starting tomorrow in response to a question from Jason Heuser (EWEB). Funding for rebates for low-income consumers will be available until fully allocated with half of the low-income funding being available tomorrow. There was also a discussion of differentiated rates, and John clarified that the incentive rate is higher if you are receiving utility services from a provider who does not have an incentive. John indicated that the legislation mandated a report, which will be an opportunity to discuss program successes and challenges. One topic of the report could be how to incentivize the use of this rebate in rural areas.

**Blake Shelide** – provided an update about the 1.5% for Green Energy Technology (GET) program (in meeting materials). The agency recently completed [rulemaking](#) to implement changes made to the program in HB 2496 last session. The changes allowed battery storage and energy efficiency to be eligible as green energy technologies, while continuing existing technologies such as passive solar, active solar, and woody biomass as eligible in the program. Additional changes include the threshold for eligible projects. ODOE is currently updating the database and finalizing their legislative report.

#### **EV-related activities, including SB 1044 update**

**Jessica Reichers** – In 2019, Oregon passed SB 1044 requiring ODOE to develop a report by September 15, 2021 on zero emission vehicle adoption and the state’s progress towards achieving ZEV adoption targets. The targets build on the Governor’s goals in EO 17-20 (You can access the [progress chart for EO 17-21 \(ZEV EO\) here](#)). ODOE has been conducting external outreach in January through March to discuss the report requirements, and to seek input on data resources and data partnership opportunities. ODOE will be working with stakeholders to collect data to inform the report during 2020 and anticipate drafting to begin in the first part of the year. ODOE will be reaching out to stakeholders in 2021 for feedback on the draft report, including any recommendations in the report.

Project Timeline: January 2020 – February 2020: stakeholder input and scoping (current phase); December 2020 – August 2021: ODOE staff develops draft report; August 2021 – September 2021: share draft report and seek stakeholder feedback; September 2021: revise report and publish.

**Warren Cook** – SB 1044 also included changes to the Public Purpose Charge, allowing schools to spend their funds on electric vehicles. This now means that electric school bus funding is available from VW settlement funds, PPC funds, and DEQ. Oregon Clean Cities can also assist. Nate Rivera suggested building relationships with utilities in the school districts, especially on how EV changes will affect utility infrastructure. Nate indicated that Hermiston would be interested in participating.

**Budget Update** - Cathy Connolly, the new Assistant Director for Central Services, gave an overview of ODOE’s response to the 2019-21 budget note. Cathy joined ODOE in October and was previously CFO Analyst at DAS. She also introduced Renee Klein as the new CFO Analyst who will be ODOE’s budget liaison for DAS. Cathy indicated that ODOE would present on the budget note to the Joint Committee on Ways & Means Natural Resources Subcommittee during the February Session. The presentation will include a summary of the current budget, ODOE’s budget history, the Energy Supplier Assessment, a review of agency administration, and levels of internal support versus services that could be provided by DAS (with a focus on financial, Human Resources and Information Technology). The presentation will also discuss the level of the agency’s indirect rate.

Cathy shared that ODOE will inform the Joint Ways and Means Committee that the agency will be developing new KPMs for the next budget cycle. It is also anticipated that during the February legislative session ODOE will receive approval for an increase in federal funds limitation to use the \$1.1 million Department of Defense grant for the [ORESA project](#).

Cathy stated that in order to increase efficiency and decrease costs, the agency has recently combined responsibilities and reduced staffing needs by combining SELP and agency accounting functions. Cathy and Janine clarified that while this action may not have a direct or immediate impact on the ESA amount, it reduces the pressure to increase it. In response to a question,

Janine clarified that the budget presentation will be the response to the legislative committee's requests in the budget note and would not involve public comment.

### *Break and Networking*

**Strategic Planning** - Update and Coraggio presentation with feedback from EAWG members, presented by Ruchi Sadhir (ODOE) and Colin Stoetzel from Coraggio Group.

Janine discussed ODOE's draft vision and mission statement and clarified the plan around potential strategic imperatives. The Governor's office plans to provide feedback as language is refined. Colin explained the vision/mission/position is the value ODOE provides coupled with agency objectives and aligned with organizational service.

He reviewed findings from the stakeholder outreach that Coraggio completed:

- Stakeholders believe ODOE struggles to communicate their mission and its efficacy.
- ESA rate payers believe the loss of incentive programs has lessened the value that ODOE brings.
- Lack of clarity has resulted in ODOE being under-funded.
- Oregon as a state is unaligned on its energy priorities: Renewable energy, climate change and energy efficiency, which is further complicated by a disconnect between what the stakeholders and the broader energy eco-system want and envision.
- There's interest in ODOE being a data provider, conducting data analysis, and playing a role in education.
- Sharing best practices and policy development are key priorities.
- It was clear that past failures and legislative pushback have led to ODOE developing a risk averse culture that restricts their ability to lead Oregon's energy future to its full potential. Regarding ODOE's reputation, the biggest challenge has been moving past this.
- Stakeholders would like ODOE to lead Oregon's energy sector in a coordinated, progressive, and unbiased manner.
- Positive changes have been made in ODOE's change in leadership.
- However, ODOE's 'no culture' has had negative impacts on their ability to make positive and progressive change. Staff are motivated to make positive future change.

In response to a question about different types of stakeholders being grouped together, Colin explained the responses for each type listed in the initial demographic question was analyzed, but was also grouped together as private sector, government/NGO/Tribes, Consumer/Public Member, ODOE, and Other.

Colin continued by describing the purpose of the strategic planning process is to:

- Define our organizational values and improve internal operations to shape how we work together and serve our mission
- Clearly prioritize and define ODOE's work, which can also help to build better understanding from — and stronger collaboration with — stakeholders
- Measure progress and strengthen alignment between agency goals, programs, and budget

The first phase is about “clarity” of what the agency does. Phase 2 will identify strategies and objectives over the spring and summer. We plan to roll out a final strategic plan in the fall of 2020.

Within the clarity elements, the vision part of the plan is the *why* of the agency; the mission is *what* the agency does to achieve the vision; and the position is *how* by covering specific actions of the agency.

Vision - what is the idea future state we are trying to create?

The draft vision is aspirational, giving the agency purpose and definition. Three variations of the agency's current mission statement were discussed: '*safe, equitable and clean and sustainable future,*' was used to define a re-purposed vision statement.

Mission - what is our purpose? What are we here to make happen?

In response to a question about where the definition of success fits in, Colin explained the definition of success in terms of metrics: are we doing the right thing in the right way – which will come in phase 2. He spoke about the importance of having clarity (phase 1) regarding the foundation of what the agency is doing. Janine described the challenge of keeping it concise when ODOE has so many roles and statutory duties.

In response to a question about whether the phrase mitigating the effects of energy was the right fit, Janine replied this is reflected in the work that the Siting Division does and the work we do to provide tools to transition to lower-carbon energy. Ruchi added there are other types of mitigation that can occur with effects of energy infrastructure such as transmission lines and pipelines.

EAWG members discussed whether bullet points are helpful and how to make the language less subjective or confusing. There was discussion on how to make the mission more succinct, while sharing enough information about ODOE's wide range of duties and roles to reverse what was heard in Coraggio's insights regarding stakeholders' lack of understanding of the agency's work. There was also discussion about how the energy sector is constantly evolving, and so a longer explanation with examples in straightforward plain English could be preferable. Janine thanked the group for their discussion and feedback on vision and mission.

Position - what unique and sustainable value do we deliver, where do we deliver, and for whom?

Colin described that Position is *how* ODOE meets the mission (*what*) and works towards the vision (*why*). There was discussion on the agency's role as a resource for data and that ODOE is the state's dedicated energy agency. Colin shared that ODOE is trying to strike a balance between being succinct and providing enough detail to catch all the services they provide. There was discussion that both succinctness and enough detail are possible. In response to a question, there was discussion about how bullets and examples of areas of work would possibly change as legislation is passed. Janine clarified that if there was a bill passed that removes part of ODOE's mission, this would change.

In response to a question about whether ODOE regulates radioactive materials, Ruchi clarified that ODOE has a role in the transport of radioactive materials. There was a discussion about whether ODOE works with the federal government in the form of joint regulatory responsibility or supplemental responsibility, and that it would be helpful, from a stakeholder perspective, to capture what is joint or supplemental responsibility between state and federal regulation.

EAWG members discussed Coraggio's Insights and that stakeholders have had a difficult time understanding everything that ODOE does. It may be reasonable and helpful to have sentences that provide detail and clarity. It would also be helpful to emphasize that ODOE's scope is state-wide, given that there are other agencies, such as PUC, that work in the energy field too.

There was a discussion about the objectives embedded in the mission and position statements and whether ODOE is committed to these objectives, since ODOE has limited resources – are the objectives unobtainable or unrealistic.

EAWG discussed moving the specific example bullets down, then writing an action statement rather than mission statement. There were also suggestions to include more language about the equitable transition to a low carbon economy and that graphics could add value.

Colin proposed that the magic is somewhere in the middle. Ruchi thanked the group for the helpful discussion on vision, mission, and position, and Janine offered that ODOE was not moving forward on the strategic planning for a couple of months, so there was still time to get EAWG members' perspectives on those elements.

Colin briefly shared *Values* and explained that they are largely internal as the fundamental beliefs that shape how the agency staff works together.

Strategic Imperatives - what must be accomplished over the planning horizon?

Colin explained that *strategic imperatives* are transformative in nature and have to do with what must be accomplished over the planning horizon. Ruchi explained that *objectives* and *initiatives* (TBD in phase 2) are nested in each *strategic imperative* to measure if ODOE is



meeting imperatives. In response to a question about who accountability is to, Ruchi replied: to the Legislature, the Governor, and this group. In response to a question about whether there was a priority order to the order of strategic imperatives, Colin replied that they are equal and not in priority order. Colin also shared that an internal organizational assessment was also done, and the internal team is discussing how can we support our staff and become more efficient.

*Time Check 10 minutes left* - The EAWG members were asked if they wished to continue discussing strategic planning or move on to the white paper topic in the agenda. Summaries of the white papers were available in the packet and online, and white paper drafts are expected to be shared in the spring. The group decided to speak to the white paper authors after the meeting if there was interest and to ask questions over email.

Colin continued discussing strategic planning, asking for feedback on *strategic imperatives*. The process will get more tactical and strategic in phase 2 when developing objectives and initiatives. Assessment of existing programs, including statutory obligations and mandates, would be covered in the gap assessment strategic imperative. In response to a question about the Energy Suppliers Assessment, Janine responded that ODOE does not have control over what the legislature might decide regarding funding. In response to a question about how gaps between state agencies would be determined, Janine responded that could be part of the scope of the assessment.

#### **Closing comments and discussion - EAWG Members and ODOE Staff**

Ruchi and Janine thanked the group, saying they have given us quite a lot to think about, and as stakeholders invested in the agency, this is helpful feedback. Ruchi asked the group to get in touch if they have further observations. Colin thanked the group for their feedback.