



Executive Directors Report
March 12, 2021

Agenda - We have a very busy agenda with at least four presentations and a number of interesting topics. We will have a short period to review legislation that is pending and possibly take positions. Requested Action: **Approve Agenda**

Business Meeting - Please consider the consent agenda of two items: minutes and financial report. Requested Action: **Approve Consent Agenda**

Finance Report - We are at the 2/3 point in the annual budget (8 months) 66.7%. Income is 56.8% of annual budget. Sonja has been sending invoices and letters to all entities that were members in '20-'21. We will be reaching out to others who have shown an interest in CREA. The Gilliam SIP payment remains outstanding. Expenses are at 57.9% of budget and no new major liabilities are anticipated. We haven't exercised the online tech support the board authorized as I have been able to get most of my issues solved with free Apple support. Sonja may still need to subscribe to a service.

OPUC Activities - We are in frequent communication with Greg Adams who represents CREA interests in the many activities with the PUC and courts. Some recent actions:

AR 641 - CREA has reviewed the written comments of NewSun Energy LLC ("NewSun") filed on March 9, 2021, and supports the recommendations contained in therein. Specifically, CREA encourages the Commission seriously consider the following proposals:

1. Make data requests and responses public in general matters of utility regulation.
2. Articulate sideboards around what types of information is confidential.
3. Eliminate interrogatories and extend the deadline for non-utility parties to respond to requests for production of documents to 30 days.

4. Limit discovery of non-utility intervenors to only matters upon which the intervenor has testified.

UM 2108 - PacificCorp queue reform proposal (commission approved cluster study with modifications)

Petitioners (CREA, NIPPC, OSEIA, REC) oppose the Motions to Determine Jurisdiction, which both assert that the circuit court—and not this Court (Court of Appeals)—has jurisdiction over this matter. Although Petitioners are prepared to proceed in either venue, this Court should conclude that it has jurisdiction.

UM 1987 - PGE Standard Contract and Rate Revision - OPUC Ruling:

In this ruling, we deny Portland General Electric Company's motion to lift the suspension in these proceedings because we conclude that administrative efficiency is best served by continuing to focus on the resolution of our rulemaking proceedings in docket AR 631. There, we will address the procedures, terms, and conditions associated with qualifying facilities, including standards contracts for all utilities. We understand and share PGE's sense of urgency, and ask that AR 631 be prioritized for prompt resolution.

AR 631 - Procedures Terms and Conditions Associated with QF Standard Contracts

We participated in a Workshop March 2 with the IOUs, OPUC staff and other interested parties to review staff proposal to establish new contracting procedures as well as contract terms and conditions that must be offered by IOUs. This appears to be a long process.

Legislation -

SB 154 - Solar PLoT - AOC has concurred with CREA and others to amend the bill to add a cap of \$7,000 to the floor of \$5,500 for property tax breaks for solar developments.

HB - 3180 - Chair Perkins and I have been very engaged with Jake Stevens of NewSun. Jake is very appreciative of the principles put forth by CREA which support his approach. He has been relentless in his pursuit of the “RPS first/build in Oregon” approach to the decarbonization of the electric industry. He has been working with legislative counsel to refine the bill and eliminate most of the more controversial sections (like PURPA). But we continue to believe that an accelerated RPS approach would be more productive than the Emissions based approach as contemplated in HB 2995 and HB 2021-1. Stevens is hopeful that HB 3180 will get a hearing and has had positive discussions with Speaker Kotek about scheduling such a hearing.

HB 2995/2021-1 - 100% Clean - Meanwhile representatives of many of the leading renewable energy advocates continue to work with the IOUs, labor, environmental/social justice organizations on the emissions based approach the details of which are not yet publicly available. While this would be a more direct way to limit carbon emissions from the electric grid it will require extensive new rule making which could delay the actual building of new renewable generation for years. An informational hearing is scheduled for Wednesday March 17 in the House E & E committee. Senator Beyer will speak to the HB 2021-1 proposal.

HB 3221 - The Oregon Renewable Options Proposal - This is the concept developed by Farmers Conservation Alliance and Oregon Water Resources Congress.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB3221/Introduced>

Jed Jorgensen of FCA will discuss this bill with CREA at our meeting.

SB 784 - "PGE Green Tariff Bill"

Authorizes a public utility to seek rate recovery for operating expenses and capital costs associated with resiliency measures. Authorizes Public Utility Commission (PUC) to allow rate recovery for resilience measures that: increase ability of essential public facility or public service to continue to operate; provide distribution system efficiencies and grid services, such as flexible load programs, demand management programs or dispatchable standby capacity; provide service during emergencies in microgrids or at centrally located community facilities; modify existing programs, like tree trimming, in areas more likely to be subject to fire or other emergencies to improve reliability; involve different business models; or seek to address needs of potentially affected communities. Requires PUC to consider certain factors when considering the prudence of an investment in resiliency measure. Authorizes electric company to include as part of portfolio of rate options, program of rates or charges reflecting costs of serving retail electricity consumers within boundaries of local governments with electricity derived from renewable energy sources or paired with unbundled renewable energy certificates. Requires Public Utility Commission to allow recovery of certain social and environmental costs from retail electricity consumers receiving electricity from electricity service suppliers. Modifies certain laws related to competitive retail market for electricity. Requires responsible contractor labor standards for large-scale renewable energy generation or storage facilities.

CREA position requested

HB 2475 “Intervenor funding”

Requires the Public Utility Commission (PUC) to provide for a comprehensive classification of service that may take into account the differential energy burdens on low-income customers and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers. Allows financial assistance to be provided to organizations that represent the interests of low-income residential customers or residential customers who are members of environmental justice communities. Authorizes PUC to mitigate energy burden through bill reduction measures or programs that may, but need not be limited to, demand response or weatherization. Requires that the costs of tariff schedules, rates, bill credits or program discounts be collected in the rates paid by all retail electricity customers. Limits the total aggregate financial assistance available to organizations representing interests of low-income residential customers or residential customers that are members of environmental justice communities to \$500,000 annually. Directs the PUC to establish a process for evaluating and approving agreements with organizations representing interests of low-income residential customers or residential customers that are *members of environmental justice communities*. Allows more than one public utility or organization to join in a single agreement. Requires the PUC to report on the implementation and impacts of annual financial assistance to organizations to the interim committees of the Legislative Assembly related to energy no later than September 15, 2025. Repeals reporting requirement on January 2, 2026.

This bill passed out of House E & E committee last week on a party line vote. There was concern from Rep. Brock-Smith that “environmental justice communities” might not represent “broad community interests”. It appears that this bill might create a path for intervenor funding for CREA but that the competition for such funding would be substantial.

HB 2488

Requires Land Conservation and Development Commission (the commission) to make changes to statewide land use planning goals by December 31, 2026, to address climate justice by addressing climate change adaptation and mitigation and environmental justice for disadvantaged communities. Requires the commission to 1) establish and update measurable targets for climate change mitigation and adaptation, and greenhouse gas sequestration and storage; and 2) identify and map anticipated impacts to public resources and local communities from climate change. Requires the commission to include requirements or guidelines compelling local governments and applicable state agencies to: 1) include disadvantaged communities in land use planning and decisions; 2) determine and address local issues of diversity, equality; and environmental justice; and 3) identify and map disadvantaged communities and cumulative health risks they face, using data from various federal or state agencies, nonprofit organizations, and local programs. Requires that cities’ and counties’ comprehensive plans, land use regulations, plans, and zoning ordinances rules

comply with changes to the statewide land use planning goals by a certain date. Requires Department of Land Conservation and Development (the department) to establish environmental justice advisory committee to advise the department on environmental justice changes to the statewide land use planning goals. Requires commission to adopt interim climate justice standards for local government's use, including environmental justice, equity, and public participation and climate adaptation risks and responses, and take into consideration state and federal goals for reducing greenhouse gases, until meeting compliance with goals changes. Establishes deadlines for compliance with interim standards and changed goals. Establishes Climate Justice Planning Goals Fund. Appropriates moneys to fund. Continuously appropriates moneys in fund to commission for specified purposes. Sunsets interim standards on January 2, 2030. Sunsets goal amendment process after commission certifies adoption of goal. Declares emergency, effective on passage.

This bill has had a public hearing but would need to go to Ways and Means as it has a significant fiscal cost in funding DLCDD staff work.

HB 2109 - Technical changes to permitting

Modifies definition of “renewable energy facility” for purposes of county permitting process to include solar photovoltaic power generation facilities using 1) more than 100 acres but not more than 160 acres located on high-value farmland; 2) more than 100 acres but not more than 1,280 acres located on land that is predominantly cultivated or that, if not cultivated, is predominantly composed of certain classes of soils; or 3) more than 320 acres but not more than 1,920 acres located on any other land; and includes electric power generating plants with an average electric generating capacity of at least 35 megawatts but less than 50 megawatts if the power is produced from geothermal or wind energy at a single plant or within a single energy generation area. Declares emergency, effective on passage.

Passed out of House E & E unanimously.

Labor Standards -

We have been party to a number of conversations convened by the staff for Blue-Green Alliance about labor standards, whether they should be included in renewable energy legislation and what they might require. I have expressed concern that whatever is done not have a further impact on labor supply and that small projects be excluded. Here are some notes for the last session:

- *Attendance- Spencer (NIPPC), Angela (OSSIA), Nicole (RNW), Max (RNW), Mike (CREA), Shannon, Senator Dembrow, Logan (Sen. Dembrow's office), Robert (Rep. Holvey's office), Wayne (OSBCTC), Jana (OEC), Morgan (OEC), Niki (Lobbyist, OSSIA)*
- *Discussion:*
 - *Good faith effort*

- *Reporting requirements; generally does not stall projects, we're happy to clarify language*
- *Pre-fabrication; we agreed to narrow the language to exclude manufacturing and narrow it to just items involving welding, electrical, piping... will follow up on language.*
- *Broad discussion on ensuring projects are done in-state*
- *National and local context*

Key topics to review:

- *Threshold for standards (MW)*
- *Reporting requirements*
- *Contractor responsibility*
- *Clarity on history of compliance*
- *Good faith effort (review and decide on language)*
- *Review language proposal on Prefabrication (provide clarity, that's narrow, and excludes manufacturing)*
- *Small business, disadvantaged business goal?*
- *Provide Overview of how standards together can take out the risks, and provide the certainty contractors and developers need; and get to the results of building a diverse, trained workforce.*

Respectfully,

Ranfis Giannettino Villatoro

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Ranfis Giannettino Villatoro
BlueGreen Alliance
Oregon St. Coordinator
(971)242-9964

Renewable Energy Investment Fund

We have been in discussion with legislators Helm and Marsh and their staffs about how best to use federal stimulus dollars to enhance renewable energy development. Speaker Kotek has indicated that there may be \$50 M available as “one time money” which would need to be committed in the next biennium. The thinking seems to be gravitating toward creating a new fund like the Infrastructure Fund for renewable energy projects. I have recommended that such a fund be housed at Business Oregon and that Regional Solutions Advisory Committees be used to vet projects. I also suggested that they might revive the Small Scale Energy Loan program with a recapitalization.

Federal Earmarks

David Brown, Margi Hoffman of FCA and I have been developing an idea of a “Resiliency Corridor”, thinking that if federal earmarks are brought back Oregon would be well positioned to propose projects for such designation. We hope to hear more about that possibility from Dan Bates of Thorn Run at Friday’s meeting.

