

# State Energy Strategy Bill 2023

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## Why this bill is important and necessary for this session:

Oregon has set an ambitious path to 100% clean energy by 2040 with HB2021. In 2020, Oregon met less than 9% of its electricity demand with solar, wind, and geothermal generated electricity -- approximately 4.7 million MWh of its overall 53.8 million MWh of electricity use.<sup>1</sup> The same year, 48% of Oregon's electricity was from coal and natural gas generation resources -- 25.8 million MWh.<sup>2</sup> This will need to be replaced to meet HB2021 mandates and meet growing energy needs. Many of the decisions about future renewable energy resources needed to meet Oregon's energy future are happening now. A state energy strategy would support HB2021 implementation, create a broader understanding of what it will take to meet this mandate and Oregon's other greenhouse gas emissions reductions targets to benefit all Oregonians, and be a comprehensive resource for future energy decisions and discussions.

Oregon enjoys an abundance of renewable energy resources, and a state energy strategy would offer analysis and data on how to best utilize these resources to maximize benefit for all Oregonians. Oregon needs a cohesive strategy that draws on existing ODOE studies,<sup>3</sup> builds on broad stakeholder outreach, and balances multiple policy objectives.

**HB 2534 with -1 amendment** tasks the Oregon Department of Energy (ODOE) to establish a state energy strategy based on stakeholder inputs and scenario analysis of optimized pathways, and further directs ODOE to create a report summarizing its findings and stakeholder outreach, and offering any recommendations to implement the energy strategy. ODOE would update the state energy strategy as needed to ensure that it reflects the most up to date and best available information. HB 2534-1 requests funding to support the needed staffing and resources for completion of the energy strategy by November 1, 2025.

2534-1 would task ODOE to draft a state energy strategy informed by:

- (1) Stakeholder Outreach - *Outreach will be inclusive of a diverse range of viewpoints, socioeconomic communities and geographic locations, expertise and education, and other criteria to gather broad input from Oregonians.*
- (2) Identifying Optimized Pathways *based on analysis that would, at a minimum, consider state energy demand, energy resources and technology, cost, energy efficiency, energy burden, economic and employment impacts, energy resiliency, emerging technologies and investment opportunities, transmission and markets, community benefits and resiliency, and other elements.*
- (3) Advisory Group - *The bill allows for ODOE to form an advisory group to assist with the energy strategy.*

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<sup>1</sup> <https://www.oregon.gov/energy/Data-and-Reports/Documents/2022-BER-Energy-by-the-Numbers.pdf#page=5>

<sup>2</sup> In 2020, the Boardman coal plant operated for a portion of the year. It is no longer operational, however 2020 is the most recent data as used in the 2022 Biennial Energy Report.

<sup>3</sup> Some relevant, existing ODOE studies include the Biennial Energy Report, the Regional Transmission Organization Study, the Renewable Hydrogen Study, Floating Offshore Wind Study, the Small Scale Renewable Energy Study, and the Oregon Renewable Energy Siting Assessment.

### **What this bill does not do:**

A state energy strategy would be “technology agnostic” and would look at current and future energy generation and management of energy needs that would be compliant with Oregon’s clean energy mandates and climate goals. The strategy would not replicate existing studies or processes, but rather would build upon what is known in order to consider pathways towards meeting the State’s clean energy mandates and climate goals.

### **For more information, contact:**

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