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April 7, 2021

Executive Directors Report

Agenda - We have a couple interesting timely presentations scheduled: 1) Kelly Goodman of Cascade Transmission project proposes to lay a high voltage (1100 MW capacity) on the floor of the Columbia River from The Dalles to Troutdale. This project is certified as a provider by the Northern Tier Transmission Group Regional Planning Practice. Obviously if completed this project would open path for more renewable energy from the Columbia Plateau and beyond. Ms. Goodman will also discuss the proposed Biden infrastructure plan as it relates to renewables development. 2) Mitch Cutter, Salmon and Steelhead Advocacy Fellow, Idaho Conservation League will discuss the new proposal from Idaho Representative Simpson to remove the Snake River dams.

We need to close the meeting by 12:30 to allow members and staff to transition to the AOC Transportation and Community Development Committee.

Action - Approve agenda

Finance Report - Sonja's efforts with MCEDD on invoicing past members is bearing fruit. Thanks to City of Prineville, Pa Tu Wind, Obsidian, Hood River County and others for their renewals. Expenses are at 63.3%. The target for this point in the budget year is 66.7%. There were no credit card expenses last month.

Action - Accept Financial Report

Business Meeting - We attempted to refine our meeting notice list for Zoom invitations as we got too many declinations. I'd like the committee to discuss who should be on the list. Sonja will share the current list for review.

Action - Define criteria for receiving meeting notice and agendas.

It was suggested to me by Marie Barlow of NewSun that CREA could benefit from bringing on a law school student as an intern. I contacted all three in-state law schools. I've heard back from Willamette and Lewis and Clark Law Schools. Both were interested but given LCs school of environmental law, that seems to be the most likely source. Working with their Director of Public Law, we developed a recruitment notice (see meeting materials). I've developed a list of projects that I think would be beneficial for CREA and depending on the students interests, would be a good fit for both CREA and the student.

I think we should consider some stipend as I hope to find someone who would stay on at least a year and encourage the best qualified students to apply. This expense would be built into next years budget. David Brown has agreed to assist in the selection of the intern.

Action - Authorize CREA Executive Director to move ahead with recruitment of a 2nd year law student to assist CREA. The engagement agreement would come before the board for final approval.

Legislation -

HB 2021-3

Community-based renewable energy

Incorporates goal for community-based renewable energy projects (ORS 469A.210) into and made a part of Utility Regulation Generally (ORS chapter 757). Requires each electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state to be composed of electricity generated by small-scale renewable energy projects that meet certain criteria, to generate the following percentages of electricity sold in this state: 1) five percent by 2030 and 2) 10 percent by 2035.

It's clear at this point that HB 2021 will be the vehicle for new renewables legislation. There are currently at least 11 amendments pending. One of which (-11) is the main body of HB 3180-3. The -5 amendment is the consensus amendment from the work group(s) that has developed this approach. There is another amendment (-9) that would incorporate HB 2190 which is the Community Renewable Energy Investment fund that would be the vehicle to distribute \$50M in grants for "resiliency" projects. The committee has gone to 3 meetings a week to handle all the testimony and bills.

HB - 2190 -3

Requires selection criteria to: 1) differentiate renewable energy systems that may qualify for grants into two categories, a small project category and a large project category, based on the size of proposed renewable energy systems eligible for grants and for the purpose of prioritizing the award of a greater number of grants each year for small renewable energy system projects that otherwise meet the selection criteria; 2) allow for individual building assessments or evaluations to factor into the grant award selection process certain criteria; 3) prioritize awarding grants for proposed renewable energy systems that will be located in geographic areas that are identified or designated under other state or federal laws or programs as high-risk areas for seismic, wildfire, or other natural hazard events, economically disadvantaged; or socially vulnerable; 4) include ambitious goals for supporting renewable energy systems; 5) incorporate equity metrics, developed in coordination with the Environmental Justice Task Force, for evaluating the involvement of and leadership by low-income, black, indigenous, people of color, people with disabilities, youth, rural, or otherwise disadvantaged communities in the siting, planning, design, or evaluation of proposed renewable energy systems; 6) incorporate energy metrics for evaluating the capacity and costs of proposed renewable energy systems that include, at a minimum, an evaluation of the cost of energy and capacity produced by the project; and 7) Incorporate resilience metrics for evaluating the number of renewable energy systems supported by grants per county and within geographic areas and the estimated number of days of resilience that a renewable energy system may provide for a structure or facility and the percentage of the structure's or facility's electricity load that the renewable energy system can support over the course of those days.

This is the proposal to use \$50 M in federal funds from the “Rescue Package”

HB 2025-3

House Bill 2520 would direct LCDC to update the scope, content, and name of Goal 13, the statewide land use planning goal related to energy conservation, and to consider changes to other related statewide land use planning goals. The measure would specify key issues for LCDC to consider when undertaking the update and would establish an advisory committee to assist LCDC in the update. House Bill 2520 would require LCDC to report back to the legislature by September 15, 2022 on the progress of the update, and would appropriate an unspecified amount to DLCD for the biennium beginning July 1, 2021 to administer and implement provisions of this Act.

This bill is scheduled for a work session. It is likely to move as at the fiscal has been negotiated (\$300K).

SB 154 -

Solar Payment in Lieu of Taxes Sunset Extension

- *Extends sunset on program allowing solar developers to pay \$/MW fee to local government in lieu of property taxes from 2022 to 2028*
- *Changes rate from \$7000/MW to an agreed-upon value between \$5500 and \$7000/MW*
- *Passed Senate Energy & Environment 4-1 on Tuesday, now awaiting referral to Joint Committee on Tax Expenditures*

SB 333-4

Directs Department of Energy (ODOE) to conduct a study of the benefits and barriers to renewable hydrogen production and use in Oregon. Stipulates study must include: identification of the total hydrogen volume currently used annually in certain industries; identification of potential applications in Oregon by 2030 in certain sectors; assessment of the potential for coupling renewable electricity generation and renewable hydrogen production; discussion of forecasted costs; and identification of certain barriers. Requires ODOE to submit report to the interim committees of the Legislative Assembly related to revenue no later than September 15, 2022.

SB 784-4

*Authorizes electric company to file as a part of the portfolio of rate options, if agreed to in coordination with one or more government, to meet adopted renewable and nonemitting energy goals, a program of rates or charges to reflect the cost of a program to serve retail electricity consumers with electricity that is derived from new or existing renewables energy resources; or paired with unbundled renewable energy certificates. **Authorizes PUC to approve rate or charge if certain actions have occurred. Requires electric company to: receive acknowledgement from government to proceed, provide certain information and notice to consumers and provide an annual report to PUC and participating government. Authorizes PUC to allow electric company to: own facilities or use power purchase agreements; recover part or all of costs associated with the resources to serve the program; and collect moneys from participating retail electricity consumers in excess of the cost of service and defer revenues or costs for the purpose of making future investments to serve program.** Stipulates that electric company serving fewer than 25,000 customers can propose a program to PUC if it meets certain criteria. Removes section on nonby-*

passability of social and environmental costs. Establishes "large-scale project" means a renewable energy or storage facility with capacity rating greater than 10 megawatts. Stipulates that a person who constructs or repowers a large-scale project in Oregon must participate in apprenticeship program registered with the State Apprenticeship and Training Council so that 15 percent of the total work hours are performed by workers in apprenticeable occupations. Requires large-scale projects to have aspirational goal of having at least 15 percent of the total work hours performed by individuals from certain communities.

SB 762 -1,-2

Requires the Public Utilities Commission (PUC) to periodically convene workshops for public utilities that provide electricity (public utilities), consumer-owned utilities (COUs), and electrical transmission and distribution system operators to develop and share information related to wildfire best practices. Requires public utilities to have, and operate in compliance with, a regularly updated risk-based wildfire protection plan that is based on reasonable and prudent practices identified through the workshops, based on PUC standards adopted by rule, that addresses additional specified plan requirements, and that has been filed with and evaluated by the PUC. Requires the first plan to be submitted to the PUC by December 31, 2021. Requires the PUC in consultation with the Oregon Department of Forestry and local emergency services agencies, to evaluate a public utility's plan and plan updates through a public process, requires the PUC to approve the plan or approve it with conditions provided it meets specified requirements, and requires the PUC to adopt rules. Provides for recoverability of reasonable operating costs. Authorizes the PUC to impose penalties and specifies maximum civil penalties for violation. Requires COUs to have, and operate in compliance with, a regularly updated risk-based wildfire mitigation plan approved by the utility's governing body. Requires COUs to submit the first plan by June 30, 2022 and to submit a copy of the approved plan to the PUC. Requires COUs to conduct a periodic wildfire risk assessment of utility facilities.

OPUC

AR 631 - We have listened in on two workshops in this administrative rule making process concerning "Procedures Terms and Conditions Associated with QF Standard Contracts". We are well represented in these discussions by Greg Adams who continues to demonstrate his expertise in matters related to PURPA and FERC. The current schedule indicates that the OPUC might get the final staff recommendation by August. But given the complexities involved my guess is that date will be later.

Marie Barlow of NewSun put together a chart indicating the timelines of several of these OPUC proceedings (see meeting materials) to make the case that rule making at the OPUC is a very time consuming process. That is why we have supported accelerating the RPS as the most expedient path to decarbonization of the grid.

The ECONorthwest study commissioned by NewSun (see meeting Materials) also demonstrates the economic advantages of building new projects in Oregon to which the IOUs seem resistant (see story on PAC using Montana wind to service Facebook in Prineville, for instance).

Other -

In meeting materials you should find:

> You Tube video about obsolete wind farms and what happens when they are no longer viable. I believe that most projects in our region required bonds for removal of the structures if no longer in use. I have been told Klondike 1 can't be re-powered due to size of base. I think this is an issue that needs further investigation.

> Facebook Prineville's acquisition of renewable energy from PAC has come under some scrutiny:

<https://www.bizjournals.com/>

> Memo from Robin Freeman, OPUC to Rep. Marsh regarding HB 2021-8, the impacts of 8% requirement.(see in meeting materials)

> Brittany Andrus chart on OPUC timelines

Next Meeting - May 14