



TO: Commissioners Schlossberg, Brown, Carlson, Barofsky and McRae
FROM: Frank Lawson, CEO & General Manager
DATE: January 4, 2022
SUBJECT: Resolution No. 2204, Update to Board Policy SD15 – Climate Change Policy
OBJECTIVE: Action – Approval of Resolution No. 2204

Issue

Potential approval of Resolution No. 2204, amending Board Policy SD15, Climate Change Policy.

Background

On November 2, 2021, Commissioners directed the General Manager to prepare potential revisions to Board Policy SD15, Climate Change, for further deliberation and consideration. Prior to the November Regular Board Meeting, an informational memorandum ([Board Policy: SD15 Climate Change Policy Review/Kickoff](#)) was provided highlighting the history of the policy, status of directives, and an overview of other utility’s policies on climate change and/or greenhouse gas emissions.

In preparation for the following board meeting in December, [a memorandum describing proposed revisions to Board Policy SD15, Climate Change](#) was provided to Commissioners. On December 7, 2021, Commissioners deliberated on the proposed changes, provided guidance, and requested time on the January meeting agenda for final review and potential approval of the revised policy.

Discussion

At the December 7, 2021, Regular Board Meeting, Commissioners engaged in a conversation related to the potential revisions to Board Policy SD15, Climate Change. In summary, Management garnered the following guidance and direction from that conversation.

1. Commissioners are satisfied and supportive of the policy revisions, with minor suggestions as highlighted in the “Mark Up” attachment.
2. There is an interest in reviewing the policy in approximately one year to ensure effectiveness and provide adjustment opportunity.
3. “Emissions” can be further defined as “Greenhouse Gas Emissions” for the purpose of this policy
4. Commissioners expressed varying opinions about the level of detail related to EWEB’s GHG inventory and decisions associated with Scope 3 (indirect) greenhouse gas emissions from the supply chain, using concrete and steel as examples. While this, along with energy fuel sources, is not directly included in the “EWEB Operations” directive, major decisions will include this as a triple-bottom-line (economic, environmental, social) criterion. Included in the policy are provisions for Scope 3 GHG reporting, where applicable and practical.

5. Equity should be considered when evaluating the benefits and impacts of decisions and should also be included in upcoming general Board Policy conversations.

As a result of the deliberation, including the guidance and commentary summarized above, a resolution for the proposed adoption of Board Policy SD15, Climate Change Policy, as amended, is presented for the Board's consideration. A clean and markup copy of the policy are attached herein.

Recommendation

Management recommends that the Board approve Resolution No. 2204, Update to Board Policy SD15 – Climate Change Policy.

Action

Approval of Resolution No. 2204, Update to Board Policy SD15 – Climate Change Policy.

Attachment(s):

Proposed Changes: SD15 Climate Change Policy (Clean Draft)

Proposed Changes: SD15 Climate Change Policy (Markup Draft, Reflecting Changes Since December Only)

Resolution No. 2204, Update to Board Policy SD15 – Climate Change Policy

SD15 Climate Change Policy

Effective Date: January 4, 2022

The Board recognizes that climate change presents ongoing environmental, economic, and social risk to EWEB, our customers, community, and the world. Greenhouse gas (GHG) emissions from human activity are known to be the primary cause of climate change, with the energy, industrial, construction, agricultural and transportation sectors generally identified as the primary sources of greenhouse gas emissions in the United States.

The primary direct impacts to EWEB operations from climate change include changes in streamflow – quantity and timing– affecting hydroelectric generation, impacts to water quality and watershed health, increased risk of wildfires, changes in consumption patterns, and increasing threats from extreme weather events. The Board also recognizes that EWEB, as a water and electric utility, impacts our climate through electric generation resource choices, business practices, and the operation and maintenance of our assets, lands, buildings, and transportation fleet.

Consistent with EWEB’s Vision, Mission, and Values (SD1), the Board supports EWEB taking an active role in combating and mitigating the impacts of climate change, within the context of and while executing our strategy and ongoing operations.

Accordingly, the following *primary directives* are adopted,

- **Power Generation:** The Board is committed to supporting a **low-carbon electric power portfolio** that maintains, on a planning basis, over 90% of annual energy from carbon-free resources and targets over 95% of annual energy from carbon-free resources by 2030 to the extent possible and practical without distinct adverse impacts to customer-owners. Using the Integrated Resource Plan (IRP) process including final adoption by resolution (GP7), the Board will work with the General Manager to establish the long-term (20-year) principles, priorities, approaches, definitions (including carbon-free, carbon intensity), measurements, and goals for the electric generation portfolio, demand response, conservation and energy efficiency, and customer impact limitations (including but not limited to reliability, cost, and equity) supporting this directive.
- **Climate Policy:** The Board authorizes, delegates, and directs the General Manager to participate in local, state, and regional efforts to encourage, develop and **enact measures to minimize and/or mitigate GHG emissions** that contribute to climate change. Consistent with Board Policy (GP13), prior to legislative sessions the Board develops and guides EWEB’s positions relative to legislation, including those related to climate and environmental policy supporting this directive.
- **EWEB Operations:** The Board further authorizes, delegates, and directs the General Manager to continue efforts to **minimize and/or mitigate GHG emissions from EWEB’s operations** that contribute to climate change. As initially established in 2010, EWEB adopted a goal to reduce the Scope 1 and 2 (direct GHG emissions and energy) greenhouse gas emissions associated with its operations and facility management activities. Accordingly, and as formally established by this directive, EWEB plans to reduce our net Scope 1 and 2 GHG emissions from operations relative to 2009 levels by 25% by 2020, 50% by 2030, and achieve carbon neutrality from our operations by 2050.
- **Customer Decarbonization:** The Board further authorizes, delegates, and directs the General Manager to **assist customers with achieving their GHG emission reduction goals** through partnerships, technical assistance, resources, and programs that support, but are not limited to,

energy efficiency, alternative fuels, electric and water conservation, electrification, and carbon offsets and sequestration. Long-term conservation, energy efficiency, and demand-response goals are established as part of the IRP process. Additional program objectives, incentives and budgets will be established annually, as applicable, and/or through revisions to the strategic plan.

- Impacts on EWEB: Consistent with resiliency initiatives included in EWEB's approved strategic plan, the Board directs the General Manager to evaluate and enact measures, as necessary and appropriate, to prepare for and ***minimize the effects of climate change that could impact EWEB's*** water and electric supply and infrastructure, damaging EWEB's resiliency and reliability.

IMPLEMENTATION:

In support of the *primary directives* identified above, major decisions and actions, including those related to this policy, will be evaluated based on a triple-bottom-line methodology, including assessments of consistency with the organization's values, including safety, reliability, affordability, environmental stewardship, transparency, and equity.

The Board and General Manager will work together to develop annual goals, consistent with Board Policy BL4 and BL5, related to the *primary directives*, as applicable, including milestones and measurements, and reporting frequency.

So that EWEB's actions are visible to our community, at least annually EWEB will compile and report GHG emission reduction and/or mitigation activity, including a greenhouse gas inventory (Scope 1 and 2, along with Scope 3 where impactful, applicable, and practical), and will calculate and publish the carbon intensity of our energy portfolio. Definitions, GHG emission reduction and/or mitigation details (e.g., fuel mix, use of offsets, etc.) and carbon accounting methods will be published, consistent with industry standards and/or official reporting requirements where applicable.

Source: Steve Newcomb, Environmental Manager, Approved 09/18/07; Revised 07/10/18, Resolution No. 1820; Revised 01/04/2022, Resolution No. 2204

SD15 Climate Change Policy

Effective Date: ~~Month, dd, yyyy~~ January 4, 2022

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**RESOLUTION NO. 2204
JANUARY 2022**

**EUGENE WATER & ELECTRIC BOARD
UPDATE TO BOARD POLICY SD15 – CLIMATE CHANGE POLICY**

WHEREAS, the Eugene Water & Electric Board (EWEB) maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS, the Board of Commissioners periodically reviews said policies and identifies required modifications or amendments to those policies; and

WHEREAS, the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board with regard to governance, Board-staff linkage, strategic direction, or executive limitations; and

WHEREAS, the Board of Commissioners has reviewed an amendment to Board Policy SD15, Climate Change, and has determined that the amendment is appropriate and necessary to reflect the Board's commitment to take an active role in combating and mitigating the impacts of climate change within the context of EWEB's strategy and operations. The amended policy shall be reviewed in approximately one year to ensure the policy is achieving the desired effects on EWEB operations.

NOW, THEREFORE, BE IT RESOLVED the Eugene Water & Electric Board hereby approves the amended Board Policy SD15 – Climate Change.

DATED this 4th day of January 2022.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its January 4, 2022 Regular Board Meeting.

Assistant Secretary