



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown

FROM: Julie McGaughey, Chief Customer Officer; Anna Wade, Customer Solutions Manager (AIC)

DATE: October 22, 2023

SUBJECT: Gap Analysis of EWEB and Sacramento Municipal Utility District programs

OBJECTIVE: Information Only

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## **Issue**

At the August 2023 Board Meeting, a representative from Sacramento Municipal Utility District (SMUD) presented information relating to energy efficiency and electrification programs, with an emphasis on rental units. Commissioners indicated interest in assessing whether additional opportunities exist to expand on EWEB's current offerings relative to the suite of programs presented by SMUD. This memo and gap analysis is provided for the Board's information.

## **Background**

Board members met independently with the Customer Solutions Manager in April 2023 to learn more about EWEB's portfolio of efficiency programs available to various customer segments. Many of EWEB's products and services have been available to customers for 20+ years, while others, particularly those relating to transportation electrification, have been added more recently.

Peer assessment of EWEB offerings is regularly undertaken to ensure continuous improvement, industry best practices, and to identify emerging products that may advance EWEB's Strategic Plan.

## **Discussion**

Staff has prepared a high-level comparison of utility characteristics and gap analysis of programs presented by SMUD. The gap analysis covers four categories: Energy Efficiency, Energy Assistance, Electrification, and Engagement. Select EWEB cost per kWh reflects 2022 results and program pricing. Recent updates to EWEB's conservation programs will effectively increase these metrics.

# Utility Comparison: At a Glance

EWEB and SMUD share many values and priorities. Both utilities seek to facilitate a clean energy transition and strive to exemplify the benefits of Public Power. We are customer focused and future oriented, with much to learn from one another. Each utility seeks to deliver strategic priorities from a different starting point, with unique advantages and challenges.



Prioritization

Carbon Reduction  
Inclusion  
Electrification



Reliability  
Affordability  
Conservation

50% Carbon  
Neutral



90% Carbon  
Neutral

Portfolio

Financial

Retail Revenue:  
\$1.68 Billion



Retail Revenue:  
\$210 Million

Community Investment Plan:  
Current: \$13.5M or 1% of revenue  
Future: \$30M or 2% of revenue

EWEB comparable  
product suite:  
\$5.4M or 3% of revenue

\$131 Electric Bill



Basic Charge: \$23.50  
Summer: \$0.1350 - \$0.3279  
Non-Summer: \$0.1120 - \$0.1547

\$96 Electric Bill

Basic Charge: \$23.50  
All Months: \$0.0972

Rates

Electric Bill based on a residential customer using 750 kWh

## Energy Efficiency

Table Key	
Y	Currently Offered
N	Not Offered
P	Planned or in progress
U	Unknown

Program	SMUD	EWEB	EWEB Cost per kWh Saved
Ducted Heat Pumps	Y	Y	\$0.62
Ducted Heat Pumps - LI	Y	Y	\$2.34
Ductless Heat Pumps	Y	Y	\$0.37
Ductless Heat Pumps - LI	Y	Y	\$1.77
HPWH (Heat Pump Water Heaters)	Y	Y	\$0.63
HPWH - LI	Y	Y	\$1.34
Seal & insulate	Y	Y	\$1.42
Seal & Insulate - LI	Y	Y	\$2.16
Residential Windows	N	Y	\$0.62
Appliances	Y	N	-
Multifamily Units	Y	Y	\$0.27
Smart Thermostats	Y	Y	-
Commercial Lighting	Y	Y	\$0.08
Commercial HVAC	Y	Y	\$0.40
Commercial Custom	Y	Y	\$0.25

**Appliances:** In the past, EWEB offered rebates for appliances such as refrigerators with an Energy Star rating. These programs were discontinued as consumer options for non-efficient appliances diminished and incentives were no longer required to encourage efficiency. Energy Star ratings are ubiquitous in today's marketplace.

**Smart Thermostats:** EWEB recently signed an agreement with General Pacific to offer point of sale rebates on the purchase of qualified smart thermostats. The program will qualify for BPA reimbursement and will incentivize the installation of in-home infrastructure that will support future programs relating to time of use and demand response. Cost per kWh will be assessed over time.

## Energy Assistance

Program	SMUD	EWEB	SMUD Assistance	EWEB Assistance
Rate Discount	Y	N	\$120 - \$840	-
Residential Bill Credits	N	Y	-	\$280
Unhoused Support Services	Y	Y	\$120 - \$840	Up to \$1,000
Medical Equipment Discount	Y	N	\$180	-

EE Premiums for LI	Y	Y	Variable	Variable
Electric Service Repair or Upgrade (LI Only)	Y	Y	\$2,500	\$5,000
Generators	N	Y	-	0% Loan
Load Flexibility Programs (DR)	Y	P	Variable	-

**Rate Discount:** EWEB is in the process of developing a two to five-year rate strategy which will assess a broad range of potential enhancements. Through this process, the utility may consider the benefits and drawbacks of delivering bill assistance through a rate discount vs fixed annual credits.

**Medical Equipment Discount:** Staff are currently working to improve identification of medically sensitive customer accounts for the purposes of outage management and service restoration. A discount for customers with in-home medical equipment is not currently being considered.

**Load Flexibility Programs:** Rollout of time-based pricing structures is not possible with existing customer and financial systems. A horizontal team, led by Customer Solutions, will be developing a comprehensive Demand-Side Optimization Study (D-SOS) over the next year. The results of this analysis will inform Integrated Resource Plan (IRP) assumptions and provide customer segmentation intelligence and product development guidance. EES program implementation, combined with cost/benefit analysis, will enable EWEB to explore and deliver load flexibility programs.

## Electrification

Program	SMUD	EWEB	SMUD Rebate/Discount	EWEB Rebate/Discount
EV Rate Discount	Y	N	\$0.015	-
EV Purchase Incentive (LI Only)	Y	N	\$9,500	-
EV Charging - SF homes	Y	Y	\$1,000	\$500
EV Charging - MF Units	Y	Y	Varies	\$2,000
EV Charging - Commercial	Y	Y	Varies	\$1,500
EV Community Grants	N	Y	-	\$25,000
Car Sharing	P	Y	-	Varies
e-bikes	N	Y	-	\$300
Solar Generation Rates	Y	Y	0.0740	0.0693
Solar Incentives	N	Y	-	\$2,500 - \$12,500
Battery Storage	Y	N	\$2,500	Loan Only
Community Solar	Y	N	Varies	-
Building Electrification	Y	Y	Varies	Varies

**EV Rate Discount:** As with other potential rate enhancements, EWEB will assess the appropriateness of EV rate discounts within the context of a comprehensive rate study.

**EV Purchase Incentive:** EWEB prioritizes charging infrastructure over asset subsidization. This decision is aligned with future time of use programs, resource optimization, and reliability. As noted above, EWEB offers EV Charging incentives across customer segments.

**Car Sharing:** For limited-income populations, EWEB supports EV access outside of a vehicle ownership model through our GoForth CarShare program.

**e-bike:** EWEB’s e-bike rebate is offered to enhance transportation electrification with a low-cost option that carries limited maintenance costs, parking or charging considerations, and no insurance or driver’s license requirements. E-bikes help the utility address accessibility issues relating to e-mobility.

**Battery Storage:** EWEB’s initial IRP results selected battery storage as a potentially viable resource option. The Board will make decisions on utility investments in energy storage, among others, as more data emerges. EWEB’s Backup Power Program offers customers zero-interest loans to support generator or battery investments.

**Community Solar:** Complex billing requirements for community solar projects will become possible with near-term replacement of EWEB’s existing Customer Information System. Project siting, cost, value, and equity are all factors that must be analyzed to support community solar offerings in the future.

## Engagement

Program	SMUD	EWEB	Description
Online Energy Store	Y	P	Retail items available through utility website
Segmentation & personalized marketing	Y	P	Customer specific product offerings and promotion
Urban Tree Planting	Y	N	Subsidized tree planting & maintenance
Home Energy Audits	Y	Y	Identify conservation opportunities
Rental unit consumption history	U	Y	Know before you rent utility costs
E-Mobility events	P	Y	Community outreach, education, & test drives
Non-profit agency collaboration	Y	Y	Leverage existing service channels
IRA integration	P	P	Develop/provide consumer guidance
Municipal Government	Y	Y	Engagement with City initiatives
State Government	Y	Y	Engagement with state-wide initiatives
Go Forth	U	Y	EV Infrastructure & regional partnerships
Retail Partnerships	Y	Y	Point of sale rebates, marketing & promotion

**Online Energy Store:** Customer access to retail products is actively being discussed within the context of EES functionality requirements. This offering is not possible with existing systems.

**Segmentation & personalized marketing:** Data-driven customer segmentation will be central to the D-SOS. This analysis, coupled with the Emarsys marketing platform (EES Season 1), will enable the utility to deliver customer-specific marketing. This offering is not feasible with existing systems or available data.

**Urban Tree Planting:** Friends of Trees has been awarded the EWEB Greenpower Grant on three separate occasions. These projects have targeted underserved neighborhoods to improve tree canopy and mitigate the effect of urban heat islands.

**IRA Integration:** Customer Solutions staff are actively monitoring eligibility and implementation updates as they come available. Existing efficiency offerings will seek to align with these requirements to streamline customer access to multiple funding streams. EWEB will leverage Oregon’s one-stop program information for customers. Staff are participating in all events and listening sessions that provide updates and information on IRA program design.

**City of Eugene Collaboration:** EWEB staff regularly collaborate with City employees on a variety of topics, including economic development, e-mobility, crisis response (COVID-19, Holiday Farm Fire), environmental policy goals, and building electrification.

**OR State Collaboration:** Recent collaboration includes Septic and Heat Pump Hot Water Heater grants.

**Retail Partnerships:** EWEB recently signed an MOU with Jerry’s Home Improvement to deliver point of sale rebates for heat pump water heaters (HPWHs). This option is in addition to an existing partnership with General Pacific, which provides point of sale rebates for HPWH and Smart Thermostats. Retail partnerships reduce upfront costs and eliminate product selection complexity for customers.

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## **Conclusion**

Both EWEB and SMUD offer and deliver robust programs to customers to deliver strategic priorities to customer-owners. Each utility must assess trade-offs between competing priorities. On balance, few gaps exist between program offerings. Many of those gaps reflect necessary infrastructure and customer analytics needs that will be forthcoming. EWEB is committed to on-going program evaluation and will make adjustments or additions as warranted.

## **Recommendation**

This gap analysis is provided for information only.

## **Requested Board Action**

None at this time.



# MEMORANDUM

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TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg  
FROM: Jason Heuser, Public Policy and Government Affairs Program Manager  
DATE: October 27, 2023  
SUBJECT: November 2023 Legislative/Policy Update  
OBJECTIVE: Information

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## **Issue**

EWEB monitors, influences, and strategically plans around legislative and regional policy issues.

## **Background**

The Board adopts general policy directives for advocacy on legislation and other public policy matters, which guide the work of EWEB's lobbying activities. When political considerations test the applicability of those directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm policy directives or direct staff to make necessary adjustments.

## **Discussion**

The following is an update on interim state and federal legislative/administrative issues.

### Emerging 2024 State Legislative Session Issues:

The agenda and length of the upcoming 2024 Oregon Legislative Session is still expected to be narrow and short, consistent with the session preview given by EWEB staff at the September 5<sup>th</sup> EWEB Board Meeting. Committee informational hearings are still expected to address Data Center/Crypto Mining Electric Load Growth and emerging Western Organized Electricity Markets/Regional Transmission Organization proposals, foreshadowing probable interim legislative task forces or work groups and consideration of legislative concepts relating to these topics in the regular and longer 2025 Oregon Legislative Session.

### Oregon Energy Security Plan Rulemaking Kickoff:

The Oregon Department of Energy (ODOE) has been directed by the federal government, in conjunction with SB 1567 passed by the Oregon Legislature, to prepare an Energy Security Plan for Oregon. The plan will identify risks to electricity, liquid fuel, and natural gas/propane systems, and propose ways to mitigate those risks.

The plan will specifically examine the vulnerability of a six-mile stretch of Portland's industrial Northwest known as the Critical Energy Infrastructure Hub, an area home to more than 600 storage tanks full of fuels like oil, gasoline and diesel through which around 90% of the state's liquid fuel supply is transported through and where scientists say the soil would likely liquefy during an earthquake and could dump millions of

gallons of stored fuel into the river.

The Oregon Department of Environmental Quality (DEQ) already completed recently their role assigned by SB 1567 to develop a program that evaluates the vulnerability of fuel tank systems to earthquakes and requires facilities to develop a plan to minimize seismic risk.

ODOE kicked off work October 16<sup>th</sup> on their parallel SB 1567 assignment to update Oregon's federally required State Energy Security Plan. Specifically, ODOE has been tasked with recommending measures designed to make Oregon's energy infrastructure and delivery systems more resilient to a variety of hazards, including severe weather (flooding, wildfires, earthquakes, etc.), systems and infrastructure failures, pandemics, deliberate physical or cyber-attacks, and other events. The potential strategy may require identifying and mitigating barriers to implementing a more geographically distributed state fuels network, which could include assessing what is required to increase storage capabilities at existing storage locations around the state and building new storage facilities.

#### Federal Willamette Power Generation Deauthorization Study Kicks Off

The US Army Corps of Engineers (USACOE) held virtual information sessions Sept. 13 and 14 to kick off a directive authorized by the Federal Water Resources Development Act (WRDA) of 2022 that requires the Corps to complete a study by June examining the impacts of deauthorizing hydropower in the Willamette Valley System, including economic analysis as well as impacts to dam safety and Endangered Species Act (ESA) compliance.

The 13 federal Willamette dams were authorized separately by Congress but operate as a system. The purposes authorized for each dam vary, and can include flood risk management, power generation, water quality improvement, water supply, irrigation, fish and wildlife habitat, and recreation. The eight hydroelectric projects in the Willamette system combined generate about 500 MW of power and are operated for the purpose of generating power marketed by the Bonneville Power Administration (BPA) as well as backup power for operating the dams.

EWEB, in coordination with the Public Power Council (PPC) has advocated in recent years for Congress to examine the high overall operating costs and the large cost share assigned to power generation and BPA from the Willamette Project for the relatively small generation output, resulting in the inclusion of the study in the 2022 WRDA Act. Conservation groups also have advocated for the study in the pursuit of examining the potential for greater flexibility if power generation ceased to operate the dams to aid fish.

Later this year, the Corps will also host separate public "listening" sessions, during which the public can provide their perspective and opinions on the future of hydropower across the Corps' Willamette Valley system of dams. The Corps will record the comments during those sessions and include them in its report to Congress verbatim to help inform Congress' decision-making process.

#### **Recommendation/Requested Board Action**

These are informational updates, and no action is required at this time.





# MEMORANDUM

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TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown

FROM: Deborah Hart, Chief Financial Officer; Quentin Furrow, Purchasing and Warehouse Supervisor

DATE: November 7, 2023

SUBJECT: Procurement Processes and Requirements for Board Approval

OBJECTIVE: Information

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## Issue

EWEB's Board has adopted rules of procedure for contracts subject to Oregon Revised Statutes (ORS) 279A, 279B, and 279C, also known as the Public Contracting Code. EWEB Rules Division 1-6 govern these procurements.

## Background

Public contracting processes are established to be professional, fair, mitigate risk, obtain the greatest value for the utility, and to foster competition for contracting opportunities whenever feasible. It is important that EWEB's customers as well as contractors and our business partners trust the integrity of our processes. With few exceptions, and/or unless permitted by the Oregon Public Contracting Code and EWEB Purchasing Rules, the Board approves contracts where the value meets or exceeds \$150,000 or when a prior approval will be exceeded by 25%. The Board is tasked with approving a large variety of purchases, therefore; the following information is provided to describe in more detail some of the terminology, requirements, sourcing, selection processes, and other information listed on EWEB Board Consent Calendar Request items.

## Discussion

For those contracts between \$40,000 and \$150,000, a Quarterly Contracts report is provided for the Board's review and comment as part of quarterly reporting. Most items brought before the Board are the result of a formal solicitation process, primarily either a Formal Invitation to Bid (ITB) or Formal Request for Proposal (RFP). When a solicitation is referred to as "Formal", it indicates the estimated dollar amount of the offers/proposals is expected to exceed board thresholds:

- over \$100,000 for Public Works/Construction
- over \$150,000 for a traditional ITB or RFP
- over \$250,000 for a Qualifications-Based Selection (QBS) RFP

A “Formal” solicitation process generally calls for additional advertising and requirements that are dictated by statute. The following discussion outlines various solicitation forms and resulting contract types common to Board process.

## **Solicitation Types**

### **Invitation To Bid (ITB)**

- The only criteria for selection are price and ability to meet specifications/requirements
- Provides standardized information about the materials or services needed, such as specifications, scope of work, duration, and conditions
- Can be for goods or services or a mix of both

### **Construction or Public Works Construction (ITB)**

- A type of ITB, generally used for public works projects requiring construction services
- includes, but is not limited to, roads, highways, buildings, structures, and improvements of all types (construction, reconstruction, major renovation, or painting)
- Contains additional requirements not included in goods or services solicitations

### **Request For Proposals (RFP)**

- Utilizes additional evaluation criteria such as company experience, key staff experience, and/or project approach, and adds scoring to determine the highest ranked proposer(s)
- Used when EWEB requires more control over total value offered vs. lowest price
- Cannot be used for construction, per ORS

### **Request for Proposals (RFP) using Qualifications-Based Selection (QBS)**

- Similar to the traditional RFP and must be used when procuring engineering, architectural, or land surveying services
- Key difference in the QBS RFP is price cannot be reviewed until proposers are first evaluated and ranked for quality of services. Pricing for finalists is then reviewed and included in the final scores

## **Contract Types**

### **Goods (Product, Material, Equipment – ITB or RFP process)**

A solicitation for goods will generally result in a one-time purchase or the award of a price agreement for product purchases “as needed, when needed”. Contracts for goods are usually based on fixed prices for a particular quality and quantity of product. Specifications are written to define the product’s minimum acceptable quality, features, and functionality.

### **Personal Services Contract (PSC – RFP or QBS RFP process)**

A Personal Services Contract (PSC) is a contract used for specialized skills, knowledge, and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment. Some examples include the services of an

engineer or services related to engineering, information technology consultant, architect, attorney, designer, or consulting specialists for fields such as HR, Finance, Safety etc.

#### **Trade Services/Services Contract (ITB or RFP process)**

Trade services include contracts for specific service tasks needed on a regular or requested basis. Examples of trade services are janitorial, court recording, transportation services, office machine maintenance, cellular, annual inspections, building system maintenance, and various other services.

#### **Cooperative Procurement (Cooperative or Coop)**

A “Coop” is a contract executed by a public agency, or a cooperative entity in the business of soliciting for and creating cooperative contracts to be used by public agencies, where EWEB or other authorized parties can piggyback terms and pricing of the contract without the need for a solicitation. The cooperative agency must use the same rules EWEB is required to abide by if EWEB desires to use the contract. Cooperative procurements benefit EWEB by leveraging the expertise and buying power of multiple agencies and participants to provide a value better than a single agency working alone. Unless EWEB is initiating the Cooperative Procurement as the lead agency, the Board is only asked to authorize the use of the Coop since the contracts have already been approved by another contracting authority.

#### **Price Agreement or Requirements Contract**

This is a Goods and/or Services contract used when EWEB needs a list of commodities and/or services available at pre-agreed upon prices and only purchases when needed.

#### **Master Services Agreement (MSA)**

Often thought of as an “on-call” contract for services, including professional services such as engineering and legal consulting. This is a price agreement or requirements contract for personal services.

#### **Intergovernmental Agreement (IGA ORS 190.010)**

Oregon law gives government units the ability to enter into written agreements with another unit or units of local government for the performance of any or all functions and activities that are party to the agreement, its officers, or agencies, have authority to perform.

#### **Sole-Source Procurements (ORS 279B.075 and EWEB Rule 3-0275)**

Sole-source exemptions allow EWEB to award contracts for goods or services without competition when, after reviewing findings of fact, EWEB determines that the goods or services are available from only one source. The findings must document reasons such as EWEB’s need, the project's requirements, EWEB’s attempt to find similar products, the urgency, the reason why the purchase will not encourage favoritism, and other criteria outlined in ORS and EWEB Rules.

#### **Emergency Contracts (EWEB Rule 3-0280)**

EWEB, with the concurrence of the Purchasing Supervisor, responsible Executive Team member, and the General Manager, may award a public contract for goods or services as an emergency procurement without a competitive solicitation if an emergency exists. The emergency is defined

as circumstances that could not have been reasonably foreseen; create a substantial risk of loss, damage or interruption of services or a substantial threat to property, public health, welfare or safety; and require prompt execution of a contract to remedy the condition.

**Qualified Rehabilitation Facilities/Oregon Forward Program**

ORS commands public agencies to acquire products and services from qualified rehabilitation facilities (QRFs) when those products or services have been placed on the QRF procurement list by the Department of Administrative Services (DAS). The Oregon Forward Program, formerly known as the QRF Program, fulfills the state laws supporting meaningful work opportunities for Oregonians living with physical, mental, and developmental disabilities. DAS works cooperatively with Oregon Forward Contractors and public agencies to develop and maintain contracting opportunities for Oregonians with disabilities.

**Requested Board Action**

This item is for information only and accordingly there is no requested Board action.