MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson
FROM:	Aaron Orlowski, Sr. Communications Specialist; Brian Booth, Chief Energy Resources Officer; Ben Ulrich, Lead Energy Resource Analyst; Jonathan Hart, Power Planning Supervisor; Eli Volem, Resource Analyst
DATE:	Nov. 5, 2024
SUBJECT:	Community Table Session 1 Feedback
OBJECTIVE:	Information

Issue

EWEB held the first session of the Community Table on Oct. 4, 2024. This memo describes the Community Table, the session itself and the feedback collected. It also contextualizes how the Community Table relates to EWEB's overall community engagement strategy. The Appendix contains the full feedback.

Background

As part of the public engagement for EWEB's 2025 Energy Resource Study (ERS), EWEB has launched a focus group called the Community Table. EWEB invited 24 community representatives from diverse interest groups and backgrounds (including low-income representatives, affinity groups, environmental groups, business leaders and others) to journey with us as we plan our energy supply future.

The ERS is an analytical tool that will provide quantitative reference points that help EWEB management and the Board of Commissioners make choices about the Bonneville Power Administration (BPA) contract options. The quantitative analysis in the ERS is just one factor in the BPA contract decision, however. EWEB will weigh other qualitative factors, too. The Community Table will help EWEB navigate these qualitative tradeoffs by illuminating how community values intersect with energy resource decisions.

Discussion

Community Engagement Overview

As a community-owned utility, EWEB prioritizes open, transparent governance that allows community members to participate in decision-making. Customers can vote in elections for EWEB's Board of Commissioners, attend public meetings and contribute to discussions in various public forums. EWEB transparently makes information available for customers who seek to understand decision-making rationale via our Board materials, website and other communications channels.

But EWEB's community engagement extends beyond transparent governance. We seek to actively engage the public in key decision-making processes because those decisions have ramifications that last years. We invite

and encourage our customers to go beyond merely observing EWEB's governance to participate in our engagement processes. As we encourage that participation, we are committed to seeking out diverse perspectives that reflect the wide range of lived experiences in our community.

There are various types of public engagement, with differing levels of influence. The International Association for Public Participation (IAP2) offers a Public Participation Spectrum that EWEB uses to guide these efforts. In the model, public involvement ranges from simply informing the community to enabling collaborative decision-making. Many of EWEB's engagements focus on informing and consulting customers through accessible communication channels, participatory public meetings, and feedback mechanisms.

EWEB designed the Community Table with the commitment that we **consult** them. The IAP2 defines "consult" as: "We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision."

It's essential to understand that requesting public input, while valuable, does not always imply that all suggestions will be incorporated into the final decision. Instead, EWEB considers each perspective as part of a comprehensive evaluation process, balancing public input with legal, financial, and operational considerations to arrive at decisions that responsibly serve the entire community. By clarifying expectations and showing how feedback influences our choices, we aim to maintain transparency and build trust, even when complex issues require nuanced solutions.

Community Table Structure

What is the goal of the Community Table?
EWEB designed the Community Table thoughtfully, with the goal of hearing from and understanding a wide range of community values and opinions as they relate to energy supply choices.

What will EWEB do with the feedback?
EWEB's commitment to participants is to **consult** them. We will gather feedback and listen to and acknowledge their values and perspectives. We will share how their input shaped the final outcomes. The ultimate decision-makers are EWEB's publicly elected Board of Commissioners. Practically speaking, this means that EWEB will collect feedback from the Community Table, compile it and deliver it to the Board of Commissioners.

Why was the group designed the way it was?
There are many ways to conduct meaningful community engagement, each with benefits and challenges. EWEB chose to invite representatives of nonprofit, for-profit, community and government organizations that serve and work with distinct segments of the community. EWEB reasoned that these representatives could devote the time to learning intricate subject matter and could incorporate the perspectives of the communities they serve.

This approach allows for deeper discussions, ultimately leading to more thoughtful input and better outcomes for the entire community. In contrast, inviting the general public could dilute the focus and depth of engagement, making it challenging to achieve the same level of nuanced understanding and representation.

How did EWEB choose the invitees?
EWEB intentionally chose representatives of organizations that potentially hold diverse perspectives on which energy supply options should be prioritized. By gathering individuals with varied backgrounds and interests,

EWEB aimed to foster a rich exchange of ideas, allowing participants to hear from one another and recognize the multitude of differing opinions within our community. This collaborative environment is crucial for understanding the range of views that must be considered in the Board's decision-making process.

How does the Community Table relate to EWEB's DEI goals?
Part of EWEB's Diversity, Equity, and Inclusion Policy (SD23) "directs the General Manager to facilitate productive, inclusive, and respectful Community engagement … and Equitable opportunity to participate in our … public processes." The Community Table is an initiative for EWEB to more intentionally solicit community feedback from diverse perspectives, give more opportunity for under-represented groups to participate in public processes and create a welcoming environment for them to do so. Future iterations of the Community Table will improve on this one.

When was the first session and how many sessions will EWEB hold?
EWEB hosted the first session of the Community Table on Oct. 4, 2024. EWEB will hold at least one more session of the Community Table to gather additional feedback about the BPA product choice. Additional sessions on that, or other topics, may be planned.

What was the content of the first session?
During the first session of the Community Table, EWEB staff focused on collecting feedback about values that are relevant to EWEB's energy supply decisions. This was intentional, and a way to lay the groundwork for future discussions. For the most part, staff refrained from discussing details of the Bonneville Power Administration contract decision. Discussions of that topic will be the focus of a future Community Table session.

Who was invited to and attended the Community Table?
EWEB hosted the first session of the Community Table Oct. 4, 2024. EWEB invited representatives from a diverse cross section of local institutions, large customers, environmental groups, housing entities and affinity groups. Of the 24 invited, 16 responded that they could attend and 14 attended.

	Attended?
350 Eugene	Yes
Asian Council of Oregon	No
Beyond Toxics	Yes
Breach Collective	Yes
Centro Latino Americano	No
Community Alliance of Lane County	No
Emerald Valley Electric Vehicle Association	No
Eugene Area Chamber of Commerce	Yes
City of Eugene	Yes
Homes for Good	Yes
International Paper	Yes
Lane County	Yes
Lane Small Business Development Center	No
Lane Transit District	No
Looking Glass Community Services	No
Rental Owners Association of Lane County	Yes

NAACP of Lane County	No
Oregon Just Transition Alliance	No
PakTech	No
Sierra Pacific Industries	Yes
Springfield Eugene Tenant Association	No
St. Vincent de Paul	Yes
Thermo Fisher Scientific	Yes
University of Oregon	No

How will EWEB improve the Community Table in the future?
EWEB embraces a culture of continuous improvement. This session marked the first time EWEB employed the Community Table format for gathering public input, and we are committed to learning and adapting as we go. Recognizing that each engagement experience is unique, future sessions may be structured differently based on the insights gained from this initial event. We are eager to refine our approach to better serve our community's needs and develop deeper relationships with diverse community interests.

Summary of the feedback collected during the first session

Several themes emerged from the feedback participants offered during the first session. This initial feedback reflects only one part of EWEB's broader public engagement strategy. EWEB will continue to seek input from a diverse range of community members to better understand customer needs and preferences for the Board's consideration alongside technical and operational insights provided by EWEB staff.

Local Control and Autonomy: The feedback shows a preference for local decision-making. Participants value EWEB's role as a community utility, which allows for responsiveness to local needs and opportunities for community-specific initiatives like community solar and localized power generation.

Reliability and Resilience in Transition: Participants emphasize the importance of maintaining power reliability, even as we pursue carbon reduction goals. They recognize that while environmental targets are essential, reliability remains crucial for economic stability and community trust.

Equity and Energy Justice: The idea of energy justice resonates strongly, with calls to make greater renewable energy and efficiency incentives accessible to low-income and vulnerable populations. There's also concern over energy burden, with participants noting that energy expenses disproportionately impact low-income households.

Affordability: Affordability remains a foundational concern, with a focus on balancing low costs with environmental and resilience goals.

Community Engagement and Education: Respondents want to be actively involved in EWEB's energy decisions and envision a role for the utility in educating the community on sustainable options, like rooftop solar, batteries, and microgrids. This desire for engagement suggests a path for EWEB to build understanding and support for necessary tradeoffs and complex decisions.

Second session planning

EWEB staff are planning the second session of the Community Table, which is scheduled for Friday, Dec. 13. Staff are planning to dive deeper on the concept of "local control." Though participants in the first session broadly agreed about the value of local control, they likely have nuanced and possibly differing opinions about what local control means. For instance, does it include local power generation? What kind?

Staff welcome Commissioner input on what type of feedback would be most useful.

Recommendation
None.

Requested Board Action
None.

Appendix

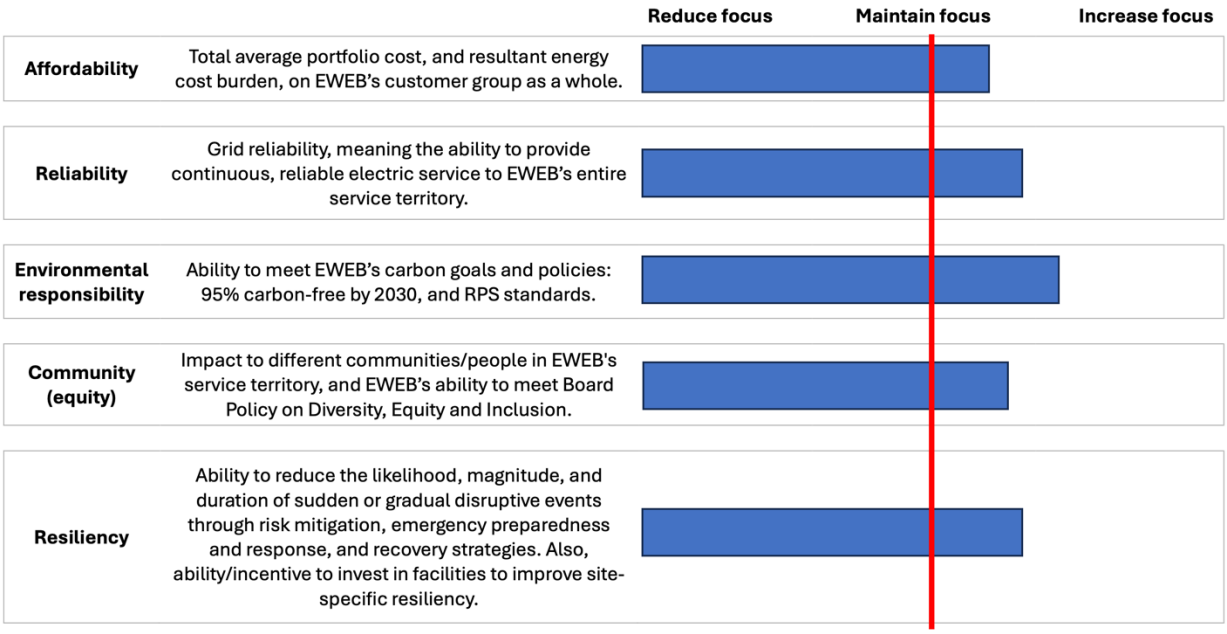
Full feedback collected during the first session

During the first session, EWEB collected feedback during the session in several ways:

- Participants filled out a form that plotted EWEB's values pertaining to energy supply decisions on a continuum.
- They engaged in guided large and small group discussions.
- Participants identified their ideal carbon reduction percentage, factoring in cost considerations.

Values continuum

Participants filled out a form indicating whether they would like to see EWEB decrease focus, maintain focus or increase focus on five key values that pertain to energy supply decisions: affordability, reliability, environmental responsibility, community (equity), and resiliency. The average results from the 14 participants are displayed in the chart below. On average, participants expressed a desire for EWEB to maintain or increase its focus on all five values.



This feedback indicates that EWEB is on the right track in prioritizing these values in its energy supply decision-making processes. However, this exercise did not compel participants to grapple with the tradeoffs inherent in energy supply planning, such as the cost implications of reducing carbon emissions or building reliable infrastructure.

Ongoing engagement and transparent communication about the challenges of balancing these values will be vital to understand the community's perspectives on these trade-offs, foster customer trust and confidence, and reinforce EWEB's commitment to thoughtful decision-making on behalf of the entire community.

Large group discussion

EWEB conducted large group discussion at the beginning and end. During introductions participants were prompted to answer the question, "What is most important to you about the future of energy in Eugene?" Their responses included:

- Having the conversation about tradeoffs and being willing to have the discussion with each other and recognize we won't all be consistent.
- Reliability while transitioning to low carbon future that doesn't impact low-cost power.
- Resilient, reliable and responsible power.
- Addressing industrial properties on west side of the city.
- Energy justice, awareness and understanding of the ripple effect of choices we make.
- Including community solar and considering vulnerable populations.
- Affordability, reliability, access to solar.
- Exploring topics that have conflict within them and solving them with a justice model.
- Making sure lowest income families have access to power that's clean and renewable.
- Bringing awareness for renewable, sustainable energy in the community, such as rooftop solar, batteries and micro-grids.

Small group discussion

Participants verbally answered questions during small group discussions led by EWEB staff. Some participants also wrote down and submitted answers to those questions. That feedback is below.

1. **Of EWEB's five values that apply to energy supply choices – affordability, reliability, environmental responsibility, community equity and resiliency – which ones should EWEB focus on more and which ones should EWEB focus on less? Why?**

Theme:

- All values matter and they are interrelated.
- EWEB should not reduce focus on any of the five values.
- Reliable, affordable power is important for economic development.

Insights:

Participants said …

- The values are interconnected.

- Reliability was especially important to participants focused on business development and economic development.
    - Electricity is vital to economic development goals.
    - EWEB is already quite reliable.
- The values can become expensive. EWEB needs to be realistic about affordability.
- EWEB's reliable, affordable power is a big local advantage.
- EWEB as a municipal utility – that model of governance is powerful. EWEB needs to continue to ramp up engagement.
- EWEB could increase focus on equity by doing more community education and ensuring a diversity of voices contributes to local discussions and decisions.
- EWEB should maintain and increase community engagement.
- EWEB already has low-carbon power. Affordability is a bigger concern.
- EWEB needs to level the playing field so low-income community members have the same access to programs and services as other community members.
- Sometimes energy efficiency incentives require too much investment to be cost-effective for low-income people.
- Rental owners can't afford to increase the efficiency of their properties. Landlords don't want to convert from cadet heaters.
    - Most owners have fewer than four properties.
    - In 60% to 70% of cases, landlords can't afford an overall heating upgrade.

Quotes:

- "Carbon reductions at the cost of reliability is risky. We've been able to boast about reliability."
- "DEI stuff is less important. If compromise has to come, this is where."
- "You can't invest in the hard work and not impact affordability. Deferring costs comes with costs eventually."
- "Reliability that leads to predictability is important for businesses."
- "Predictability is important. Realistic expectations on what is cost effective and how it impacts affordability. Actions might not be affordable up front, but they may pay off over time. Affordable and reliable are a competitive advantage."

2. Where do you see the biggest tension in tradeoffs (potential or real) across the values?

Themes:

- Reliability and environmental values incur near-term costs, but investments provide long-term value.
- Some participants would accept lower reliability to achieve other goals.

Insights:

Participant said …

- EWEB should be cautious about tradeoffs: chasing one value could lead to diminishing another value.
- There is a tension between the present and the future.

- At least one participant was willing to sacrifice reliability for the sake of other goals.
    - Maybe we need to have a place where medically vulnerable people can go when the power goes out, such as a hospital that has backup generation.
- The biggest tension is between the present and the future. Carbon reductions may be expensive now but achieving our Paris accord goals gets more expensive the longer we wait.
- We shouldn't be afraid of the future.
- The community probably can't afford to be 100% carbon free.

Quotes:

- "We're making things less affordable by chasing higher environmental."
- "Reliability is key, but we can't afford 100% reliability."
- "We need to feel comfortable changing the conversation. There are corporations that should be paying more because they haven't been thoughtful on how they scaled up. But they also have resources to push back on the higher costs."
- "While carbon reductions may be expensive now, if we wait it will just keep getting more expensive and harder to chase so we will continue to spiral down."
- "We need to get comfortable that climate change is chaotic. We need to get used to the idea that power will go out as opposed to always thinking it will be on."
- "We need to have hard conversations about tradeoffs."

3. What does affordability mean to you?

Theme:

- Affordability means energy burden, which is the percentage of income that a person spends on their energy bill.

Insights:

Participants said …

- Affordability equates to energy burden, or the percentage of household income that someone spends on energy.
    - For the lowest income folks, that's at about 11%, compared to under 6% for the rest of the community.
- EWEB needs more incentives for renters.
- Energy justice is important.
- One participant asked if EWEB would support a directive that all buildings have solar, even parks and public bathrooms.

Quotes:

- "No matter what, we know that if we keep using fossil fuels, our carbon will increase and it will cost more."
- "How do we help vulnerable populations?

- "We need to explore tradeoffs to ensure low-income homes have access to non-polluting power sources."

4. **With the new Bonneville Power Administration (BPA) contract, EWEB has the option to simplify operations and streamline by giving more control to BPA. Doing so would reduce EWEB's ability or incentive to determine our energy resource mix, invest in local energy generation or establish unique customer programs or rates. Is it more important to you for EWEB to have simpler operations focused on cost management or to have more local control?**

Theme:

- Yes. Keep decision-making local. And pursue local energy generation.

Insights:

Participants said …

- Participants from a wide variety of backgrounds all concluded that local control was important. None wanted to cede more control to BPA, an agency with distant decision-making processes.
- Reducing local control might make sense for the sake of efficiency and possible financial savings associated with a larger pool of shared costs.
- However, local control, optionality, and local generation are preferable. Being solely a price taker comes with a tremendous amount of risk.
- Relying solely on BPA could cut down on local political maneuvering.
- Participants wanted more details about how the BPA decision would affect other factors, such as cost and reliability.
- If EWEB transfers control and risk to BPA, we reduce opportunity in our community.
- Local control is more important. Self-sustainability and the ability to do things here is important. Eugene should have local power plants.
- Local control is important to allow for better community feedback mechanisms.
- EWEB should generate electricity locally. If it's not local solar, what is the local option?
- Local control with coordination with regional folks is ideal. Community solar is a great idea.
- Will the community lose jobs if we give more authority to BPA?
- Local generation is incredibly important for resiliency and reliability. It brings jobs and supports the economy.
- We need to increase local generation and create a safety net for the future.

Quotes:

- "More local control will pay off in the long run and increase our resilience."
- "As a public utility, we stand for local control, so why would we want to give that up?"
- "The risk of simplifying is there is more distance between the community and less of our interests are reflected in the decisions."
- "We need local control to manage our own community."
- "Need to prioritize how we balance. Pushing service to BPA limits our community's ability to be creative."

5. **What role do you want your organization and the customers you represent to play in determining the future of EWEB's power supply? Do you want an active or passive role?**

Theme:

- Active. Maintain EWEB's public power community involvement.

Insights:

Participants said …

- We want an active voice in EWEB's energy decisions.
- Agencies and companies want to partner with EWEB to maximize local resources, such as local roof space.
- If community solar isn't viable, is community geothermal a viable option?
- EWEB needs leadership that will listen to the community to take them seriously and reflect their ideas in the organization.

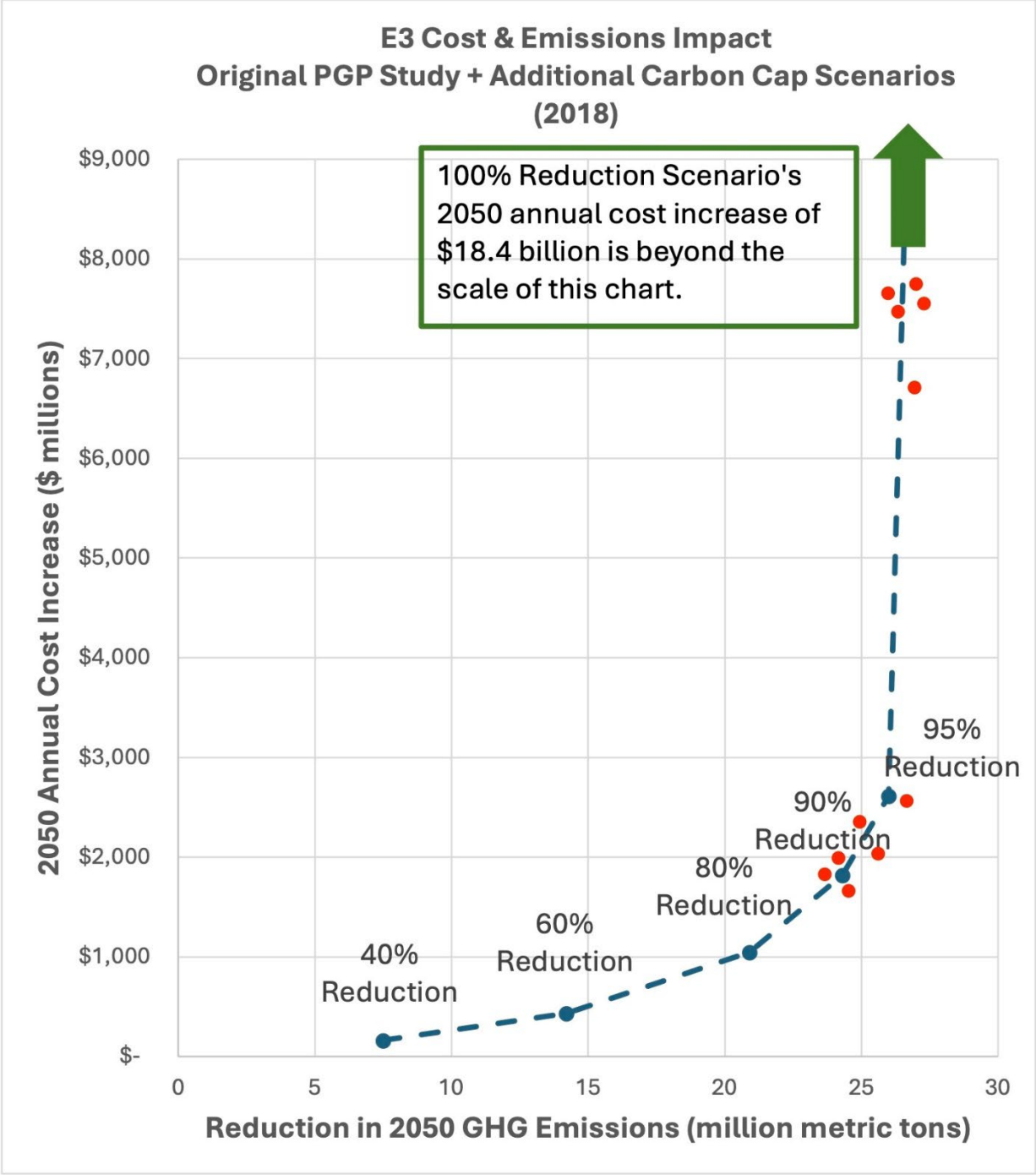
Quotes:

- To accomplish local control, "EWEB must have land and resources."
- Education is vital. "People want to be empowered."

Cost vs carbon chart

Participants were asked to place a dot on the chart below (which comes from a regional study of the cost of carbon reductions for the region's grid) indicating their belief about the ideal tradeoff between carbon reductions and cost.

Representatives from environmental groups desired 100% carbon reductions (or nearly 100%). They disputed the assumptions and framing inherent in the chart, arguing that costs for higher reductions in carbon emissions would be lower with certain programs and technologies.


E3 Cost & Emissions Impact
Original PGP Study + Additional Carbon Cap Scenarios
(2018)
100% Reduction Scenario's 2050 annual cost increase of $18.4 billion is beyond the scale of this chart.
2050 Annual Cost Increase ($ millions)
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$-
0
5
10
15
20
25
30
Reduction in 2050 GHG Emissions (million metric tons)
40% Reduction
60% Reduction
80% Reduction
90% Reduction
95% Reduction

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

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

FROM: Jason Heuser, Public Policy and Government Affairs Program Manager

DATE: October 31, 2024

SUBJECT: Federal, State and Regional Legislative Policy Update

OBJECTIVE: Information

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

STATE POLICY

Oregon Energy Strategy Development

In early September, the Oregon Department of Energy (ODOE) released the Oregon Energy Strategy Draft Reference Scenario and draft inputs for the Oregon Energy Strategy model. The modeling phase of the Oregon Energy Strategy features development of a Reference Scenario and five alternative scenarios. The modeled scenarios produce different pathways to meeting Oregon's energy and climate objectives. They provide information on the effects of different energy choices and will serve as foundational information for policy discussions in the upcoming Phase 2 of the Oregon Energy Strategy process. These Phase 2 discussions are where policy recommendations will be developed.

The model must solve to meet Oregon's anchor climate and clean energy goals: Executive Order 20-04 (80 percent economy-wide reduction in greenhouse gas emissions by 2050); HB 2021 (100 percent clean electricity for the state's largest investor-owned electric utilities and Electricity Service Suppliers), and the Climate Protection Program (90 percent reduction in greenhouse gas emissions from fuels by 2050). This is a requirement of HB 3630, which directs ODOE to develop the energy strategy and identify pathways to achieving the state's energy policy objectives.

Background**:** The Oregon Legislature enacted HB 3630 in 2023, directing ODOE to develop a State Energy Strategy. The report will be developed in consultation with relevant agencies, federally recognized Indian

tribes, and stakeholders. It will examine and further build on state laws, policies, and targets regarding energy and greenhouse gas emissions; existing energy and integrated resource plans; and energy-related studies and data analysis. The development of the Oregon Energy Strategy is a two-and-a-half-year project, which began initial steps in July 2023, with a final written report to the Governor and Legislature due by November 1, 2025. The Oregon Energy Strategy will be built through a step-by-step process that combines data gathering, technical analysis, scenario definition and modeling, and development of policy recommendations, integrated with an iterative stakeholder engagement process that ensures an inclusive and informed Strategy.

<u>Possible 2025 Oregon Legislative Session Topics</u>

Utility Rate Caps
It is likely that electric and natural gas consumer advocates will propose some form of rate cap legislation that would apply to investor-owned utilities regulated by the Oregon Public Utilities Commission. Based upon testimony at interim legislative committee hearings and filings to the OPUC the legislation would be expected to cap any rate increase at 7% plus the rate of inflation, or 10% annually, whichever is lowest. A rate increase to cover costs that go over that would need to be pushed to the next year or beyond. This legislation would not be expected to apply to consumer-owned utilities like EWEB.

Background: Average bills for Portland General Electric, Pacific Power, and NW Natural have increased between 30-50% since 2022.

EWEB Position: While this legislation is not likely to apply to consumer-owned utilities like EWEB, EWEB generally favors decisions be made by those entities most expert on these complex issues. In the case of rates, the OPUC oversees investor-owned utility pricing. Placing artificial limits on that authority is counter to EWEB's general position.

Solar Consumer Protection
In response to September interim legislative committee testimony from the Oregon Department of Justice's (DOJ) Consumer Protection Division and educational outreach from Oregon utilities sharing information on legislation passed in Washington state earlier this year, Oregon legislators have initiated drafting of a legislative concept modeled after Washington's new law. Stakeholders including Oregon DOJ, Oregon Solar Energy Industries Association (OSEIA), Consumer Protection advocacy groups, utilities (including EWEB), Oregon AARP, and the Oregon Department of Energy, will be meeting in November and December to discuss the possible design choices of the legislation.

Background: In 2023 the Washington Legislature enacted, SB 2156, known as "the Washington Solar Consumer Protection Act." Washington Legislators, Consumer Protection Advocates, the Washington Solar Industries Association were responding to growing signs of out of state dubious sales lead generators and marketing companies responsible for misleading solar energy ads suggesting "free solar" was available, often citing the Inflation Reduction Act. High pressure and deceptive sales tactics, as well as subpar installation quality, are also a growing problem. While there are many good actors in the solar energy industry, the uptick in examples of bad actors is concerning especially as Inflation Reduction Act solar incentives are set to be deployed.

Washington's Solar Consumer Protection Act introduces new requirements that prohibit certain predatory tactics, outline precise directives for specific contractual language, reinforce current regulations regarding the licensing of solar installers, and grant increased authority to the WA Attorney General's office to impose penalties on non-compliant companies. The legislation also requires solar contracts to explicitly disclose

certain costs and clearly state what to expect as far as system performance, using best-practice methodology. Additionally, it facilitates an "apples to apples" comparison of competitive quotes and provides a clear explanation of consumer rights, including an opportunity to cancel a contract within the first 72 hours. The legislation also imposes penalties on companies that fail to adhere to these requirements.

Transmission Siting/Permitting Reform and Financing
Legislation is expected to be brought forward with intentions to stimulate new electricity transmission development. Details of these proposals are not yet available but are expected to run on two tracks: 1) streamlining transmission siting and permitting; and 2) providing financial assistance to transmission development (funding source TBD). The bill may create a designated "transmission authority" in state government.

New Large Electric Load Costs
Legislation may be introduced with the intention to ensure that new large electric loads locating in Oregon are paying for associated new costs to the grid (i.e. new generation, new transmission, resource adequacy, etc.). No specific details are available at this time. This would likely be focused solely on investor-owned utilities regulated by the OPUC. Current OPUC regulatory mechanisms and authorities may not be flexible enough to account for the unprecedented uptick in new large electric loads in the Pacific Northwest. In contrast, the governance model for most consumer-owned utilities includes pre-existing local decision-making and authority that could be applied to a topic like this.

Background: The most recent regional electricity load forecast by the Pacific Northwest Utility Coordinating Council (PNUCC) shows load is projected to increase from about 23,700 average megawatts (aMW) in 2024 to about 31,100 aMW in 2033 (an increase of 7,400 aMW), which is an increase in demand of over 30% in the next 10 years. For comparison, the previous year's forecast projected demand could rise by 24% in 10 years. The rapid expansion of data centers is one of the reasons for the expected increased volume in the Northwest. According to a Cushman & Wakefield report that evaluates data centers by their electricity usage, the Oregon data center market ranks as the fifth largest in the nation. High-tech manufacturing and the trend toward electrification also contribute to the expected increase in regional demand.

Wildfire Policy
The Oregon Wildfire Funding Strategies Advisory Group is expected to issue a final set of recommendations soon to the legislature for the 2025 session, aiming to address funding shortfalls, for Oregon to be capable of effectively responding to larger and more expensive wildfires in recent years. This advisory group is striving to achieve consensus but if that proves elusive it could forward a set of multiple options, without recommendation, for the legislature to consider. A long list of possible funding sources could include property owner assessments, forest harvest taxes, and fees on electric utility bills, among other options.

Wildfire liability changes could also be proposed in the 2025 session, in consideration that while utilities are operating under new and increasingly heightened safety standards and making robust investments in infrastructure designed to reduce the risk of utility related ignitions, it is not possible to guarantee that no ignition related to utility distribution and transmission lines might occur.

Recreational Immunity
SB 1576A was enacted in the 2024 legislative session and included a restoration of recreational immunity, a priority for local governments and recreation enthusiasts. The bill added running, walking and biking to the definition of recreational immunity, but included a sunset date at the end of 2025 to allow for pending court cases to be resolved and a workgroup to craft a more durable solution to be adopted in the 2025 legislative session. Reportedly, the workgroup has not been able to reach consensus on a permanent solution yet. In

the absence of successful negotiations, one option could be to simply remove the sunset date included in SB 1576A.

Background: In 2023 an Oregon appellate court decision called into question the tort immunity enjoyed by public and private landowners when they allow access to land free of charge for recreation. The issue in question in the case was whether a person hiking on a trail while walking their dog and socializing with a friend was recreating on the trail or was using it for transit to and from a beach recreational area without recreating.

Recommendation/Requested Board Action
These are informational updates, and no action is required at this time. In December, EWEB positions on these potential topics will be discussed.

TO:	Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson
FROM:	Frank Lawson, CEO & General Manager
DATE:	November 12, 2024, Board Meeting
SUBJECT:	2024-Q3 Quarterly & Year-to-Date Report
OBJECTIVE:	Information

Issue

Management presents updates on operations and strategic initiatives to the Board on a quarterly basis via the attached report.

Eugene Water & Electric Board

Quarterly Report

2024 – Q3
(Year-to-Date)

Frank Lawson, CEO & General Manager

Executive Team, Q3-2024

Rodney Price, Asst. Gen. Mgr./Acting Workforce Officer

Deborah Hart, Asst. Gen. Mgr./Chief Financial Officer

Brian Booth, Chief Energy Resource Officer

Karen Kelley, Chief Operations Officer

Travis Knabe, Chief Information Officer

Julie McGaughey, Chief Customer Officer

Anne Kah, GM Office Administrative Services Mgr.

Data in this report is preliminary and unaudited.

Table of Contents

Introduction

Management is pleased to provide this quarterly report summarizing our financial position, reviewing impactful events, highlighting our ongoing day-to-day operations, and providing an update on strategic progress. As the 2024 Organizational Goals, approved by the Board in January, represent both operational and strategic endeavors, this report uses these goals as the basis for its content.

Executive Summary

Overall, many of the electric utility's year-to-date operational key performance indicators (metrics) are still being influenced by the ice storm in the first quarter, although cost controls are improving EWEB's electric utility position throughout the year.

Despite mild weather causing lower retail consumption and low water availability limited wholesale revenue, the electric utility has an overall an $8.5 million increase in year-to-date net position, which is $9.3 million below the budgeted $17.8 million increase in net position for the year, a significant improvement compared to the $5.4 million decrease in net position in Q1.

The electric utility cost improvements, along with detailed budget review and prioritization are helping to improve the electric utility's rate projections for 2025, which will be finalized before year-end.

The water utility's major consumption occurs during the drier months, especially in Q3, driving operating revenue which ended the quarter at $38.9 million, favorable by $2.8 million to budget. Operating expenses were $1.4 million unfavorable to budget at $32.7 million with a year-to-date $8.9 million increase in net position which is $4.0 million favorable to the budgeted $4.9 million increase in net position for the year.

EWEB is making appropriate progress and is on target to achieve most of our 2024 organizational goals including most operational targets associated with reliability, significant capital projects including the Currin Substation and Base-Level Water Storage/Reservoirs, EWEB's Enterprise Solutions (modernization of financial and customer information systems), rate design, and integrated resource (energy) planning actions.

Significant staff time and effort, across the utility, are working on the EWEB Enterprise Solutions modernization project, with a "go-live" target date of December 2nd.

Frank Lawson
CEO & General Manager

The following dials are used to represent overall goal status.

Goal 1 – Ongoing Operational Efficiency & Effectiveness

As a prerequisite to our strategic initiatives and in support of our business priorities, EWEB will maintain/improve the ongoing operational efficiency and effectiveness of the organization while maintaining/improving compliance with regulations, statutes, policies, and values, as demonstrated through established key performance indicators (KPIs), metrics, key milestones for Type 2 and 3 projects (e.g. AMI, Base-Level Water Storage, Alternative Water Source, etc....), and including incorporating selective aspects of the 2023-adopted Board Policies SD22 (Resiliency) and SD23 (Diversity, Equity, and Inclusion).

Governance (Board Actions/Guidance)

During the third quarter, EWEB's Board of Commissioners began the annual budget cycle by providing direction on the Utility's integrated long-term financial and capital plans, and prices for electric and water products and services. The Board adopted a resolution affirming EWEB's obligation to halt generation at Trail Bridge and actions to accomplish this goal per the requirements under the Carmen-Smith FERC License. Commissioners also approved two Energy Resource Output Sales for 2025 and 2026; the 2025 EWEB Avoided Cost Prices; revisions to EWEB's Policy language regarding the Renewable Power Purchase Rate Schedule providing flexibility for different customer configurations; updates to the Utility's Strategic Plan adding emphasis on Compliance, and revisions to EWEB's Investment Policy including incorporating environmental, social, and governance (ESG) factors into the investment decision-making framework. Additionally, Commissioners helped advance Organizational Goals 5 and 6 by considering tradeoffs and providing guidance to Management concerning Energy Resource Planning, and the Rate Design Plan.

Electric and Water Consumption

Retail and wholesale consumption for electricity and drinking water, as compared to previous years (year-to-date) and the budgets assumption, are presented in Tables 1-1 and 1-2 below.

Table 1-1: Electricity Consumption (MWh)

Segment	Quarter	Year-To-Date	3-Year Avg. (YTD)	Budget (YTD)	YTD Actual vs. Budget
Retail Electric – Residential	197,075	685,179	711,183	696,228	(11,049)
Retail Electric – Commercial	209,783	616,566	628,557	651,197	(34,631)
Retail Electric – Industrial	134,697	368,268	372,952	360,764	7,505
Retail Electric – Total	**541,555**	**1,670,013**	**1,712,691**	**1,708,189**	**(38,176)**
Wholesale Electric	202,102	770,182	1,106,592	1,082,777	(312,596)
Total Electric	**743,657**	**2,440,195**	**2,819,283**	**2,790,966**	**(350,772)**

(Unfavorable)

Table 1-2: Drinking Water Consumption (KGals)

Segment	Quarter	Year-To-Date	3-Year Avg. (YTD)	Budget (YTD)	YTD Actual vs. Budget
Retail Water – Residential	1,800,500	3,320,739	3,460,355	3,099,896	220,843
Retail Water – General Service	1,436,342	2,923,589	2,825,837	2,552,489	371,100
Retail Water – Total	**3,236,842**	**6,244,328**	**6,286,192**	**5,652,385**	**591,943**
Wholesale Water	242,025	472,942	508,486	503,318	(30,376)
Total Water	**3,478,867**	**6,717,270**	**6,794,679**	**6,155,703**	**561,567**

Favorable

Legal/Risks

Holiday Farm Fire Lawsuits: During Q3 2024, EWEB settled with one party that remained in state court and that case has closed. At the end of Q3 2024, four federal lawsuits representing approximately 600 plaintiffs are pending against EWEB and other defendants. Plaintiffs seek damages related to the Holiday Farm Fire. Pre-trial matters are underway with the trial expected to convene in 2025.

Advanced Metering Infrastructure: In Q2 2024, EWEB received a series of Temporary Restraining Orders (TRO) and a Complaint for Injunctive Relief and Damages was filed for one customer which later expanded to cover 22 named plaintiffs. The Complaint was never served against EWEB. The initial TRO lasted for 2 weeks and expired; two additional TROs were denied by the courts. The Complaint for Injunctive Relief and Damages was voluntarily dismissed on August 12, 2024.

Financial

EWEB is required by law to separate the finances of the electric utility and water utility. Appendices A and B of this report present preliminary unaudited results for the quarter and year-to-date, along with other financial strength metrics consistent with Board policies.

Electric Utility

The electric utility continues to see significant variance from budget because of impacts from a regional ice storm in late January, along with average mild weather at most other times during the year, decreasing consumption. Electric operating revenue ended the third quarter at $222.3 million, unfavorable by $39.8 million to budget, $23.0 million of the variance occurring in Q3. Lower revenue is primarily due to wholesale sales activity. With a historically poor water year, power available for sale to wholesale markets has been less than anticipated. Wholesale market prices, where EWEB sells surplus power, have also been less than budgeted. Year-to-date operating expenses are $30.5 million favorable to budget at $218.5 million, a recovery from an unfavorable $4.3 million in Q1.

Overall, an $8.5 million increase in year-to-date net position was $9.3 million below the budgeted $17.8 million increase in net position for the year, a significant improvement compared to the $5.4 million decrease in net position in Q1. The Working Capital and Return on NBV metrics are outside of Board targets due to the unfavorable impacts from the ice storm. FEMA funding has been allocated to address storm restoration costs, and reimbursement is anticipated early next year. In June the issuance of $64 million in municipal bonds to fund capital investments pushed the Debt as a % of Net Book Value metric outside of Board target. It is anticipated it will return to target range within a year as significant capital investment projects are commissioned.

Budget Adherence YTD

Management anticipates capital investments will exceed the approved budget authority. The January ice storm instigated a sizable transmission line rebuild this year, with 75% of costs eligible for FEMA reimbursement. Also, with limited production and long lead times, opportunistic transformer purchases were made beyond initial budgeted amounts. In addition, technology projects are anticipated to go-live soon and are exceeding current year budget allocations.

Water Utility

The water utility's major consumption occurs during the drier months, especially in Q3. Water year-to-date operating revenue ended the quarter at $38.9 million, favorable by $2.8 million to budget. Operating expenses were $1.4 million unfavorable to budget at $32.7 million. Overall, a year-to-date $8.9 million increase in net position was $4.0 million favorable to the budgeted $4.9 million increase in net position for the year.

Budget Adherence YTD

Management anticipates operating expenses and capital investments will exceed approved budget authorities.

Operating and Maintenance (O&M) spending is projected to be over due to grant funded watershed protection efforts. The budgeting process did not capture spending associated to grants not yet awarded at the time, and a budget amendment is needed to provide authorization for the spending. Also contributing to the O&M amendment request are software costs initially captured in capital budgets for 2025, representing a shift in spending from capital to O&M.

Technology projects anticipated to go-live soon are exceeding current year budget allocations and a primary contributing factor to the needed amendment for capital budget authority.

Workforce

Insurance plan utilization YTD 2024 is at 75% compared to over 100% in 2023. This contributed to a positive renewal, with medical premiums increasing by only 4.8%, along with rate holds for life insurance, supplemental plans, and PFML (PLO) insurance. EWEB's utilization is trending down as compared to the market.

EWEB is experiencing slight increases in leave utilization as a result of Oregon's Paid Leave law (PLO), primarily for an employee's own condition and for longer intermittent periods of time.

Enterprise Safety

Public Safety Program

- Creation of Downed Wire Program.
- Initiated outreach program highly focused on first responders, construction workers and schools.
- Ongoing tracking of community electrical system interactions.
- Updating EWEB public safety awareness on external website.

Safety & Health Expo

- The Safety & Health Expo experienced the highest attendance and highest overall rating it has seen in recent years.
- Gift tracker showed approximately 360 in person attendance which is roughly 60% of staff.
- Survey results indicated an overall experience rating of 4.48 out of 5.
- Majority of staff had very positive feedback about the keynote speaker.

Injury and Time Loss

Year-to-date injury and time loss numbers continue to trend significantly higher than usual. The 2024 ice storm significantly affected our injury metrics. Many of the injuries are strain/sprain related. Important to note that 14 of these injuries were slips and/or trips and occurred during the ice storm. Due to the significant number of strains and sprains, we partnered with SAIF in July to target specific body mechanic trainings for all operational groups.

Table 1-3: Enterprise Safety

Performance Measure	Result	Result	3-Year Average	Vs. 3-Year Average
	Quarter 3	Year-To-Date		
Exposure Hours (EH) in Hours	244,282	797,963	724,938	73,025
OSHA Cases per 100K (EH)	2.46	1.63	1.38	0.25
OHSA Time Loss Days	87	296	27	269
"Good Catch" Reports	60	179	141	38

Recruitment

Recruitment volume for 2024 continues to slow, at half the number of recruitments as compared to YE 2023. There is currently only one open recruitment exceeding 80 days, Line Technician, which has multiple openings.

Refer to Appendix I of this report for additional Workforce data.

Operations (Quality/Delivery) – Electric

EWEB values the *"ongoing continuous on-demand delivery of drinking water and electricity, and the dependability of our response to our customers."* EWEB monitors the reliability of our services including Electricity, Drinking Water, Customer Service and Support/Customer Program Delivery, Customer Building & Renovation Projects, and progress on significant Capital Investments Projects.

Electricity "Source-to-Switch"

EWEB evaluates electric reliability from "Source-to-Switch", including electricity acquisition and generation, transmission, and distribution (delivery). Indicators representing the ongoing management of assets and resources for the Source-to-Switch delivery of electricity are shown below.

Federal water being managed by EWEB for hydroelectric generation allocation is trending below budget year to date and is forecasted to be 86% of normal generation for the water year. The majority of the Columbia basin is experiencing below-normal precipitation levels and warmer temperatures which has influenced hydro generation substantially.

EWEB owned hydro conditions are trending above forecast at 121% of normal generation through Q3. This is above budget even with Walterville hydro project forecasted to remain offline into 2025.

Table 1-4: Water Availability/Forecast for Hydroelectric Generation

Performance Measure	Quarter 3	Year-to-Date (Calendar)	Year-to-Date (Water year)	Forecast - Summer	Forecast-Water Year (October)	Previous Water Year End
Water Availability - Columbia Basin (% of Mean)	77%	77%	76%	82%	77%	76%
Water Availability - Columbia Basin (% of Budget)	86%	86%	85%	91%	86%	84%
Water Availability - McKenzie Watershed (% of Mean)	109%	109%	106%	131%	109%	87%
Water Availability - McKenzie Watershed (% of Budget)	121%	121%	121%	146%	121%	97%

Table 1-5: EWEB Generation Reliability (Availability)

Performance Measure	Quarter	Year-To-Date	Target
Availability Factor (%)			
Wind	96.23	95.48	>90
Hydro*	50.68	59.52	>90
Thermal	100.00	83.48	>90
Forced Outage Factor (%)			
Wind**	N/A	N/A	<3
Hydro*	6.99	10.07	<3
Thermal***	0	4.47	<3

Availability Factor (AF) = % of time generating units are available to produce power
Forced Outage Factor (FOF) = % of time generating units are unavailable due to unplanned outages

*Year-to-date low AF and high FOF at hydro resources is driven by transmission line outages during January ice storm, Walterville emergency dewatering, and complications with Carmen-Smith Unit 2 rehabilitation
**FOF is not a standard metric for wind generation
***Year to date FOF driven by January ice storm

EWEB's electricity delivery metrics of cumulative annual system interruption frequency by customer (SAIFI) and system outage duration by customer (SAIDI) are within the 5-year average for the quarter. It is notable that the SAIDI started out higher than the historical average due to the ice storm and associated damage, however the trend for outage duration in Q2 has leveled out to a more historical

level and is now at the high end of the 5-year band for Q3. Both remain under the comparable utility average benchmark. The SAIDI will be monitored and operational emphasis on managing outage duration will be present the remainder of the year through system configuration, staff availability, vegetation maintenance and equipment replacement, as this metric has the risk of raising above the 5-year average customer experience.

Available data for the Average Electrical Outage Restoration Time (CAIDI) is currently showing that EWEB is above 5-year historical and available benchmarking for comparable utilities. Staff are currently confirming data quality and benchmark data and will be assessing business need for lowering this metric once confirmed.

Vegetation Management in number of line miles trimmed per quarter was under target. The vegetation program is performing on average for the quarter, based on past production performance, however, overall is 3 months behind on the routine schedule due to Q1 work related to ice storm and post storm trimming on the Urban, Upriver and Carmen lines. The backlog is trending positively and expected to be on target by the end of the year with upriver trimming expected to be up to date by year end with urban trimming still carrying a backlog. For Q3, about half of the tracked preventative maintenance tasks were in good standing. Staff will assess risk on PM tasks that are behind and determine risk of developing backlog and if recoverable by year end considering other priorities around Compulsory and Strategic work.

Table 1-6: Electric (Source-to-Switch) Reliability

Performance Measure	Result	Result	Target	vs. Target	Benchmark (Annual)
	Quarter	Year-To-Date			
SAIFI (Events)	0.1	0.25	<0.37	0.12	0.82
SAIDI (Minutes)	14.4	47	<48.8	1.8	86
CAIDI (Minutes)	163*	163	140**	(23)	105
Preventative Maintenance					
PM Tasks Completed (%)	60%***	NA	TBD	TBD	TBD
Vegetation Management (Line Miles)	59	184	210	(26)	N/A****

SAIFI = System Average Interruption Frequency Index
SAIDI = System Average Interruption Duration Index
CAIDI = Sum of customer interruption time/Total number of customer interruptions

*CAIDI Data is not a cumulative number but is a rolled-up average throughout the year.
**CAIDI Target is relative to EWEB's 5-year average performance.
***Represents percentage of tracked preventative maintenance work queue metrics in good standing (on target). Percentage is a quarterly status and not applicable to a cumulative year to date KPI.
****Tree trimming benchmarking is not relevant due to unique characteristics of system configuration, location and staffing utility to utility.

Operations (Quality/Delivery) – Water

Drinking Water "Source-to-Tap"

EWEB evaluates drinking water reliability from "Source-to-Tap", including watershed condition, production (acquisition and treatment), delivery (transmission, storage, distribution) and water quality (customer feedback). Indicators representing the ongoing management of assets and resources for the Source-to-Tap delivery of drinking water are shown below.

Harmful algal bloom (HAB) monitoring continued through the summer. While HABs were present, no cyanotoxin detections were reported above method reporting limits across all source protection sites. Access to Blue River Reservoir was restricted in August and September due to the Ore Fire, but Blue River below the dam was monitored routinely. For more information visit our Cyanobacterial Harmful Algae Blooms website that includes the HABs maps.

A total of 13 source protection water quality sampling events were completed in Q3, which includes 8 harmful algal bloom (HAB) events, 3 urban ambient events, 1 storm event (urban runoff) and 1 baseline event.

For the summer 2024 monitoring season, no chlorinated phenolic compounds or volatile organic compounds (VOCs) were detected in samples from the SUB/Rainbow wells located near the pentachlorophenol (PCP) plume. Results were communicated to EWEB staff via regular email updates. Monitoring well results for 2024 will not be available until early 2025.

Water production levels for third quarter were higher than last year. The beginning of July saw a longer period of higher flows. Water production and treatment conditions were average for Q3 of 2024. There were no events creating an impact to treatment.

The Water Division issued one (1) Boil Water Notice during Q3. In July, EWEB crews were performing a flow test at the top of College Hill service area which caused a zero-pressure event for four houses. The boil water notice was lifted 24hrs later after samples came back negative for coliform.

Twenty (20) water quality complaints were received in Q3, with twelve (12) for dirty water, seven (7) taste and odor related, of which one (1) was for a high chlorine taste. Customers were contacted to assess each situation and to alleviate any concerns.

Table 1-7: Water (Source-to-Tap) Reliability

Performance Measure	Result	Result	Target	vs. Target	Benchmark
	Quarter	Year-To-Date			
Source – Cyanotoxin Detections	0	0			
Treatment – Highest Finished Water Turbidity (NTU)	0.045	0.045	<0.30 MCL	Compliant	<0.30 MCL
Delivery – Line Breaks/100 Miles of Pipe	2.9	7.5	11.8	4.3	15.7/Year
Delivery – Unplanned Customer Outages	12	71	46.9	(24.1)	62.5
Delivery – Average Outage Duration (Minutes)	122	107.8	<337.5	229.7	450
Delivery – EWEB caused Boil Water Notices (# – Duration)	1	1	0	(1)	n/a
Tap – Water Quality Complaints	20	49	n/a	n/a	n/a
Preventative Maintenance					
PM Tasks Completed xx/yy (%) *	71%	71%	100%	(29%)	TBD
PM – Valve Exercising (2-12")	338	1021	5000/yr	4137	20% of total valves
PM – Valve Exercising (16-20")	286 (98%)	286 (98%)	293/yr	7	100% annually

*Represents percentage of tracked preventative maintenance work queue KPI metrics in good standing (on target)

Customer/Customer Programs

Customer Service and Response/ Customer Program Delivery

Average Speed of Answer (ASA) for inbound calls in the first three quarters of the year was a healthy 78 seconds, meeting the 90-second goal. In Q3, ASA was 27 seconds. The additional staff hired to support the EWEB Enterprise Solutions (EES) launch was a major contributor to this improved number.

Table 1-8: Customer Assistance Response

Performance Measurement	Opportunities	Goal	Actual	Achievement	Opportunities	Achievement
	Q3 2024 YTD				Q3 2023 YTD	
Customer Calls (Average Speed to Answer)	108,930	<90 Sec.	78 Sec.	81%	103,314	86%
Website/Email	3,128	1 Bus. Day	1 Bus. Day	100%	4,251	100%

Energy Efficiency & Conservation

In the third quarter, Energy Efficiency trends continued with high demand in the residential sector leading to a 72% increase in projects year-over-year. Overall, total conservation is lagging with only 51% of internal annual target achieved by end of Q3. Customer Solutions has intentionally focused on the residential sector due in part to the availability of state and federal grants for efficiency projects. Lower overall conservation results were anticipated, as residential projects yield far lower energy savings than commercial or industrial. Additional program information can be found in Appendix J.

Table 1-9: Energy Efficiency & Conservation

Performance Measure	Projects	MWh Saved	Projects	MWh Saved	Annual MWh Target	Progress to Target	Incentives	Cost/ MWh Saved
	Quarter		Year-To-Date					
Residential	531	668	1,482	2,030	2,500	81%	$2,048,300	$1,010
Residential (Limited Income)	78	107	173	228	300	76%	$878,544	$3,850
Residential (Rental)	130	199	453	851				
Commercial/Industrial	23	1,439	60	3,955	9,000	44%	$701,643	$180
Total Program	554	2,107	1,542	6,984	11,800	59%	$2,752,943	$390
Total Peak Reduction (MW)		0.61		1.636	1.35	121%		

Limited Income/Assistance

EWEB Customer Care (ECC) is currently tracking planned allocations for the year. Expenses are at 95% of budget and will be supported by a planned draw from customer donations. Combined spending for ECC and Energy Share has delivered $1.23M to customers in 2024.

ECC will be unavailable to customers in the last week of November to accommodate SAP go-live. SAP business process development for ECC is currently underway.

Electrification

EWEB supported 64 Building Electrification projects during the third quarter, with over $50k in direct incentives and an additional $212k in loans. Combined, these projects account for 28 MWhs of load growth.

Climate Solutions

MoveGreen Transportation Electrification programs (TE) are currently under review to enhance strategic alignment and spending prioritization. Q3 TE spending was $267K for the quarter, which included the first payment of $94K for the recently approved GoForth CarShare program.

Q3 2024 Transportation Electrification Program Category	Amount
Reliability	$35,000
Community, Culture & Engagement	$114,000
Existing Commitments	$118,000

LeadGreen Program participation fell slightly in the third quarter. This is a common occurrence as the utility experiences a higher number of Move-in/Move-outs at the start of the school year. All programs combined to mitigate 200 Metric Tonnes CO2 equivalent for the quarter.

Table 1-10: Water Efficiency & Conservation

Performance Measure	Projects	KGal Saved	Projects	KGal Saved	Incentives	Cost/ KGal Saved	KGal Saved	Vs. Prior Year (%)
	Quarter 3		Year-to-Date				Prior YTD	
Efficiency	52	534	131	1,363	$11,356	$8.33	968	141%
Line Replacement	8	3,212	16	4,916	Loan(s)	Loan(s)	19,646	25%
Leak Repair (Limited Income)	4	350	17	1,961	$42,789	$21.82	3,637	54%
Total Program	64	4,005	164	8,149	54,145	$6.64	24,251	34%
Leak Detection	3,004	84,900	6,340	162,539			127,341	128%
Total Conservation		88,905		170,688			151,592	113%

Customer Building & Renovation Projects

EWEB received 28 requests for new water service in Q2 (lagging data), compared to 36 last quarter. Construction took an average of 9.4 days in the quarter, Just a bit slower than Q1, but still much better than the 2023 average of 14 days.

EWEB received 553 inquiries in Q3 for new or modified electric service, which is 10% lower than the 3-year average. The average wait time for an assigned designer in the queue once a deposit is received is under 3 weeks for Q3 with the 3-year historical average at 7.3 weeks. Average design time and time waiting on Customer is not currently tracked, however staff are investigating available data with existing systems to monitor end to end process time. Construction start once assigned to crews from the design team to start construction averaged a 2-week lead time.

Table 1-11: Building & Renovation Response (PLACEHOLDER - TARGETS AND METRICS BEING ESTABLISHED)

Category (all measurements in days)	Average Total Days to Execute (Initial Contact – Completion)	Average Days Waiting on Customer, Quarter	Net Average Days to Execute (EWEB Fulfillment Time)	Net Average Days to Execute (EWEB Fulfillment Time)	Previous Year
	Quarter			Year-To-Date	
Electric	NA	NA	NA	NA	NA
Water	42.7	28.5			

Significant Updates to Capital Investment Projects

According to Board Policy EL-1, Financial Controls, staff will provide the Board with quarterly updates for all current year projects on the Capital Improvement Plans. Appendix C and D are intended to fulfill this requirement. Additionally, Appendix E provides specific financial and project status for larger Type 2 and Type 3 projects. Type 1, General Capital, is budgeted year-by-year for recurring capital expenditures from January through December and includes categorized projects individually less than $1 million. Type 2 projects have "discrete" scopes and schedules and are anticipated to cost over $1 million during the life of the project which may span several years. Type 3 projects are large strategic projects with long-term impacts and are generally bond funded.

Goal 2 – Compliance Adherence

In order to maintain/improve business operations, EWEB will improve our compliance adherence by making continuous progress on a) EWEB's Owner's Dam Safety Program (ODSP) and b) Carmen-Smith Relicensing milestones, c) completing an on-site NERC audit and address all findings with timely approved mitigating actions, d) fulfilling the annual Oregon Public Utilities Commission (OPUC) inspection/correction milestones, e) completing the service line inventory required by the Lead and Copper Rule Revisions, and f) completing the analysis supporting the 2025 Water Master Plan in 2024.

Table 2-1: Overall Goal Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
Owner's Dam Safety Program (ODSP)		✓			
Carmen-Smith License Fulfillment		✓			
On-Site NERC Audit					✓
OPUC Inspection/Corrections		✓			
Backflow Device Compliance			✓		
Lead & Copper Rule Service Inspection			✓		✓
2025 Water Master Plan Analysis			✓		

EWEB's Owner's Dam Safety Program (ODSP)

Per the Federal Energy Regulatory Commission's Division of Dam Safety and Inspections (FERC D2SI) directive, the Walterville Canal remains dewatered following an unexplained spike in seepage in February. Repair concepts and associated costs were analyzed, and a preferred forebay liner option has been identified. EWEB is also evaluating seismic stability to determine if seismic upgrades will be necessary to implement the repair. Near term risk reduction measures at Leaburg hydroelectric project are on hold pending FERC D2SI review and approval of the drilling program plan, originally submitted in March 2023. EWEB staff are prepared to implement the drilling plan once approved.

The final Trail Bridge Sinkhole Evaluation Report is complete and was submitted to FERC D2SI for review and approval in May. Both FERC D2SI and the Carmen-Smith Dam Safety Board of Consultants (BOC) have recommended a risk assessment to better understand the risk of the sinkholes causing a damaged state or failure of Trail Bridge Dam, evaluate whether the proposed Trap and Haul Facility increases the risk of failure, and identify opportunities to improve the Trap and Haul design to incorporate additional risk reduction measures. A five (5) day workshop with FERC D2SI staff, Subject Matter Experts, EWEB's Consultants, and the BOC is scheduled for November. The results of this risk assessment will inform the next steps in the Trap and Haul design process.

A Seismic Hazard Analysis (SHA) for Carmen-Smith and Leaburg-Walterville was approved by FERC D2SI in July. Approval of the SHA allows EWEB to advance several Carmen-Smith license requirements, such as the Smith Auxiliary Spillway and Flow Release Structure.

Of the twenty-five (25) submittals due in the quarter, twenty-four (24) were completed on time. One Extension of Time Request (EOT) was submitted, and that work has since been completed.

Carmen-Smith License Fulfillment

For 2024, EWEB is tracking 244 requirements associated with the fulfillment of the Carmen-Smith operating license granted and regulated by the Federal Energy Regulatory Commission, Division of Hydropower Administration and Compliance (FERC DHAC). Of these requirements, seventy-two (72) are complete and seventeen (17) are delayed, mostly due to dam safety issues and FERC DHAC approval

time. Delayed projects are primarily large, complex multi-year efforts, such as permanent fish passage at Trail Bridge Dam.

Table 2-2: Status of 2024 Carmen-Smith License Requirements by Management Plan

Management Plan	Projects	Complete (%)	On Track (%)	Delayed (%)**
Aquatics	42	20 (48)	6 (14)	16 (38)
Wildlife	6	4 (67)	2 (33)	0
Vegetation	23	12 (52)	11 (48)	0
Water Quality	7	5 (71)	2 (29)	0
Recreation & Aesthetics	21	21 (9)	12 (57)	0
Transmission Line	4	4 (100)	0 (0)	0
Historic Properties/Cultural Resources	5	3 (60)	2 (40)	0
Roads, Waste, & Staging Areas	11	2 (18)	8 (73)	1 (9)
Fire Response & Suppression	4	0 (0)	0 (0)	0
Other License Requirements	10	9 (90)	1 (10)	0
Total Requirements	133	72 (54)	44 (33)	17 (13)

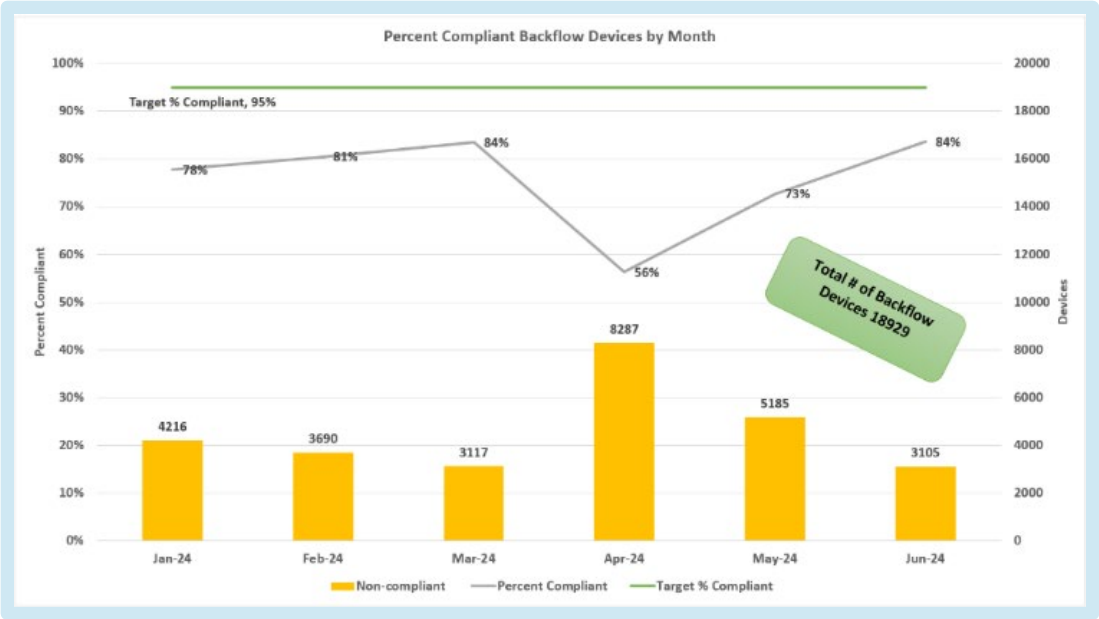
*This table has been updated to include additional license requirements, such as ongoing obligations, that were not included in past reports. Several requirements that were previously combined have now been separated. Future reporting will follow this more comprehensive approach.
**Large projects typically have multiple compliance deadlines. For example, upstream fish passage has three (3) separate requirements (Plan and Schedule, Design, Construction) that are tracked as unique obligations.

EWEB continues to advance projects as quickly as possible, while also working to resolve dam safety issues. License required projects completed year to date include the creation of downed wood and standing snags for wildlife habitat on the transmission line, instream habitat enhancements in the spawning channel, and installation of habitat structures in Trail Bridge and Smith Reservoirs. Improvements to the Smith Day Use Area and Lakes End Campground are underway.

EWEB continues to forecast cost increases in the Carmen-Smith project primarily due to significant escalation in material pricing, unfavorable bidding conditions, and increased regulatory requirements. Although the cost projections have not changed since Q2, several new risk factors that may affect cost have been identified, including escalating electrical equipment costs affecting the load bank project, more challenging seismic design criteria affecting new concrete structures, additional sinkhole risk mitigation measures for the Trail Bridge trap and haul project, and a greater volume of aquatic habitat structures required by resource agencies. The cost implications associated with these changes will become clearer as engineering work advances and discussions with regulatory agencies continue.

North American Electric Reliability Corporation (NERC)
In the first quarter, EWEB was informed that the onsite NERC audit was cancelled due to the demonstration of a positive compliance history, applicability, controls, and culture. Prior to the cancellation, an internal controls audit was in progress which included a review of evidence, standards documentation, and audit readiness. EWEB has completed the controls audit and received recommended actions from the 3rd party consultant. Staff are currently finishing up final punch list items and moving forward with applicable recommendations.

Backflow
Backflow testing is critical to ensuring backflow devices properly protect our system from contamination. A compliant device has had a passing test in the previous 12 months. The dip in April's compliance is due to the start of irrigation season and the peak amount for tests due for the year.



Lead & Copper Rule (Safe Drinking Water Act)

Since the Safe Drinking Water Act was established in 1974, EWEB has never been non-compliant. Lead and Copper Rule Water Service Line Inventory was submitted to the Oregon Health Authority as required this October after much work to prepare the data took place in Q3. This was a multi-year project that required participation from several EWEB departments. A public facing service line map will be available on the EWEB.org website in the near future. There were no lead service lines found.

Oregon PUC (OPUC) Inspections/Corrections

The overall 10-year PUC replacement and renewal workflow is behind schedule by approximately one year. Staff submitted, and the Board approved several contracts in 2024 to reduce the backlog. Design consultants have been making progress and have completed 2024 design work. This work is currently being deployed for execution by field staff and preparations for contractors to supplement are in progress. Compliance inspections for the 2024 year are complete for routine maintenance under OPUC and wildfire requirements. Staff and consultants are staging designs for 2025 completion are underway to ensure work continues at a pace to reduce the backlog.

Goal 3 – Evolving Workforce Needs

In order to maintain/improve business continuity, optimize energy delivery, and improve resiliency, EWEB will work towards effectively recruiting and retaining a workforce that meets the organization's evolving requirements by a) completing a Workforce and Labor Market Assessment in early 2024, b) using the Assessment and other resources like the results of the 2024 Employee Engagement survey to develop a set of short and long term action items by end of quarter 3, and c) begin implementing a defined set of recommended action items from the assessment.

Table 3-1: Overall Goal Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
Workforce/Labor Market Assessment					✓
Develop "Action Items"			✓		
Implement "Action Items"			✓		

Human Resources has completed the Workforce and Labor Market Assessment, which includes a list of recommendations to review in conjunction with the Employee Engagement Survey. Utilizing the Workforce and Labor Market Assessment as well as EWEB's 2024 Engagement Survey, a work plan was developed this quarter, with the following action items to begin implementation in 2024.

1. Ensure operational continuity and compliance by identifying and resolving enterprise-wide functional risks associated with single employee points of failure or insufficient staffing resulting from anticipated or unanticipated vacancy, protracted absence or staffing disruption stemming from temporary assignments to support EWEB initiatives.

   Progress: Succession Planning education was provided to leadership in Q3. Additional work in partnership with Enterprise Risk to begin in 2025.

2. Create greater awareness of EWEB employment by potential candidate sourcing entities and groups, and throughout the educational community with a focus on electric and generation engineering, power resources, and journey craft occupations.

   Progress: A re-evaluation of EWEB's internship efforts are underway as well as increased participation in industry-specific career fairs. EWEB also established a partnership with Connected Lane County and hosted a High School career fair in 2024 to create utility career awareness for Lane County students.

3. Increase EWEB's minority and other protected category demographic profile through increased direct recruitment outreach.

   Progress: Outreach efforts in Q3 include continued work with Connected Lane to explore how EWEB can support their career education and internship opportunities for underrepresented middle and high school students in Lane County. Additionally, EWEB's proposal to participate in University of Oregon's Leadership Enrichment Internship program was accepted, and the Business Continuity team will host an intern focused on Data Governance beginning in January. The LEI program is focused on providing internship opportunities to students whose backgrounds are underrepresented.

4. Provide the broadest possible access to EWEB employment by ensuring minimum or preferred qualifications for EWEB jobs are not an artificial barrier against otherwise qualified prospective candidates.

   Progress: Human Resources is updating equivalency statement language in position descriptions and job postings to clarify degree requirements can be substituted with relevant experience, in order to encourage non-degree holders to apply for opportunities. Driver's license requirements are also being re-evaluated.

5. Conduct a study to determine the effectiveness of telecommuting and hybrid models; make adjustments as required.

   Progress: A committee of EWEB staff was convened in 2024 to refine the principles and expectations of the Dynamic Workforce program. Policy updates and communications are slated to occur by early 2025.

Additional items from the Engagement Survey results will be incorporated into this goal by year end.

Goal 4 – SAP Finance and Customer Systems "Go-Live" (EES, EWEB Enterprise Solutions)

In order to maintain/improve business continuity, optimize energy delivery, and improve resiliency, EWEB will develop and cultivate an information system, along with the processes and culture, that will enable the continuous modernization and improvement of financial, human, asset, work, and relationship management and support the evolving customer services needed to optimize product delivery by successfully "going live" with a new cloud-based Financial and Customer Information System in 2024.

Table 4-1: Overall Goal Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
Scope			✓		
Schedule			✓		
Budget			✓		

The EES Project's scope and schedule are all on-track to support the end of year "go-live" of a new Customer Information System, Financial System, and Customer Portal. While the EES Project is over budget for 2024, the overall cost is within the expected budgetary spend. The target launch date is December 2, 2024.

The project team spent most of Q3 testing data conversion accuracy, customer bill accuracy, application functionality, and system performance. Over forty training courses were created and Train the Trainer sessions were held for the 15 trainers across nine divisions who began leading SAP training for staff in mid-October.

The project's second Change Readiness survey was deployed and results continued to be extremely positive with over 80% of participants reporting they are well-equipped to manage the change, communication is providing what they need, and their leadership is actively supporting the EES project.

Goal 5 – Rate Design Plan

In order to improve customer choice and business operations and to further optimize energy delivery, EWEB will develop a 5-year rate design plan for Board review and input in 2024. The rate design plan will include timelines for key initiatives required to enact said plan for the mutual benefit of the community, the environment, and the product/program participants. Key plan requirements are expected to include a) Cost of Service analysis (COSA) updates for both water & electric utilities to better reflect cost-causation principles and rate recommendations to enact the results, b) customer and internal stakeholder engagement, c) assessments of current and required systems to enable advanced rates, and d) optional rate and payment choices to match customer preference and support beneficial behavior such as smart electrification.

Table 5-1: Overall Goal Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
Rate Design Principles			✓		
Draft 5-Year Rate Plan			✓		
2025 – 2027 Rate Proposal			✓		

EWEB Management will be working with Commissioners throughout 2024 on rate design issues and topics. Staff is in process of reviewing EWEB's Rate Design Principles and has engaged the Board in directional discussion at the August and October Board meetings. The Cost-of-Service Analysis for the

years 2025 – 2027 is under review for Board discussion at the November and December Board meetings. Before year end, an initial "straw proposal" draft of a 5-Year Rate Plan to align rate design strategy and timeline with interdependencies of meter replacement, information systems modernization, IRP and customer communications will be developed.

Goal 6 – 2023 Integrated Resource Plan "Actions"

Supporting EWEB's priority to optimize energy delivery, EWEB will begin completing the "Actions" identified in the 2023 Integrated Resource Plan including a) leveraging the BPA "Provider of Choice" process to influence product design and inform a decision in 2025 that best serves EWEB's customers, b) completing a Demand-Side Management Potential Assessment, c) engaging with major, local, customer-owned generators to determine future plans for these facilities and potential partnership opportunities, and d) completing the Market Evolution Impact Analysis.

Table 6-1 represents the updated status of Goal 6, intended to track the actions associated with EWEB's 2023 Integrated Resource Plan.

Table 6-1 2023 Integrated Resource Plan Action Items Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
BPA "Provider of Choice"			✓		
Demand-Side Assessment			✓		
Engage Large Local Generators			✓		
Market Evolution Impact Analysis			✓		
New IRP Modeling Tools			✓		
Resource Acquisition Strategy	✓				

<u>BPA "Provider of Choice" Product Decision(s)</u>
Staff have fully engaged with BPA and regional partners in understanding and negotiating features of the new long-term contracts. BPA is requesting that decisions be made in June of 2025 and that new contracts be signed by that December. Staff will provide the board with regular updates with a preferred option in Q2 of 2025.

<u>Demand-Side Potential Assessment</u>
Lighthouse Energy Consulting has been selected to evaluate and measure the achievable potential of energy efficiency, electrification, demand response, and customer-owned solar generation in EWEB service territory over the 2024-2045 time period. Results are expected in two phases: Energy efficiency and demand response (Dec.2024); electrification and customer-owned solar generation (April 2025).

<u>Engage Large Local Generators</u>
EWEB's agreement with International Paper has been extended through 2028 and with negotiations for a long-term extension planned for mid-2025. Initial discussions with Sierra Pacific (formerly Seneca Sustainable Energy) regarding an extension or replacement of the current contract have taken place and discussions with UO around on-site generation have been ongoing.

<u>Market Evolution Impact Analysis</u>
A gap analysis has been provided by Utilicast that identifies investments, processes, and staffing required for EWEB to participate in new markets and EWEB staff have conducted high-level estimates of the benefits that would be realized by bidding Carmen-Smith into said markets. EWEB is currently awaiting BPA's formal announcement of a market selection along with completion of the 2025 Energy Resource Study and BPA product selection.

<u>Develop New IRP Modeling Tools</u>

Staff have acquired significant training in and have improvements to the existing Aurora model and are tuning the revised model now. Staff have also acquired training in and access to alternative tools, partnered in the development of these with peer utilities, and have built a new and complementary model to supplement Aurora.

Resource Acquisition Strategy
EWEB's expects to commence this work as BPA product selection comes into focus.

Goal 7 – Alternative Funding Opportunity

In response to an external opportunity/condition, explore and leverage alternative financial resources (i.e., grants) that align with our business priorities and strategic initiatives by developing and launching a formal internal exploration, evaluation, and review process in 2024.

Table 7-1: Overall Goal Status

Goal Status	Not Started	Below Target	On Target	Above Target	Completed
Develop/Launch formal internal process			✓		

EWEB staff are on target to complete its review of the grants program using a continuous improvement framework by the end of the year. In Q2, EWEB identified three tracks of grant work as defined below:

- **Track 1: EWEB driven, based on existing projects found in the Capital Improvement Plan / Long Term Financial Plan (CIP/LTFP).** Track 1 asks what work is already included in EWEB's LTFP that is eligible for funding *as is* and would reduce rate pressure for EWEB customers?
- **Track 2: EWEB driven, grant opportunities inspired**. Track 2 asks what projects aren't yet in the CIP/LTFP but are eligible for funding and support EWEB's strategic priorities? Also, what work is in EWEB's CIP/LTFP that *with adjustments* could be eligible for funding?
- **Track 3: Community driven, community inspired**: Track 3 asks how EWEB can be a good partner to others in the community on issues that align with EWEB's strategic priorities?

Work performed in Q3 first included researching the current condition of each of these tracks. Next, a group of internal stakeholders agreed that the target condition for EWEB's grants program should be to prioritize Track 1. Yet, stakeholders acknowledged there may be instances when EWEB would wish to strategically pursue grant opportunities in each of the three tracks, so a system would be needed to provide the Grants Steering Committee with sufficient information to make a go / no go decision on individual grants opportunities as they were identified.

The current system of grant decision-making was reviewed, gaps were identified, and process improvement recommendations were approved to develop a new set of checklists to clearly identify the grant opportunity in question, its track, and the benefits it would provide to EWEB customers and community. These checklists will be reviewed, and application decisions will be made by the Grants Steering Committee which includes: Rodney Price, Assistant General Manager; Deborah Hart, Assistant General Manager and Chief Financial Officer; Karen Kelley, Chief Operations Officer; and Tegan DeBolt, Grants Specialist. The development of these new checklists will be completed in Q4 2024 and implemented in 2025. This will allow for enhanced metrics reporting for the grants program beginning in Q1 2025. Performance of the refined system will be monitored and additional refinements to the process will be implemented following the plan-do-check-act system of continuous improvement throughout 2025 and beyond.

The tables below show EWEB grant applications and direct awards through Q3 2024.

Grants Received in 2024

Agency	Grant	Amount	EWEB Cost Share
Oregon Department of Energy	Grid Resilience Grant Program	$1,658,000*	25%
US Department of Energy	Section 247: Maintaining and Enhancing Hydroelectric Facilities	$5,0000,000*	N/A
Oregon Emergency Management	State Preparedness & Incident Response Equipment Grant	Equipment/Portable Water Tanker	N/A
United States Forest Service	Community Project Funds	$1,000,000	N/A
US Department of Energy	Grid Resilience Innovative Partnership grant	$3,127,531*	50%
TOTAL		**$10,785,531**	

Upcoming Grant Opportunities with Applications in Development

Agency	Grant	Amount	EWEB Cost Share
Federal Emergency Management Agency	Public Assistance for January 2024 ice storm	$12,000,000**	25%
Federal Emergency Management Agency	Building Resilient Infrastructure & Communities	$90,900,000***	25%

*Grants awarded, final agreements pending completion of award negotiation period
**Final total amount to be determined
***Applications go through Lane County

In addition, EWEB submitted letters of support benefitting city and county grant success (what will be considered Track 3 in the new process):

- The Oregon Department of Energy awarded **$1 million** in funding from the Community Renewable Energy Grant Program to the City of Eugene, to fund installation of a 120 kW PV system at the Eugene Airport as well as a 440 kW energy storage system that replaces diesel generator backup power at a public works facility that serves as a critical hub for Public Works first responder staff during seasonal emergencies.

- Lane County and its partners EPUD and SUB were recently awarded **$500,000** from the US Department of Energy's Clean Energy to Communities Program. The grant will provide technical assistance in three areas: the design and siting of distributed renewable energy and backup power systems; the identification of key technology upgrades for utilities; and the execution of a county-wide load and reliability analysis.

ELECTRIC UTILITY FINANCIAL STATEMENT (EL1) | Q3 2024

APPENDIX A

ELECTRIC CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In millions)	Nine Months Ended September 30,		YTD Budget Comparison	
	2024	2023	Budget $	Variance
Operating revenues	$ 222.3	$ 220.3	$ 262.1	$ (39.8)
Operating expenses	218.5	212.8	249.0	30.5
Net operating income (loss)	3.8	7.5	13.1	(9.3)
Non-operating revenues	8.6	8.1	7.4	1.2
Non-operating expenses	6.3	5.5	5.0	(1.3)
Income (loss) before capital contributions	6.1	10.1	15.5	(9.4)
Capital contributions	2.4	1.7	2.3	0.1
Increase/(Decrease) in net position	$ 8.5	$ 11.8	$ 17.8	$ (9.3)

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	September 30,		December 31,
	2024	2023	2023
Current assets	$ 222.7	$ 191.8	$ 134.5
Net utility plant	468.9	423.9	443.2
Other assets	70.0	72.1	113.8
Total assets	761.6	687.8	691.5
Deferred outflows of resources	26.6	33.5	26.7
Total assets and deferred outflows	$ 788.2	$ 721.3	$ 718.2
Current liabilities	$ 41.0	$ 37.5	$ 40.1
Long-term debt	255.3	196.9	196.3
Other liabilities	62.7	57.0	62.0
Total liabilities	359.0	291.4	298.4
Deferred inflows of resources	13.1	24.0	12.2
Total net position	416.1	405.9	407.6
Total liabilities, deferred inflows, and net position	$ 788.2	$ 721.3	$ 718.2

ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

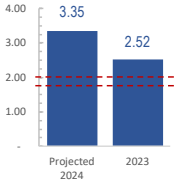
(In millions)	YTD	Annual Working Budget	
	9/30/2024	Budget $	% of Budget
Type 1 - General capital	$ 21.0	$ 22.7	92.5%
Type 2 - Rehabilitation and expansion	21.0	23.0	91.3%
Type 3 - Strategic projects	8.0	24.3	32.9%
Total capital	$ 50.0	$ 70.0	71.4%

FINANCIAL STRENGTH MEASUREMENTS

Target line

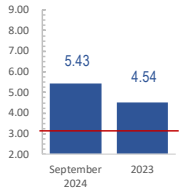
Debt service coverage
Target: 1.75 to 2.0x

Measures the utility's ability to meet its annual long-term debt obligation.



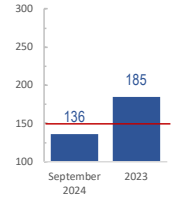
Current ratio
Target: Minimum of 3.250x

Measures the utility's short-term liquidity (ability to pay bills).



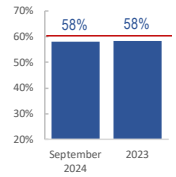
Working capital days cash
Target: Greater than 150 days

Estimates the number of days the utility can pay its daily O&M before running out of cash.



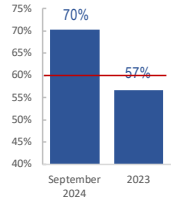
Age of system
Target: Less than 60 percent

Measures age of system compared to how much has been depreciated.



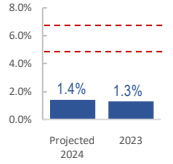
Debt as a % of NBV
Target: Less than or equal to 60 percent.

Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Return on NBV
Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



WATER UTILITY FINANCIAL STATEMENT (EL1) | Q3 2024

APPENDIX B

WATER CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In thousands)

	Nine Months Ended September 30,		Budget Comparison	
	2024	2023	Budget $	Variance
Operating revenues	$ 38,884	$ 36,140	$ 36,116	$ 2,768
Operating expenses	32,658	29,301	31,304	(1,354)
Net operating income (loss)	6,226	6,839	4,812	1,414
Non-operating revenues	4,187	3,057	1,917	2,270
Non-operating expenses	2,954	2,183	2,945	(9)
Income (loss) before capital contributions	7,459	7,713	3,784	3,675
Capital contributions	1,440	1,631	1,092	348
Increase (decrease) in net position	$ 8,899	$ 9,344	$ 4,876	$ 4,023

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)

	September 30,		December 31,
	2024	2023	2023
Current assets	$ 67.0	$ 83.6	$ 79.1
Net utility plant	271.0	244.6	257.4
Other assets	12.9	13.2	10.8
Total assets	350.9	341.4	347.3
Deferred outflows of resources	8.0	10.5	8.2
Total assets and deferred outflows	$ 358.9	$ 351.9	$ 355.5
Current liabilities	$ 9.5	$ 7.4	$ 11.0
Long-term debt	108.6	112.9	112.7
Other liabilities	19.7	18.1	19.6
Total liabilities	137.8	138.4	143.3
Deferred inflows of resources	3.6	7.5	3.6
Total net position	217.5	206.0	208.6
Total liabilities, deferred inflows, and net position	$ 358.9	$ 351.9	$ 355.5

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)

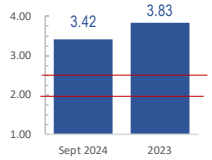
	YTD	Annual Working Budget	
	9/30/2024	Budget $	% of Budget
Type 1 - General capital	$ 6,542	$ 11,210	58.4%
Type 2 - Rehabilitation and expansion	$ 14,732	17,138	86.0%
Type 3 - Strategic projects	$ 993	2,625	37.8%
Total capital	$ 22,267	$ 30,973	71.9%

FINANCIAL STRENGTH MEASUREMENTS

Target line

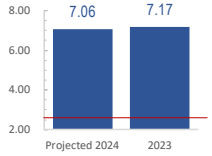
Debt service coverage
Target: 2.0 - 2.50x

Measures the utility's ability to meet its annual long-term debt obligation.



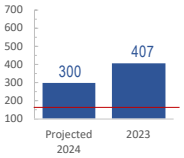
Current ratio
Target: Minimum of 3.25x

Measures the utility's short-term liquidity (ability to pay bills).



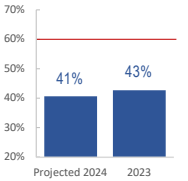
Working capital days cash
Target: Greater than 150 days

Estimates the number of days the utility can pay its daily O&M before running out of cash.



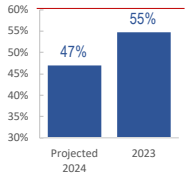
Age of system
Target: Less than 60 percent

Measures age of system compared to how much has been depreciated.



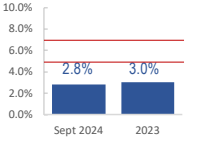
Debt as a % of NBV
Target: Less than or equal to 60 percent.

Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Return on NBV
Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



ELECTRIC UTILITY EL1 CAPITAL REPORT | Q3 2024

APPENDIX C

	ANNUAL BUDGET		2024	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Generation Infrastructure	$ 1,937,000	$ 1,937,250	$ 829,300	43%	$ 1,510,000
Substation Infrastructure	2,966,000	2,966,250	1,632,300	55%	3,000,000
Transmission & Distribution Infrastructure	8,561,000	8,560,125	13,697,100	160%	16,756,000
Telecommunications	940,000	939,751	470,800	50%	538,000
Down Town Network	1,198,000	1,198,050	668,600	56%	1,600,000
Information Technology	4,039,000	4,039,190	1,582,300	39%	2,430,000
Buildings, Land, & Fleet	3,023,000	3,022,738	2,136,400	71%	3,023,000
TOTAL TYPE 1 PROJECTS	**$ 22,664,000**	**$ 22,663,354**	**$ 21,016,800**	**93%**	**$ 28,857,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Bertelsen Property Expansion	5,270,000	3,275,000	1,265,300	39%	3,275,000
Currin Substation Rebuild	2,100,000	2,100,000	3,738,600	178%	4,352,000
Jessen Substation Rebuild		-	251,900	0%	665,000
Upriver Resiliency Upgrades		-	53,800	0%	168,000
FEMA Dillard Resiliency Rebuild	1,617,000	1,617,000	125,600	8%	135,000
International Paper Renewal & Replacement		525,000	860,300	164%	1,175,000
Leaburg Risk Mitigation Improvements	1,050,000	1,995,000	9,400	0%	510,000
Walterville Spillway and Forebay		525,000	120,300	23%	300,000
Electric Meter Upgrade	3,961,000	3,961,440	2,836,400	72%	3,449,000
IT - GIS Infrastructure 2021		-	1,255,400	0%	1,871,000
EWEB Enterprise Solutions	9,006,000	9,006,200	10,495,900	117%	15,609,000
TOTAL TYPE 2 PROJECTS	**$ 23,004,000**	**$ 23,004,640**	**$ 21,012,900**	**91%**	**$ 31,509,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Carmen-Smith Relicensing	**$ 24,255,000**	**$ 24,255,000**	**$ 8,031,600**	**33%**	$ 14,000,000
TOTAL ELECTRIC CAPITAL PROJECTS	**$ 69,923,000**	**$ 69,922,995**	**$ 50,061,300**	**72%**	**$ 74,366,000**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

WATER UTILITY EL1 CAPITAL REPORT | Q3 2024

APPENDIX D

	ANNUAL BUDGET		2024	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Source - Water Intakes & Filtration Plant	$ 1,075,000	$ 1,076,000	$ 746,400	69%	$ 950,000
Distribution & Pipe Services	4,852,000	7,154,001	4,454,900	62%	7,920,000
Distribution Facilities	3,290,000	987,000	828,500	84%	1,070,000
Information Technology	1,070,000	1,069,690	349,100	33%	565,000
Buildings, Land, & Fleet	923,000	923,093	163,400	18%	973,000
TOTAL TYPE 1 PROJECTS	**$ 11,210,000**	**$ 11,209,784**	**$ 6,542,300**	**58%**	**$ 11,478,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Bertelsen Property Expansion	$ 1,034,200	$ 1,034,200	$ 399,600	39%	$ 1,034,000
Riverfront Connector Transmission Main	1,050,000	1,050,000	-	0%	150,000
Hilyard St Transmission Main	5,460,000	5,460,000	4,214,100	77%	4,300,000
E 23rd St Transmission Main	-	-	60,700	0%	100,000
Willametter River Crossing	-	-	6,500	0%	200,000
Knickerbocker Bridge seismic upgrades	-	-	183,600	0%	260,000
Riverfront Parkway to Villard Street	-	-	76,900	0%	150,000
E 40th Storage Tanks	-	-	1,942,300	0%	2,500,000
Shasta 975 Reservoir	2,100,000	2,100,000	8,600	0%	20,000
College Hill Reservoir Replacement	3,150,000	3,150,000	952,600	30%	4,000,000
Water Meter Upgrade	1,500,000	1,500,000	3,176,000	212%	3,200,000
EWEB Enterprise Solutions	2,844,100	2,844,100	3,314,500	117%	5,520,000
IT - GIS Infrastructure 2021	-	-	396,500	0%	590,000
TOTAL TYPE 2 PROJECTS	**$ 17,138,300**	**$ 17,138,300**	**$ 14,731,900**	**86%**	**$ 22,024,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Emergency Water Supply	2,100,000	2,100,000	$ 510,100	24%	900,000
Second Source	525,000	525,000	$ 482,800	92%	600,000
TOTAL TYPE 3 PROJECTS	**$ 2,625,000**	**$ 2,625,000**	**$ 992,900**	**38%**	**$ 1,500,000**
TOTAL WATER CAPITAL PROJECTS	**$ 30,973,300**	**$ 30,973,084**	**$ 22,267,100**	**72%**	**$ 35,002,000**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

CAPITAL SPENDING SUMMARY | Q3 2024

APPENDIX E

In accordance with Board Policy EL1, staff will provide the Board with quarterly updates for all current year projects on the Capital Improvement Plans.

General Capital Renewal and Replacement projects (Type 1) will be reported by category (e.g., substations, shared IT infrastructure, transmission & distribution mains).

Infrastructure Rehabilitation & Expansion (Type II) and Strategic Projects (Type III) will be reported individually. Type II and III projects are further defined as those that are projected to be greater than $1 million for the life of the project.

ELECTRIC UTILITY AND SHARED SERVICES CAPITAL SPENDING SUMMARY

TYPE 2 – REHABILITATION & EXPANSION (ELECTRIC AND SHARED SERVICES)

Shared Services project updates are provided within the Electric Utility Capital section below, but the project budget and costs are split between Electric and Water in Appendix C and D.

Currin Substation Rebuild

Currin Substation Rebuild: Project initiated early 2020. Construction nearing completion with energization early Dec 2024. Cost higher than estimate due to supply chain impacts and higher construction costs.

Project Initiation:	Jan – 2020	Initial Scope Budget:	$9,500,000
Initial Planned Completion:	Dec – 2022	Actual Project Costs To-Date:	$14,436,000
Projected Completion:	Dec – 2024	Total Final Cost Projection:	$16,300,000

Electric AMI Deployment

Electric AMI Deployment: The scope of the AMI deployment project in town reached substantial completion of 98% in August 2024. Over 95,000 meters have been upgraded and the project is moving into closeout phase.

Project Initiation:	Feb – 2018	Initial Scope Budget:	$13,695,000
Initial Planned Completion:	Dec – 2021	Actual Project Costs To-Date:	$26,246,000
Projected Completion:	Dec – 2024	Total Final Cost Projection:	$26,859,000

Leaburg Canal Risk Mitigation (Near Term Risk Reduction Measures)

Project Initiation*:	Jul - 2021	Initial Scope Budget:	$21,500,000
Initial Planned Completion:	Dec - 2028	Actual Project Costs To-Date:	$2,576,000
Projected Completion*:	Dec - 2028	Total Final Cost Projection:	$29,400,000

*Initial scope budget was developed prior to determining the long-term plan for the canal. The additional final cost will be offset by a reduction in O&M expenses related to decommissioning.

TYPE 3 – CARMEN SMITH RELICENSING (ELECTRIC AND SHARED SERVICES)

Carmen Smith License Deployment

Project Initiation*:	Nov - 2016	Initial Scope Budget:	$139,000,000
Initial Planned Completion:	Dec - 2027	Actual Project Costs To-Date:	$101,658,000
Projected Completion:	Dec - 2030	Total Final Cost Projection:	$199,000,000

*Difference between initial budget and final cost projection is primarily due to additional regulatory requirements, significant escalation in material pricing, and generally unfavorable bidding conditions.

CAPITAL SPENDING SUMMARY | Q3 2024

APPENDIX E

WATER UTILITY CAPITAL SPENDING SUMMARY AND PROJECT UPDATES

TYPE 2 – REHABILITATION & EXPANSION (WATER AND SHARED SERVICES)

Shared Services project updates are provided within the Water Utility Capital section below, but the project budget and costs are split between Electric and Water in Appendix C and D.

Distribution Facilities and Pipe/Services

The E. 40th Project, the Hilyard Transmission Main, the College Hill project, the Shasta 975 Reservoir Replacement, and the AMI Water Meter Project are listed below and included in this category on the El-1 Report.

College Hill Storage Tanks and Pipelines

Project Initiation:	2023	Initial Scope Budget:	$34,000,000
Initial Planned Completion:	Dec 2026	Actual Project Costs To-Date:	$1,085,000
Projected Completion:	Dec 2026	Total Final Cost Projection:	$34,000,000

E. 40th Project

Project Initiation:	2018	Initial Scope Budget:	$10,250,000*
Initial Planned Completion:	Dec 2021	Actual Project Costs To-Date:	$27,383,000
Projected Completion:	Dec 2024**	Total Final Cost Projection:	$28,000,000

*Difference between initial scope budget and final const projection reflects Board decision to accelerate second tank construction at the site and build two tanks with initial contract.
**Tanks became operational in early Q1 2024, tank backfilling and site restoration will continue through 2024

Hilyard Street Transmission Main

Project Initiation:	2018	Initial Scope Budget:	$4,600,000*
Initial Planned Completion:	2021	Actual Project Costs To-Date:	$7,765,000
Projected Completion:	Q2 – 2025**	Total Final Cost Projection:	$11,000,000

**Difference between initial scope budget and final cost project due to increases in scope of work (including addition of water main replacement ~$1M), significant escalation in material pricing, unfavorable bidding conditions, and more extensive road restoration efforts than originally anticipated.
**Discovery of wetlands by City on parcel that pipeline crosses delayed project due to permitting efforts.

Shasta 975 Reservoir Replacement

Project Initiation:	2022	Initial Scope Budget:	$2,500,000
Initial Planned Completion:	Dec 2024	Actual Project Costs To-Date:	$957,000
Projected Completion:	Q3 - 2025	Total Final Cost Projection:	$3,000,000

AMI Water Meter Upgrade

EWEB has deployed over 84% of Water AMI meters. We are targeting to completion of Water AMI deployment by year-end 2025.

Project Initiation:	2018	Initial Scope Budget:	$17,564,000
Initial Planned Completion:	Dec 2021	Actual Project Costs To-Date:	$19,857,000
Projected Completion:	2025	Total Final Cost Projection:	$21,000,000

CAPITAL SPENDING SUMMARY | Q3 2024

APPENDIX E

TYPE 3 – STRATEGIC PROJECTS AND PROGRAMS

Emergency Water Supply

Construction of new emergency distribution sites is anticipated to end in Q1 - 2025 with an anticipated 7 sites. End date is pushed back from year end 2023 due to delays in City/4J coordination for last two sites.

Project Initiation:	2018	Initial Scope Budget:	$4,000,000
Initial Planned Completion:	2028	Actual Project Costs To-Date:	$2,984,000
Projected Completion:	Q1-2025	Total Final Cost Projection:	$3,500,000

Willamette Treatment Plant

For the purposes of this report, 2021 is used as the start of the current second source efforts, primarily with respect to cost and budget tracking. Projected completion assumes permitting complete in 2026 followed by 2-3 years construction.

Project Initiation:	2021	Initial Scope Budget:	$90,000,000*
Initial Planned Completion:	2027	Actual Project Costs To-Date:	$1,419,000
Projected Completion:	2029	Total Final Cost Projection:	$100,000,000

*Difference between initial scope budget and final const projection primarily due to additional inflation added during 2023 CIP process.

CONTRACTS REPORT | Q3 2024

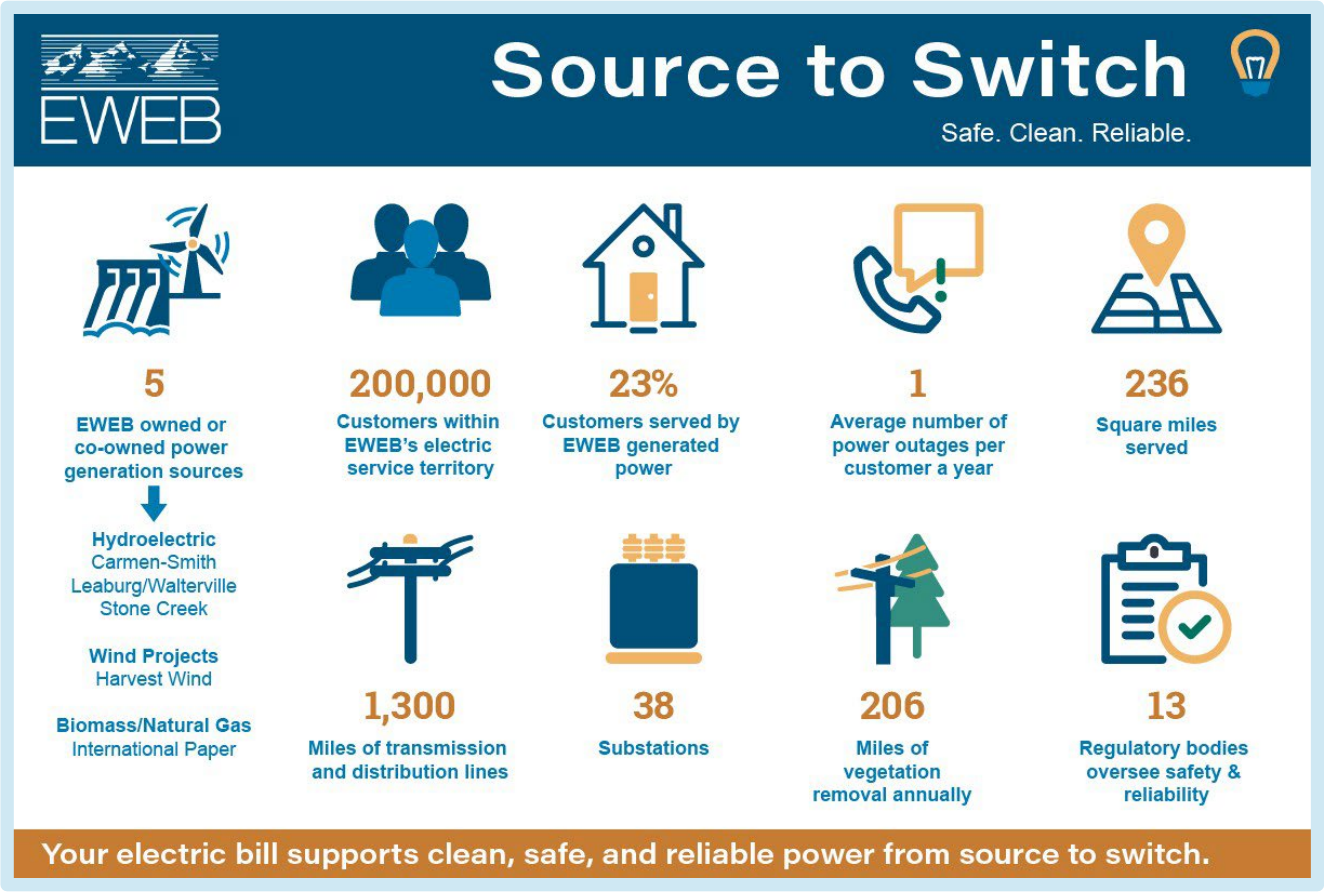
APPENDIX F

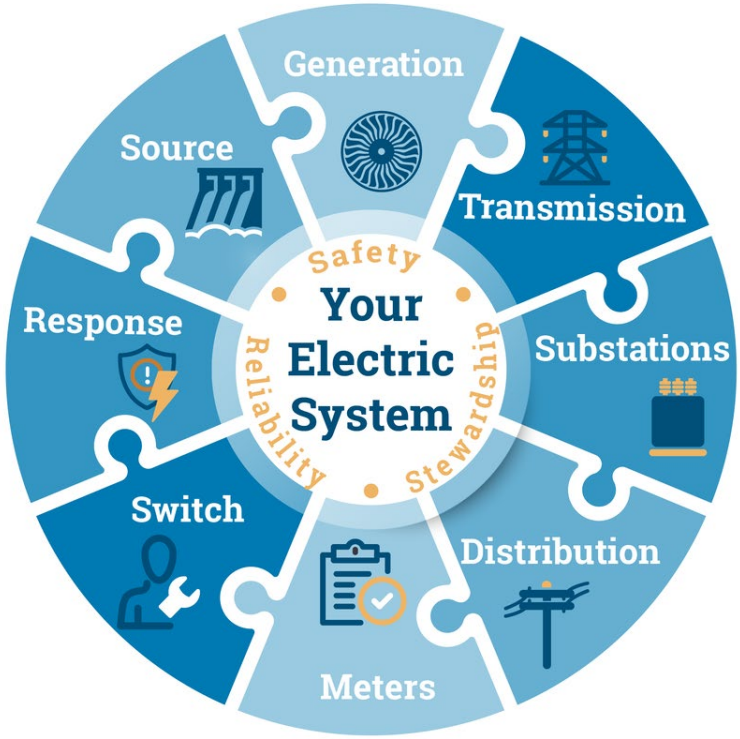
Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
08/07/24	Beaver Dam Consulting	Gladstone, OR	ASDSO Peer Review Report	12/31/25	$ 53,355.00	Direct Negotiation	Karen Kelley
08/07/24	GEI	New York, NY	Trail Bridge Dam Cut-Slope Assessment	02/28/25	$ 56,795.00	Direct Negoitation	Karen Kelley
08/08/24	Western Utility Telecom	Salem, OR	Steel Poles for AMI	12/31/25	$ 145,000.00	Informal ITB	Karen Kelley
09/10/24	OS Engineering	Springfield,OR	City View 1150 PS Replacment- Electrical Eng. Serv.	12/31/25	$ 54,319.00	Direct Negotiation	Karen Kelley
09/25/24	Power Engineers	Hailey, ID	Upriver Substation Feasibility Study	01/31/25	$ 94,142.00	Direct Negotiation	Karen Kelley

For questions please contact Quentin Furrow, 541-685-7380

ELECTRIC DIVISION | Q3 2024

APPENDIX G

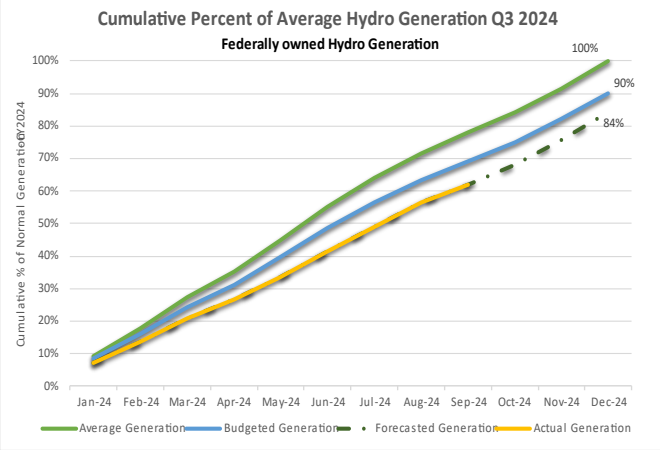


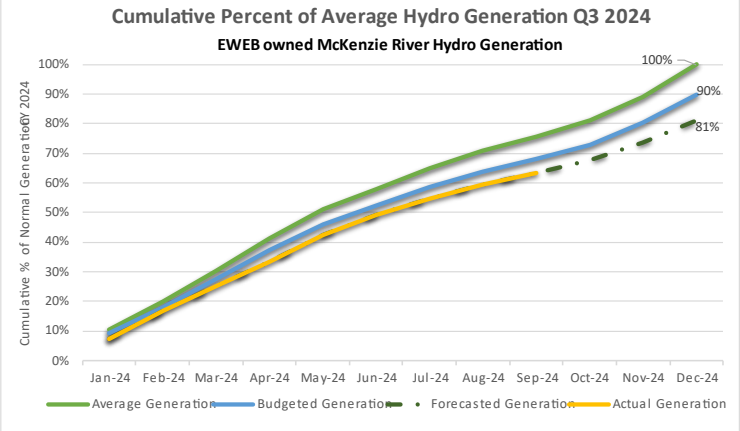


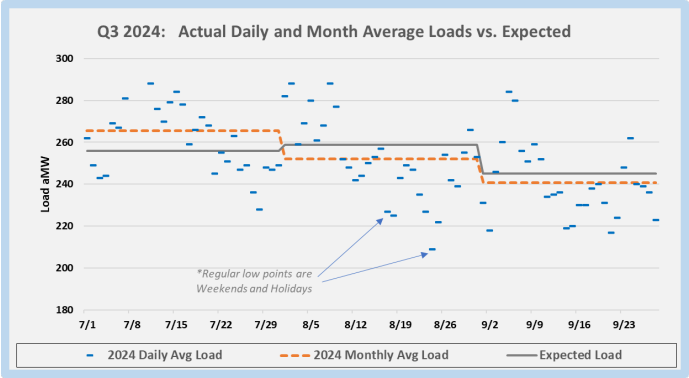
ELECTRIC DIVISION | Q3 2024

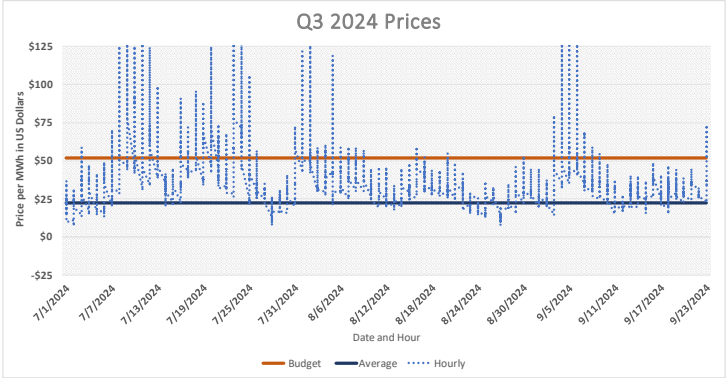
APPENDIX G

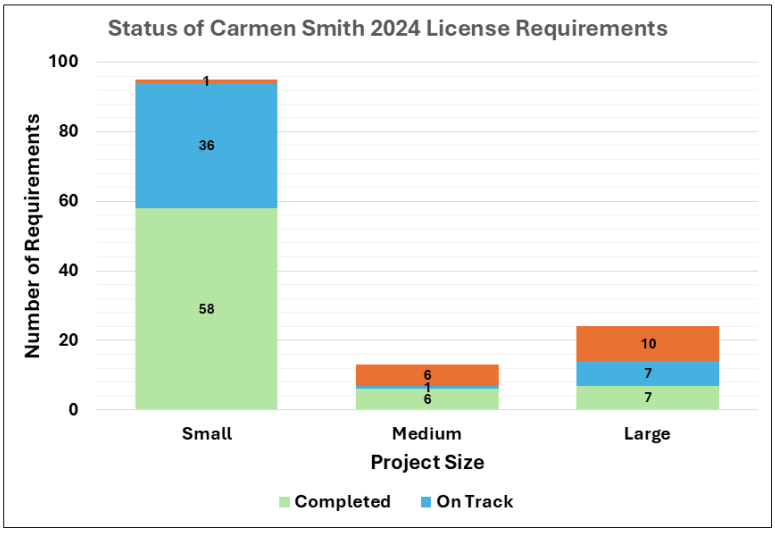
SOURCE & PRODUCTION









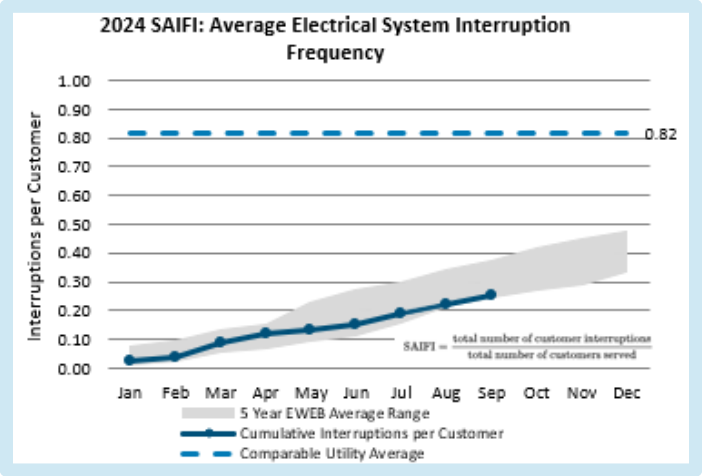


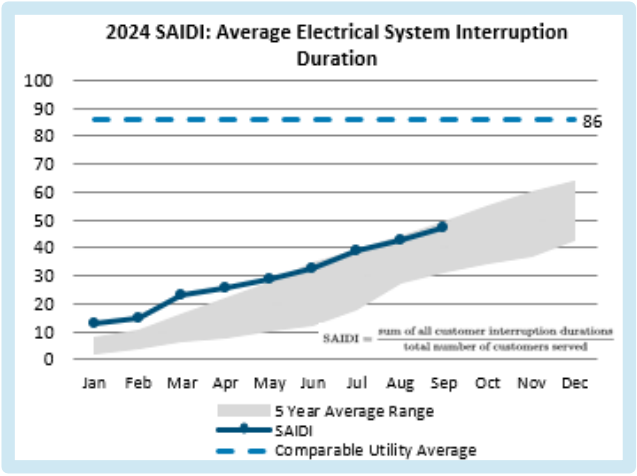
Small Projects: Duration of 12 months or less. Not complex and relatively low cost.
Medium Projects: Duration of 12-36 months. Increased complexity and cost, with greater environmental benefit once complete.
Large Projects: Duration of greater than 36 months. Typically highly complex and costly, with significant environmental benefit once complete.

ELECTRIC DIVISION | Q3 2024

APPENDIX G

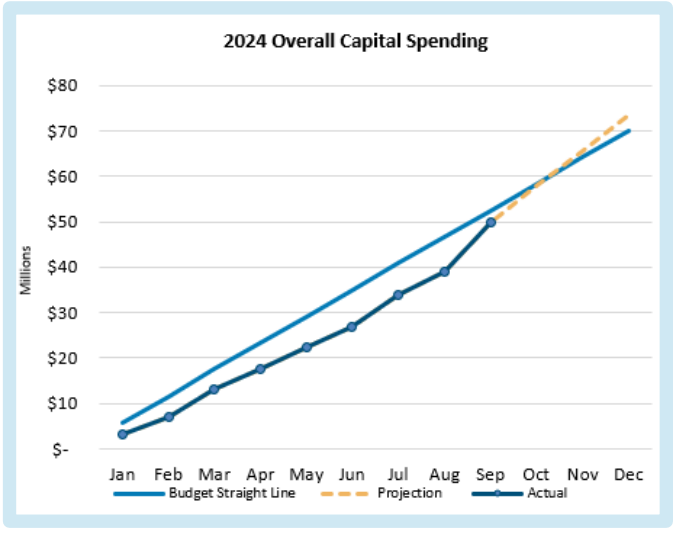
TRANSMISSION & DISTRIBUTION

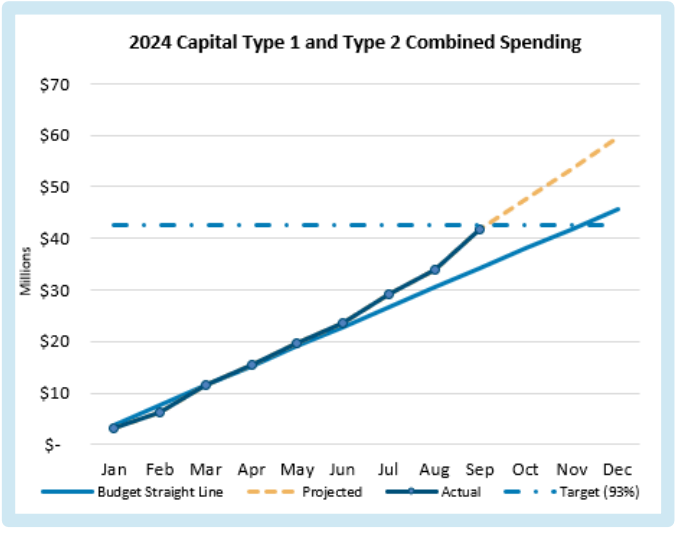




MONITORING & COMPLIANCE

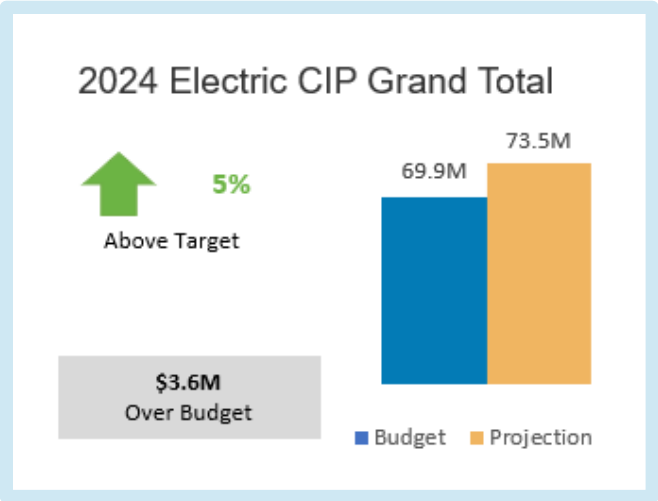
RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

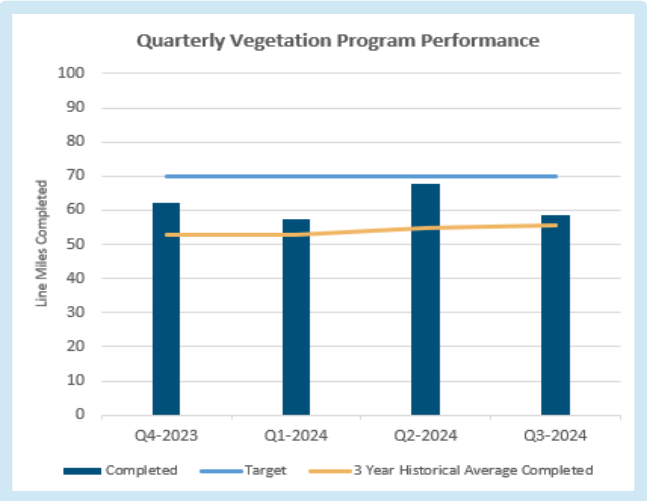




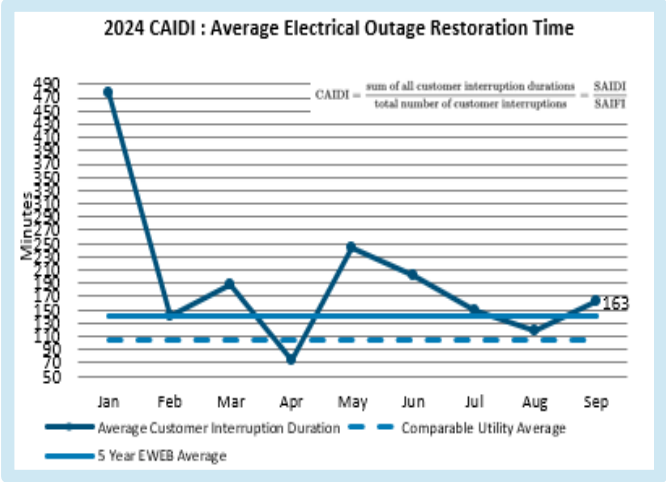
ELECTRIC DIVISION | Q3 2024

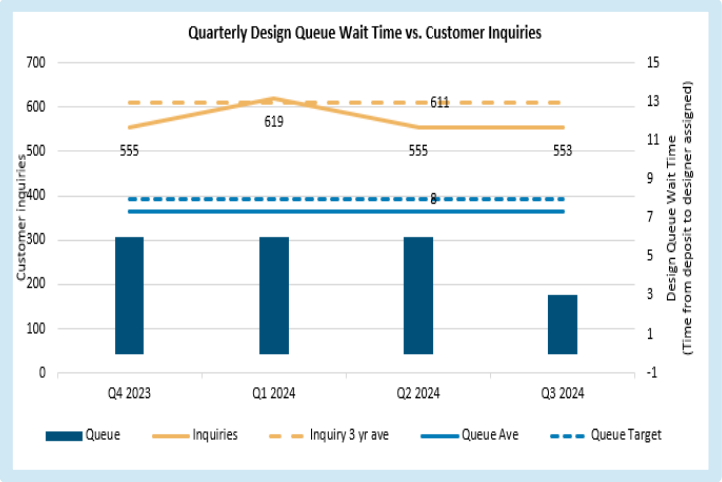
APPENDIX G





SWITCH (CUSTOMER)





ELECTRIC DIVISION | Q3 2024

APPENDIX G

ELECTRIC SAFETY & RELIABILITY FROM SOURCE TO SWITCH!

The Electric Operations Division aims to provide safe, reliable electricity to customers 24/7/365 and reduce the operational risks to public safety while being good stewards of our customer/owner's infrastructure and funding resources.

SOURCE

EWEB has many sources of power generation that require careful attention to ensure our resources remain available, safe for use, and comply with multiple agency regulations, while mitigating the impact of resource use on our environment. To achieve this, staff from multiple departments work to monitor these sources, identify and mitigate factors that influence their availability, and ensure compliance to ultimately optimize their use as a source of power generation to meet load requirements.

PRODUCTION

EWEB generates around 20 percent of the community's power using EWEB-owned or co-owned resources. The power generation process includes redundancy to protect from process failures and is closely monitored and constantly adjusted to meet regulatory requirements, including Dam Safety. The remaining 80 percent comes from power purchase agreements, with the vast majority of purchased power coming from Bonneville Power Administration. The purchasing and trading processes require constant monitoring and adjustment to balance with our generation ability and customer demands.

TRANSMISSION & DISTRIBUTION

Once the electricity is generated or purchased, safety and reliability must be maintained as it is delivered to EWEB customers. Assessing, testing, maintaining, repairing, and replacing infrastructure are critical aspects of the program to ensure safety, reliability and meet customer demands.

MONITORING & COMPLIANCE

Monitoring the electric grid is essential to ensuring safe and reliable service to EWEB's customer/owners. Monitoring data gives electric operations staff the ability to adjust generation and system operation to safeguard service for public and employee safety as well as meeting customer demands. Compliance with all North American Electric Reliability Corporation, Public Utility Commission, and other health/safety/environmental requirements is key to ensuring service reliability and public safety.

RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the safety and reliability of our service. The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure continued reliable service to our customer/owners.

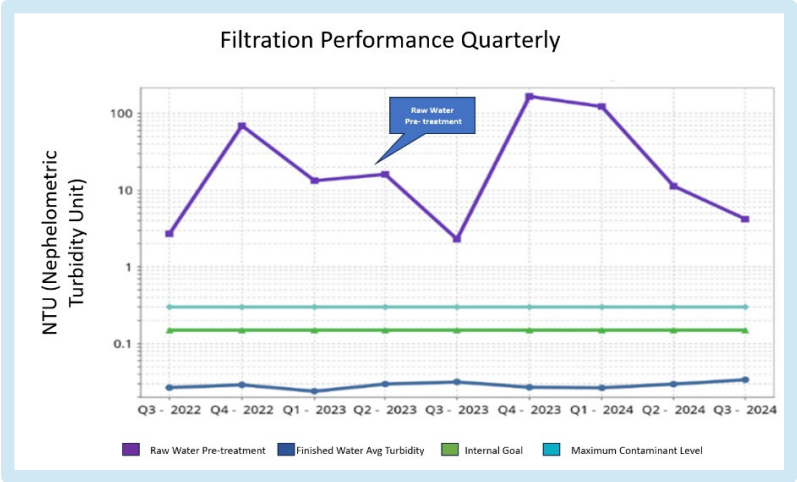
SWITCH (CUSTOMER)

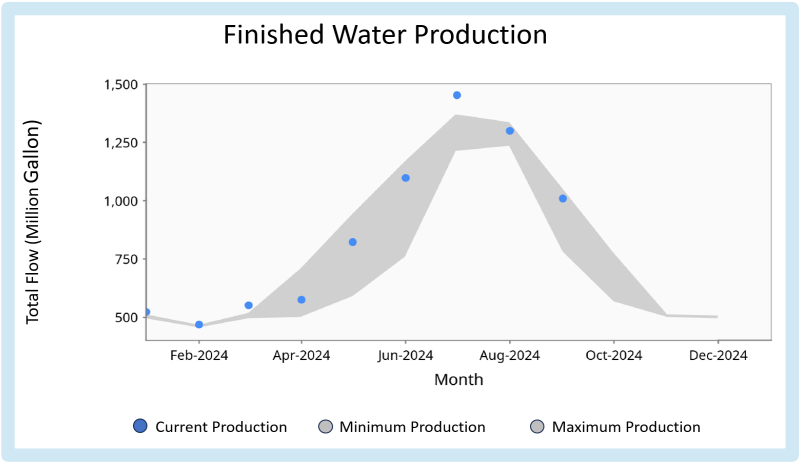
The Electric Division's mission is to provide safe, reliable electricity to our customers while serving as stewards of utility assets and infrastructure using the Source to Switch approach. This final section includes data and information that points to the customer's experience with the Electric Division.

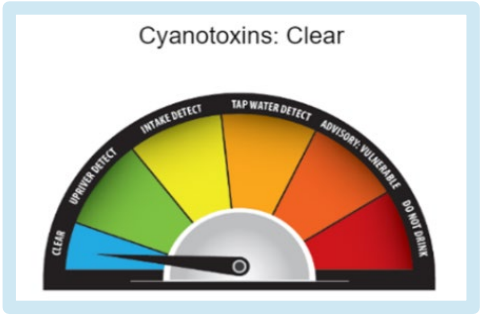
WATER DIVISION | Q3 2024

APPENDIX H

SOURCE & PRODUCTION



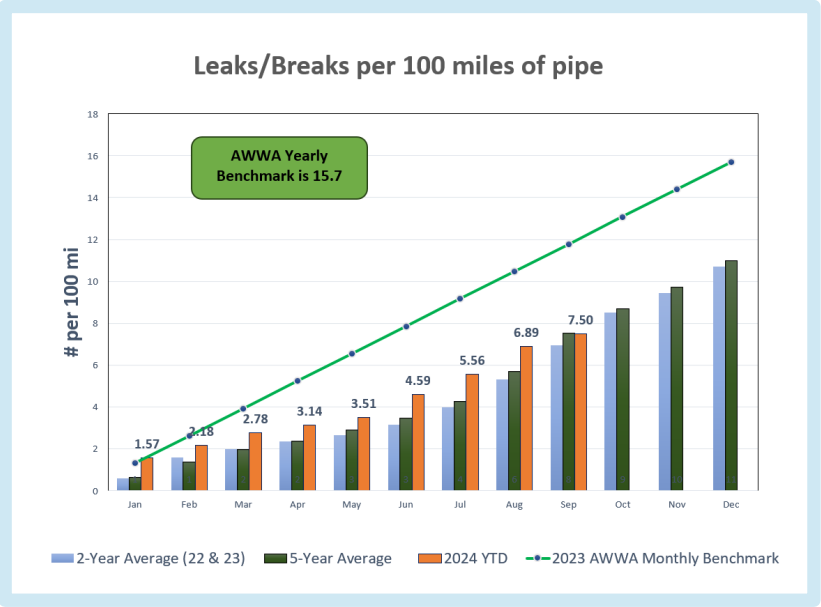


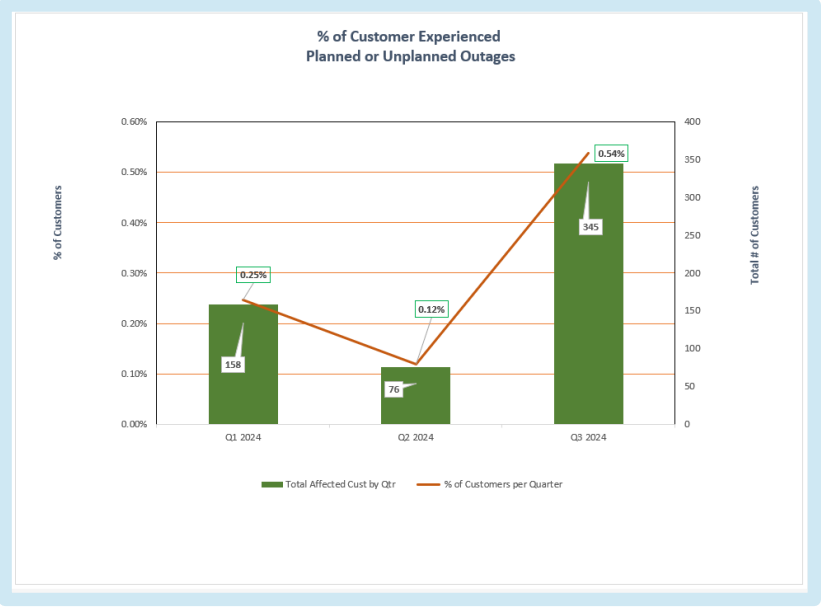


WATER DIVISION | Q3 2024

APPENDIX H

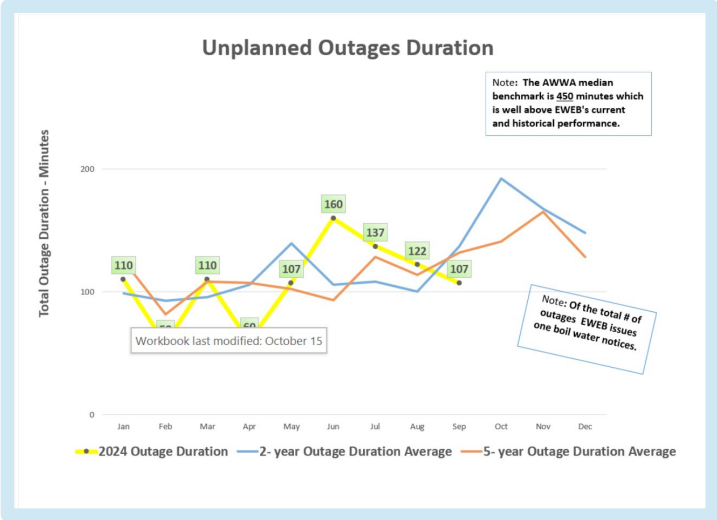
TRANSMISSION & DISTRIBUTION



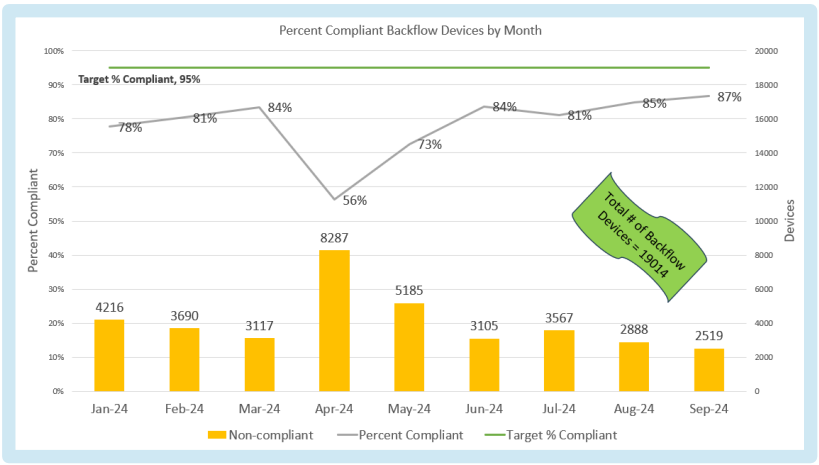


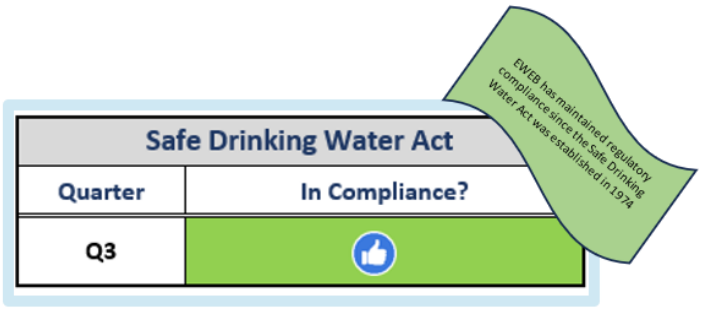
WATER DIVISION | Q3 2024

APPENDIX H



MONITORING & COMPLIANCE

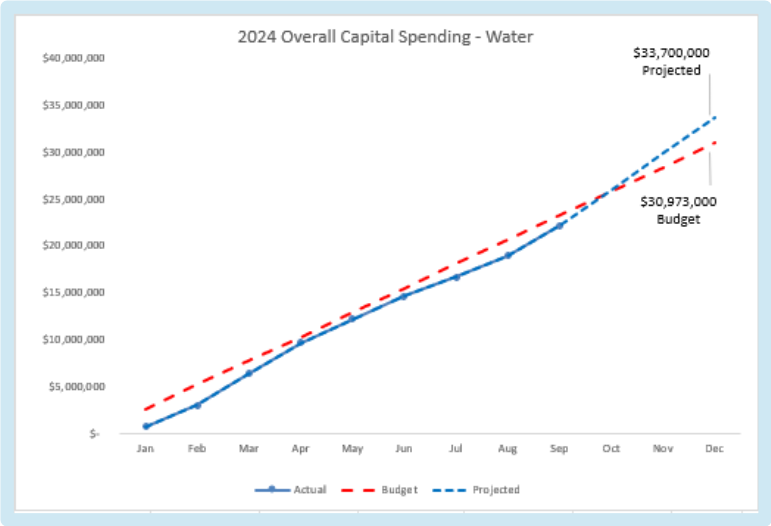


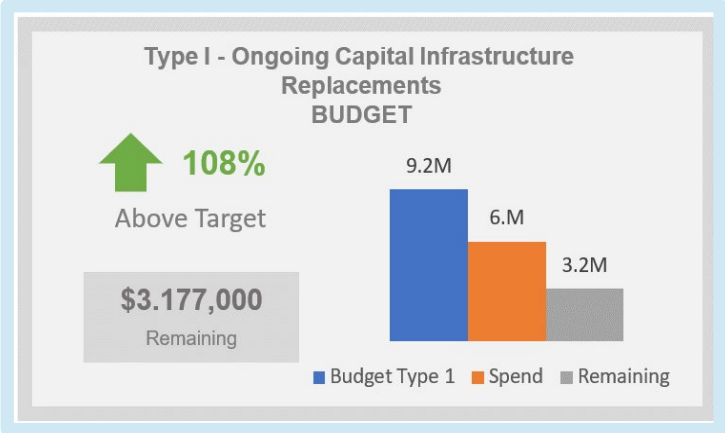


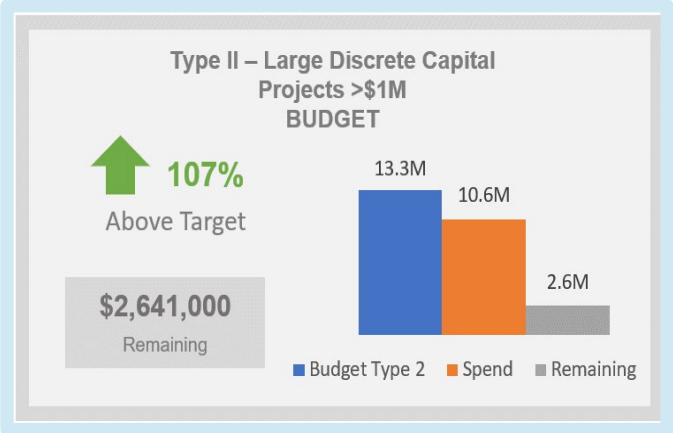
WATER DIVISION | Q3 2024

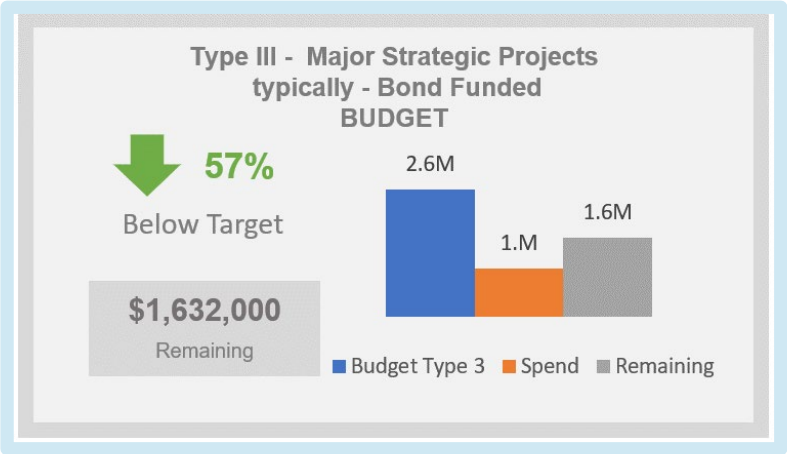
APPENDIX H

RESILIENCY & PLANNING





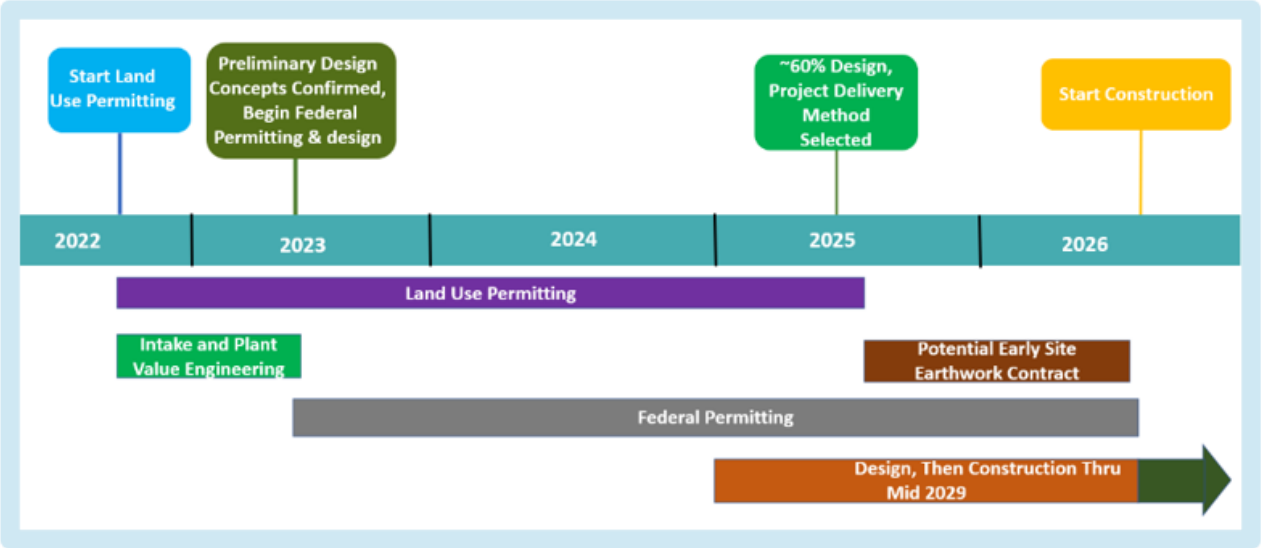




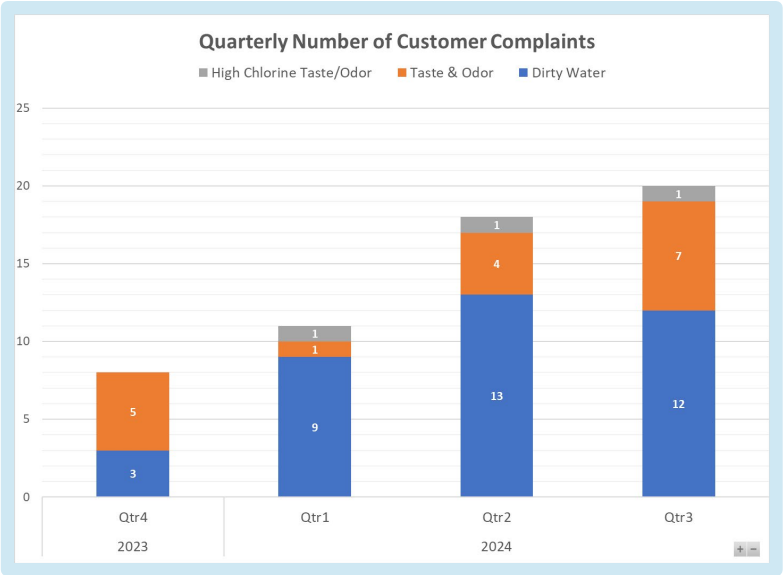
WATER DIVISION | Q3 2024

APPENDIX H

Willamette Treatment Plant Project Schedule

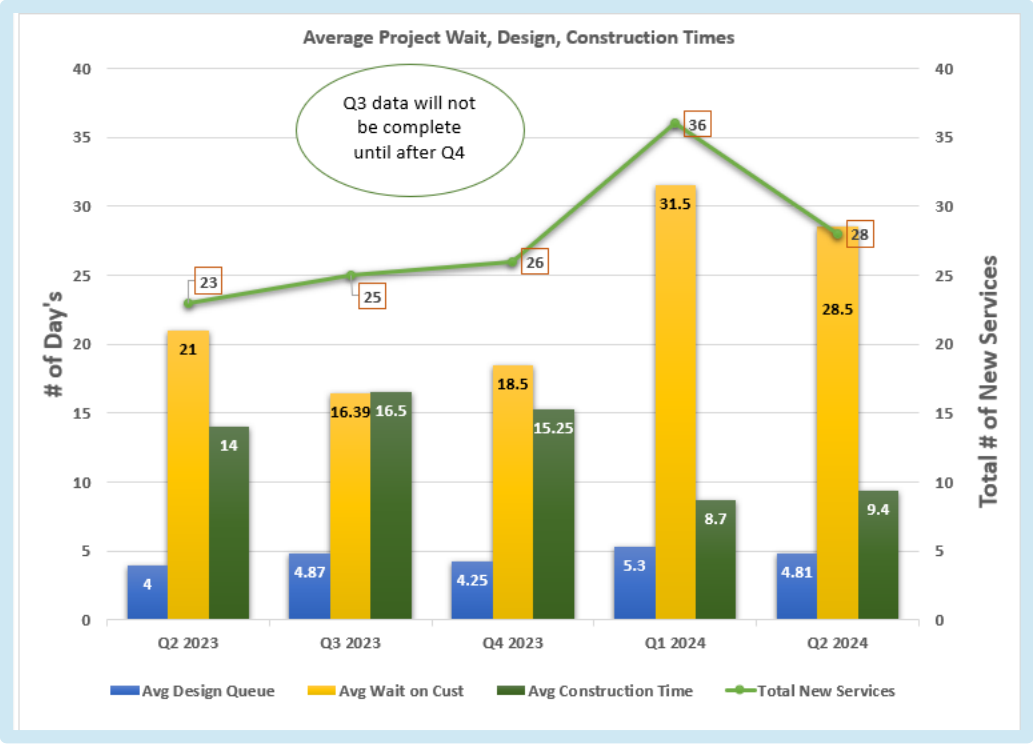


TAP (CUSTOMER)



WATER DIVISION | Q3 2024

APPENDIX H



WATER DIVISION | Q3 2024

APPENDIX H

WATER QUALITY & RELIABILITY FROM SOURCE TO TAP!

The Water Operations Division uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to customers 24/7/365 and to reduce the operational risks to public health while being good stewards of our customer/owner's infrastructure and funding resources.

SOURCE

The purpose of the Source Water Protection Program is to minimize adverse impacts on the source of our community's drinking water. Specifically, the program aims to 1) identify and understand the threats to our drinking water through watershed monitoring and 2) reduce the risk of pathogens and pollutants entering the treatment plant through source water protection to ultimately manage or reduce the degree of treatment required.

PRODUCTION & PERFORMANCE

McKenzie River water is treated to drinking water standards using conventional treatment trains that include redundancy to protect from treatment failures. The treatment process is closely monitored and constantly adjusted to ensure production of safe drinking water prior to delivery to customers.

TRANSMISSION & DISTRIBUTION

Once the water is adequately treated, the quality must be maintained as it is delivered to EWEB customers. Replacing aging infrastructure, repairing leaks, flushing, maintaining a disinfectant residual and positive pressure, and protecting against cross-connections are critical aspects of the program to ensure water quality, reliability and adequate fire flow.

MONITORING & COMPLIANCE

Monitoring the quality of our raw, treated and distributed drinking water is essential to ensuring safe water for EWEB's customer/owners. Monitoring data gives water operations staff the ability to adjust treatment and system operation to safeguard quality for human consumption. Compliance with all Safe Drinking Water Act requirements is key to protecting the public's health.

RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the public if harmful contaminants should make it through the other water system barriers (source water protection, water treatment, water supply system reliability, and water quality monitoring). The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure reliable service to our customer/owners.

SUPPORT SERVICES

To ensure the smooth delivery of high quality, reliable water service to our customers, the Support Services Operations Division provides assistance with traffic control, locating, saw cutting, communications and control systems, along with fleet, property, facility, design and mapping and services.

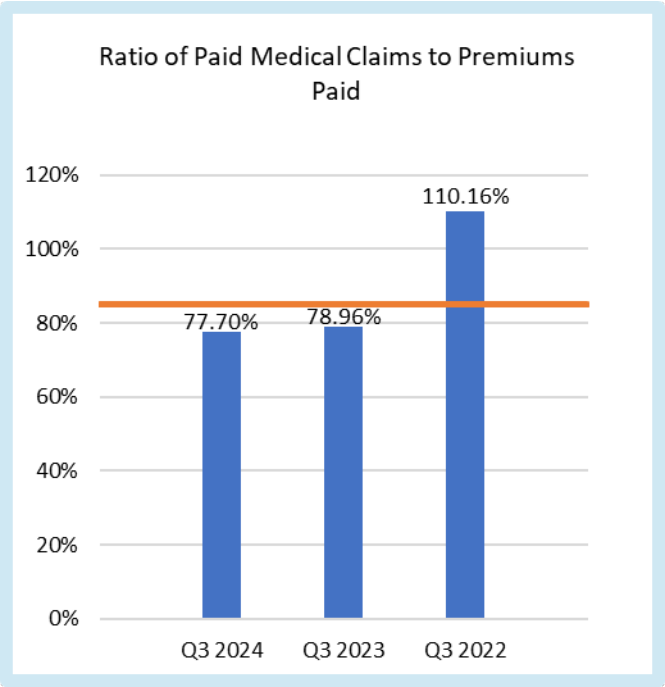
TAP (CUSTOMER)

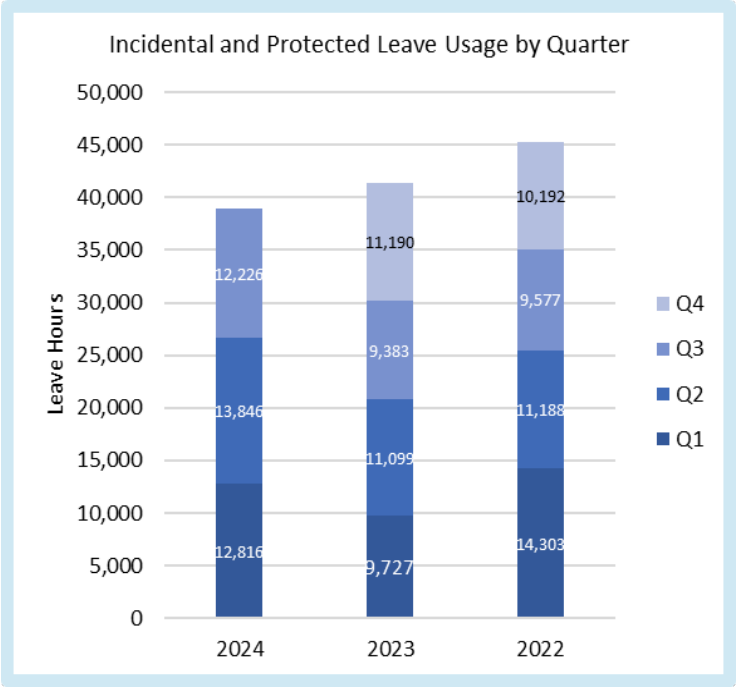
The Water Division's mission is to provide high quality, reliable drinking water to our customers while serving as stewards of utility assets and infrastructure using the Source to Tap approach. This final section includes data and information that points to the customer's experience with the Water Division.

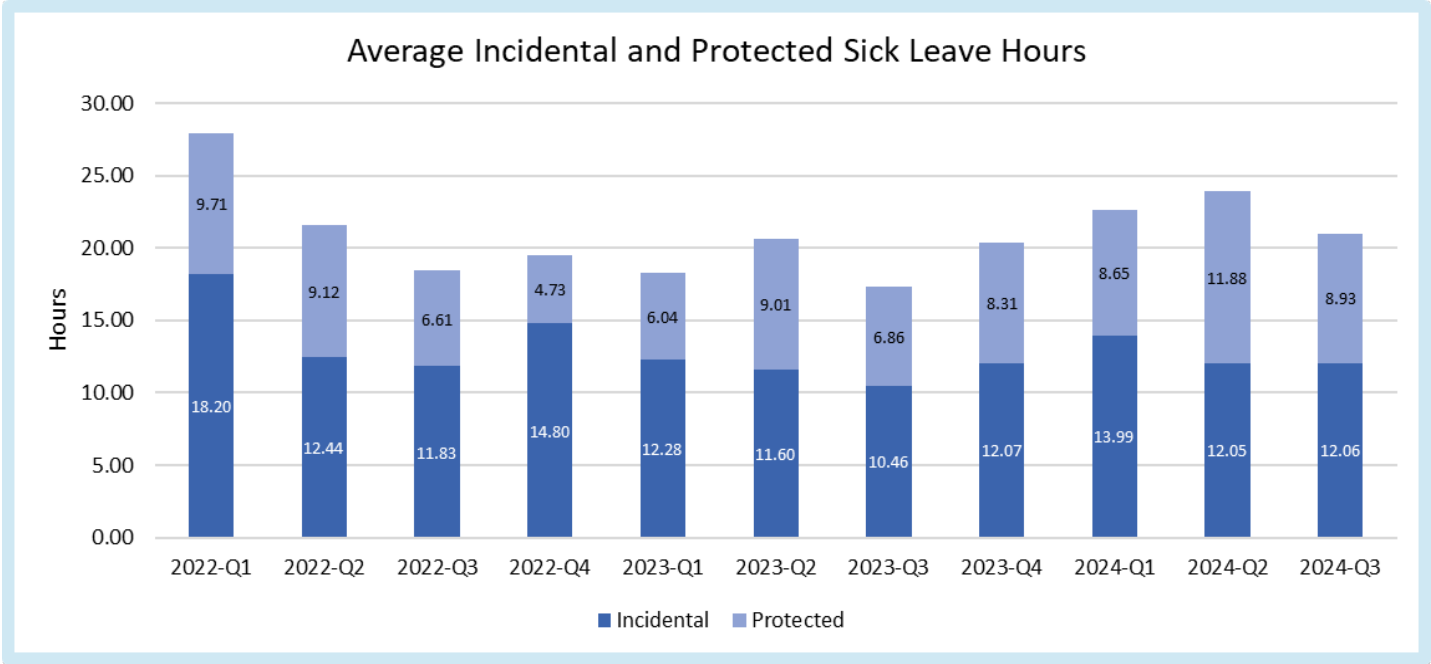
WORK FORCE COMPOSITION | Q3 2024

APPENDIX I

BENEFITS & LEAVE PROGRAM MANAGEMENT

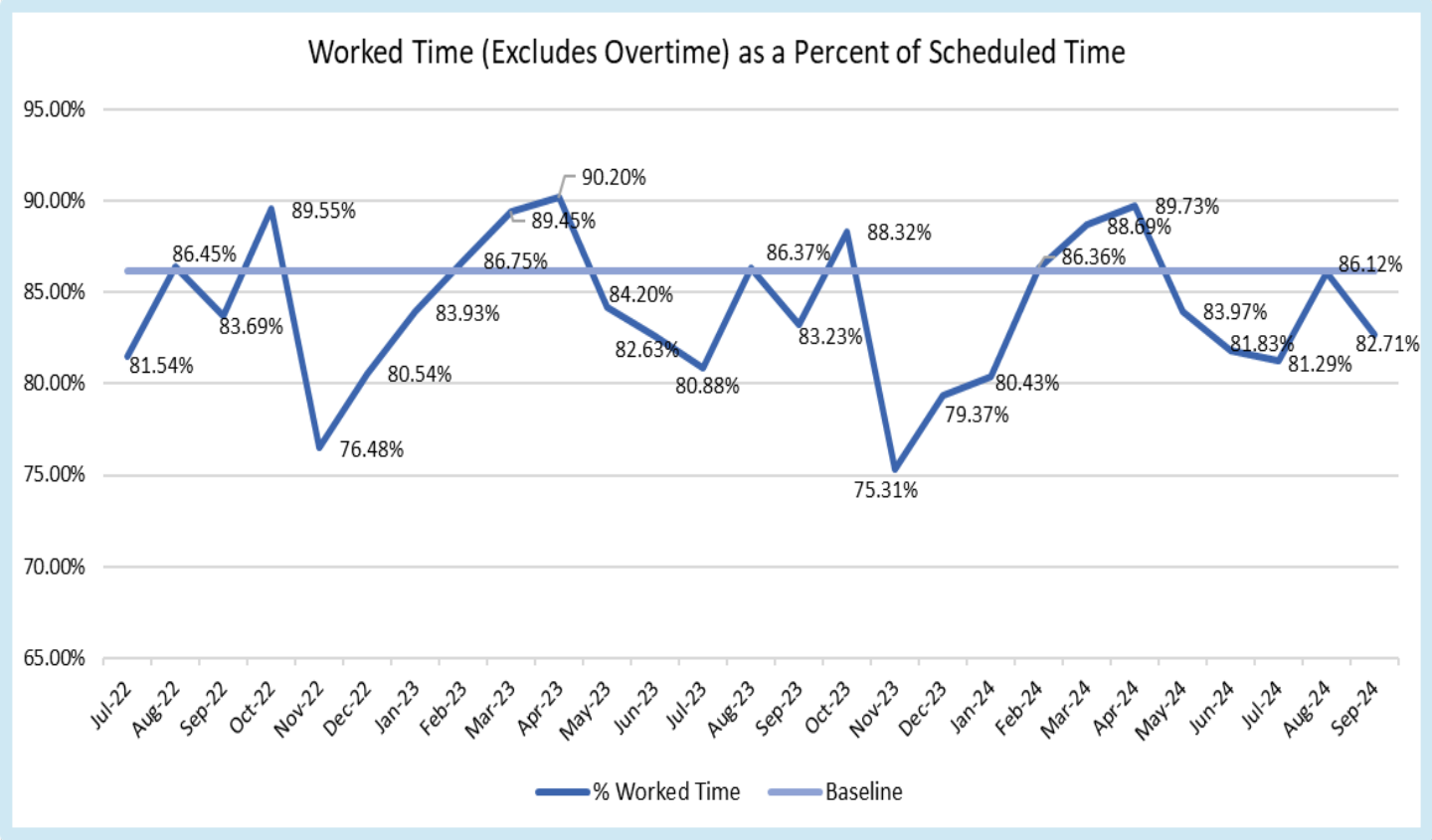




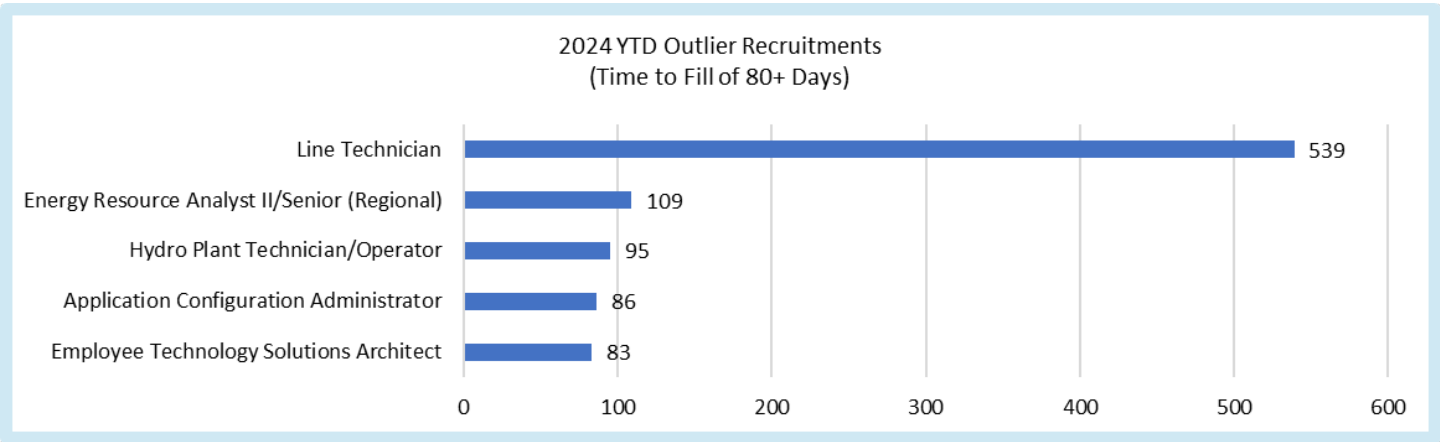


WORK FORCE COMPOSITION | Q3 2024

APPENDIX I



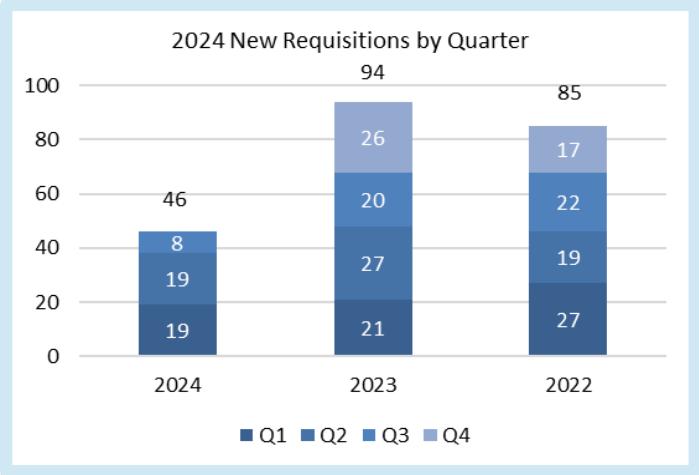
WORKFORCE RESILIENCY (HIRING, ADVANCEMENT & TURNOVER)

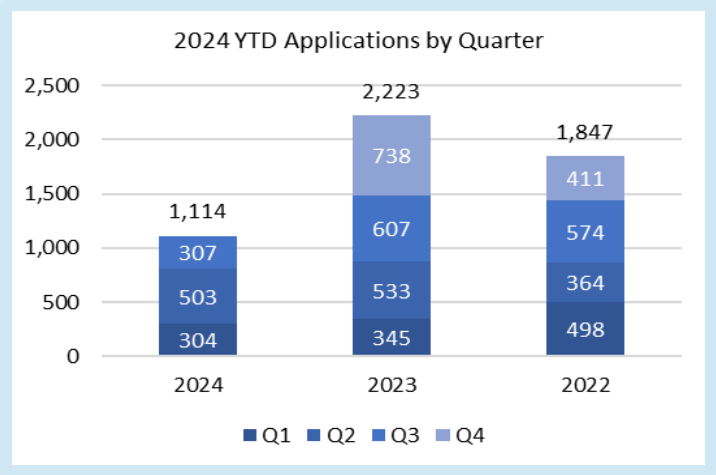


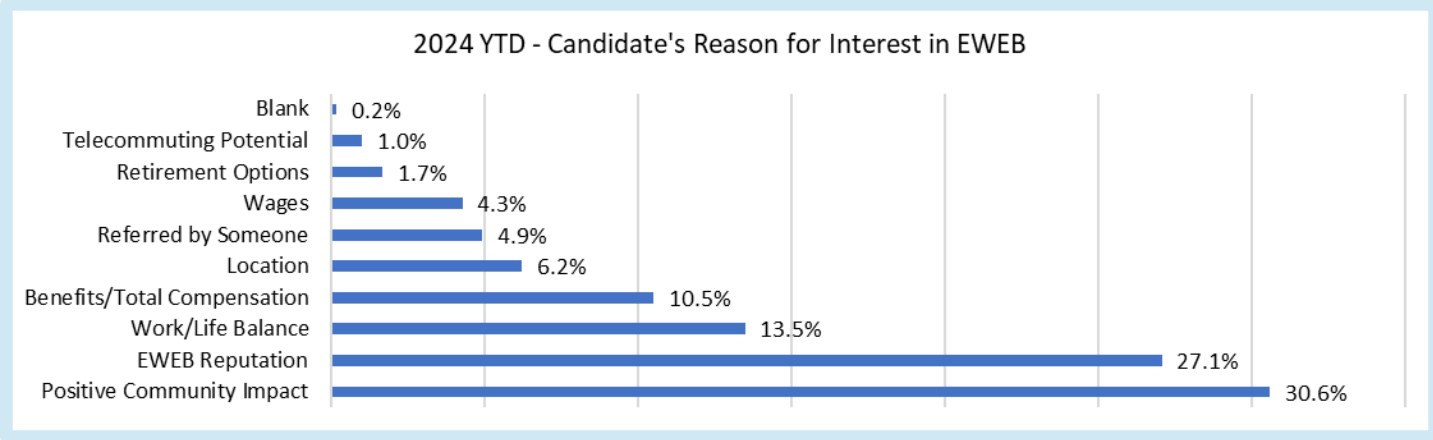
*All positions are filled except for the Line Technician, which has multiple openings to fill.

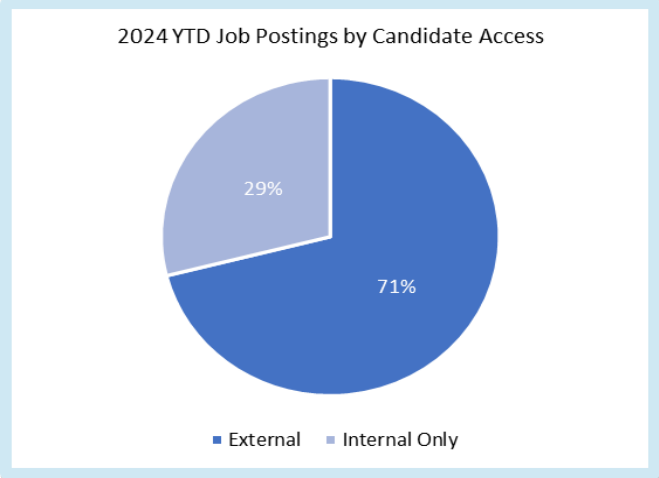
WORK FORCE COMPOSITION | Q3 2024

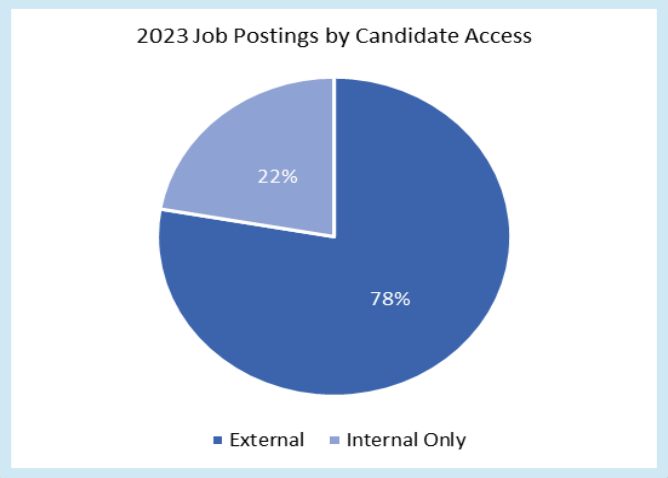
APPENDIX I





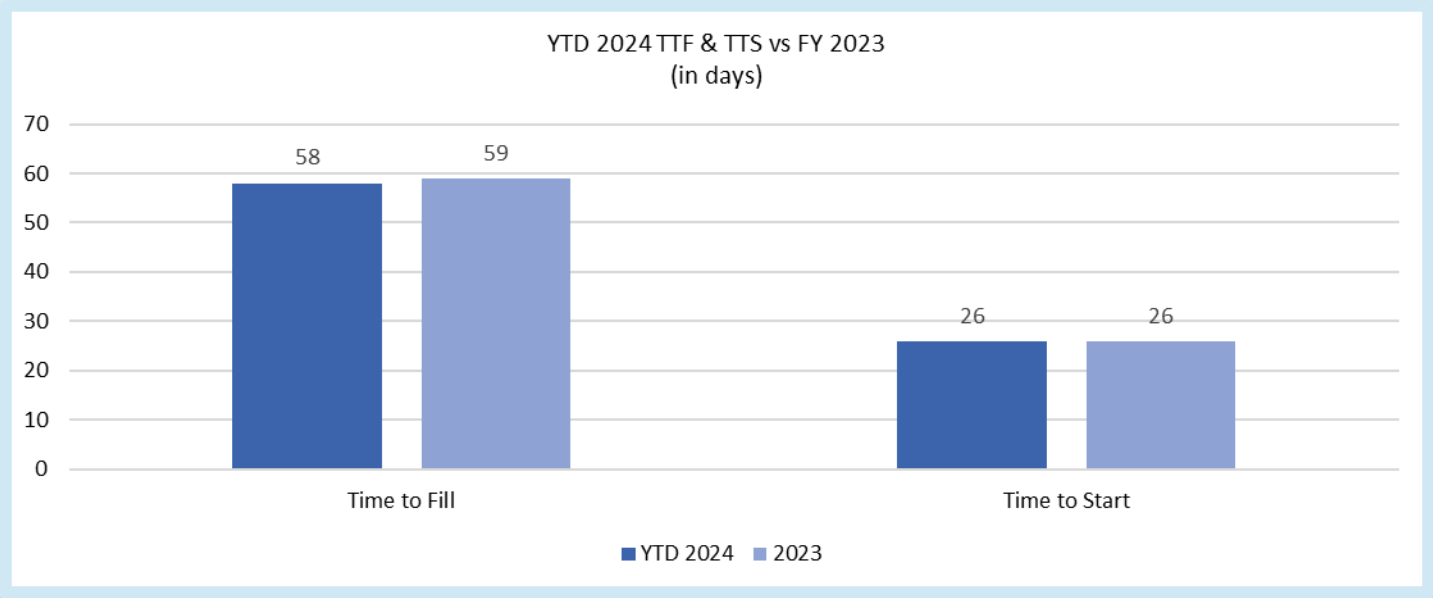


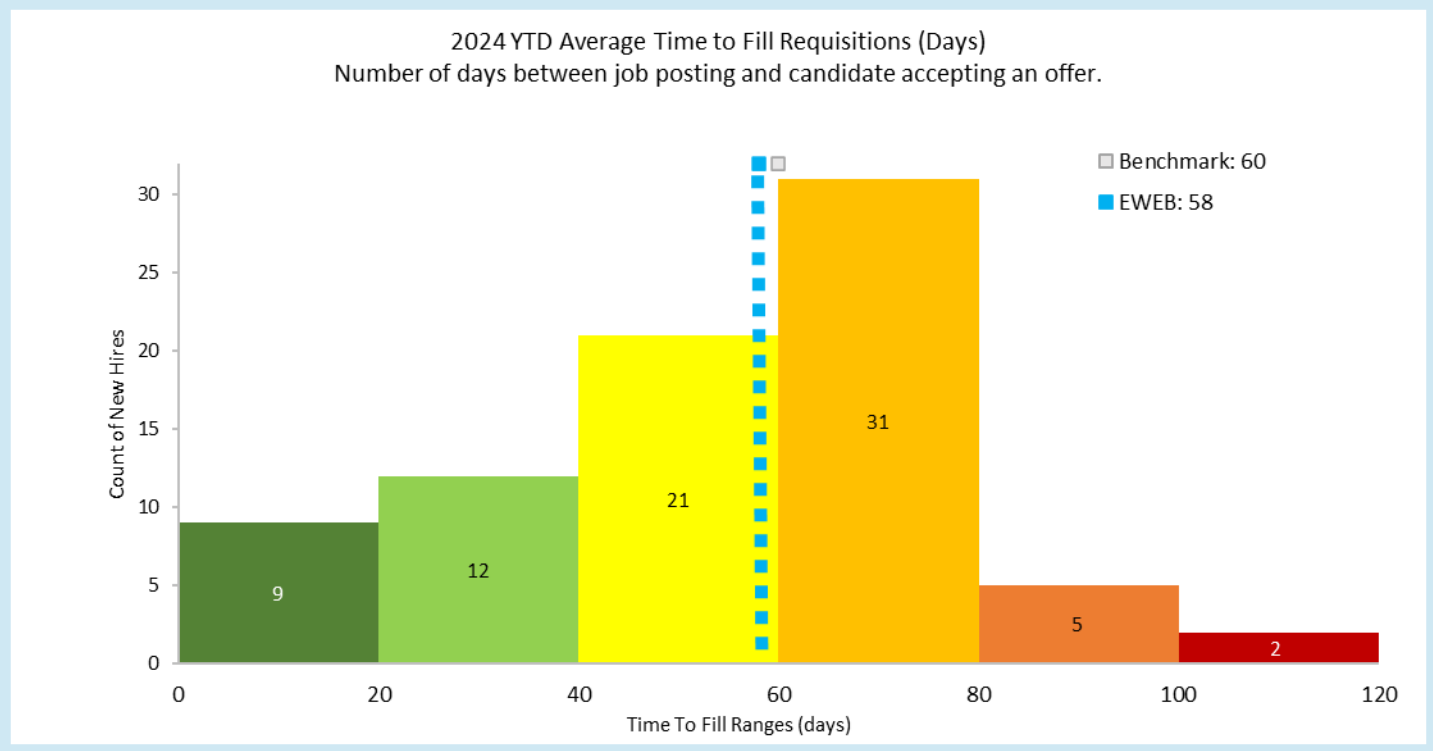




WORK FORCE COMPOSITION | Q3 2024

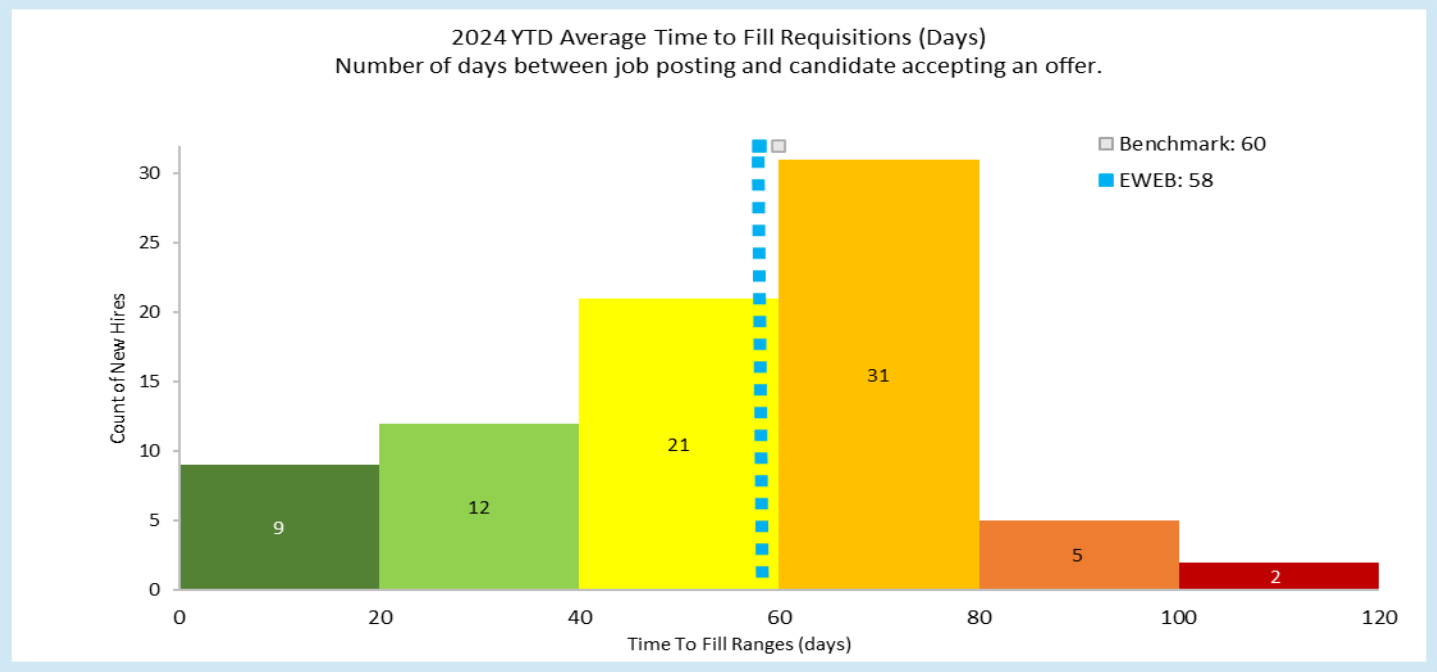
APPENDIX I

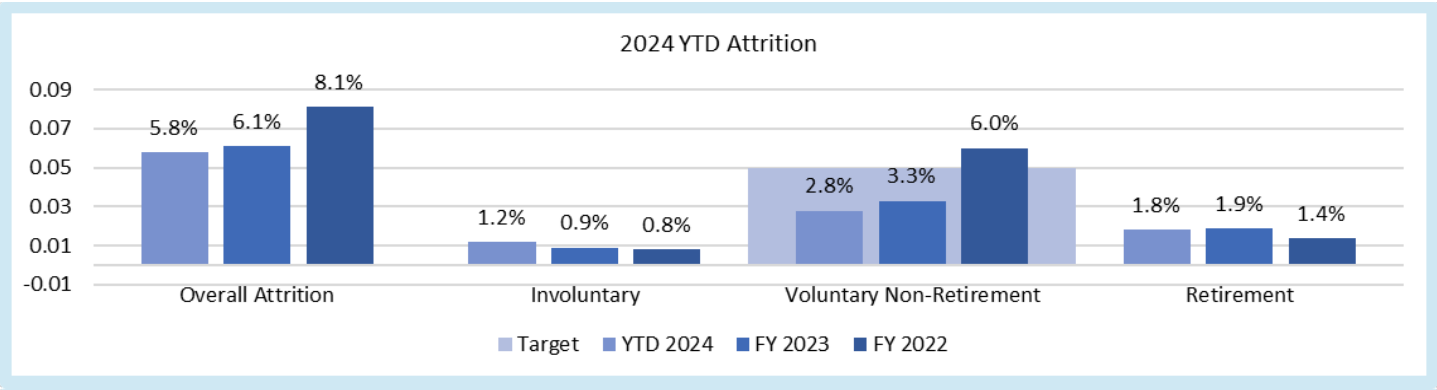


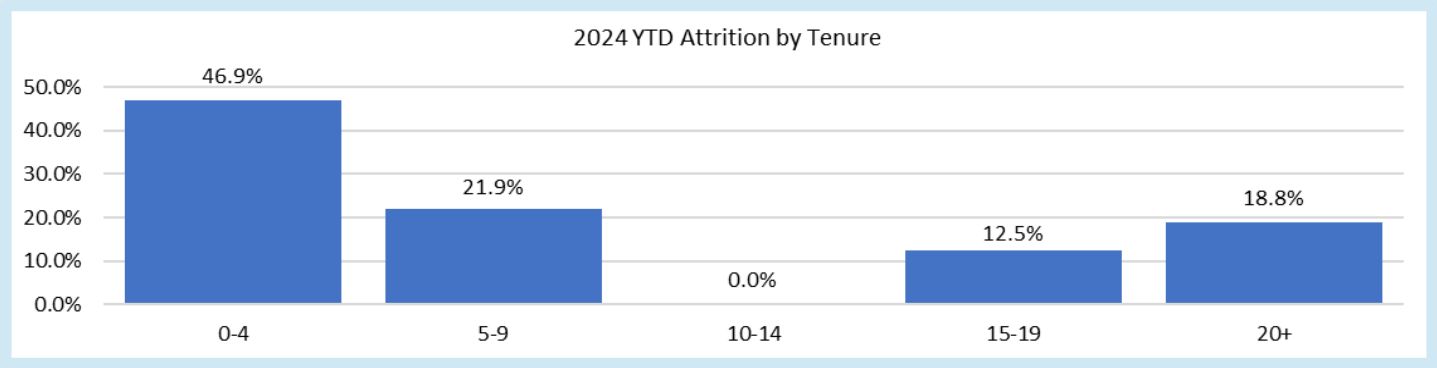


WORK FORCE COMPOSITION | Q3 2024

APPENDIX I







CUSTOMER DIVISION | Q3 2024

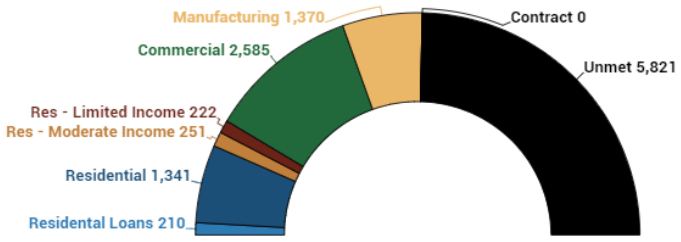
APPENDIX J

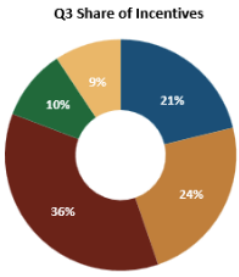
CUSTOMER SOLUTIONS

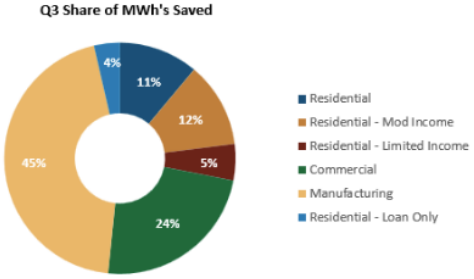
ENERGY EFFICIENCY

In the second and third quarter, EWEB offered a moderate-income, energy efficiency program funded by a BPA grant. Grant funding essentially doubled the incentives available to this customer segment. 132 projects were completed during the quarter. This program extended financial support to income constrained customers that do not typically qualify for premium incentives available to limited income customers. While residential programs do not achieve significant conservation, they provide meaningful benefits to community members in the form of home comfort, and lower energy bills.

Q3 2024 Energy Efficiency 5,979 MWh (Target: 11,800 MWh)







Moderate Income

Data sets now include moderate income customers as a distinct category due to the BPA Direct Funding Grant program.

Staffing

Due to retirements and promotions, Solutions has onboarded 3 new Energy Specialists this year. New hires are quickly contributing, but resources have been constrained as a result.

Efficiency Funding by Sector: Q3 2024 Quarterly Results				
Customer Segment	Projects	Incentives ($)	MWh saved	$/MWh
Residential	257	$ 211,000	234	$ 902
Residential - Mod Income*	132	$ 234,000	251	$ 932
Residential - Limited Income*	78	$ 358,000	107	$ 3,346
Commercial	20	$ 99,000	496	$ 200
Manufacturing	3	$ 92,000	943	$ 98
Contract Customers**	0	$ -	0	NA
Incentivized Conservation	490	$ 994,000	2,031	
Residential - Loan Only	64	$ 654,000	76	-
Total Conservation	554		2,107	

CUSTOMER DIVISION | Q3 2024

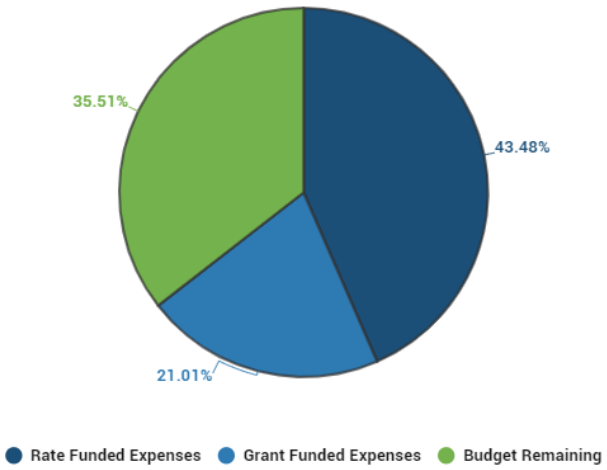
APPENDIX J

Efficiency expenses and revenues

Excluding an additional $3.9M in BPA reimbursements

- Staff have leveraged external grant opportunities for the benefit of customers.
- Grant funding is in addition to $3.9M in BPA reimbursements, which accounts for nearly 200% of the 2024 budget assumption.
- External funding will continue to impact internal business practices in the coming years, with multiple programs currently in the works for 2025 - 2026.

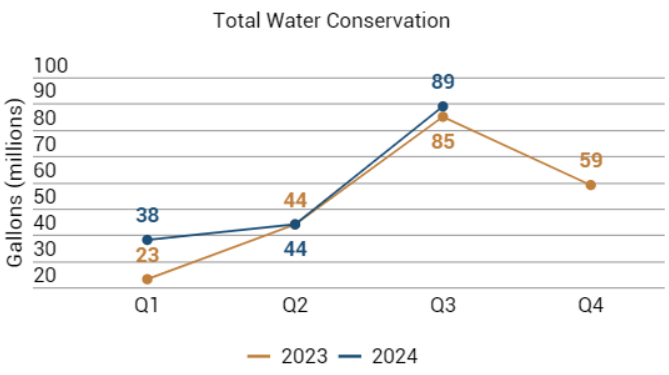
Budget Category	Efficiency Incentives	Efficiency grants
2024 Working Budget	$3,650,000	$508,000
Recorded Expenses	($2,792,000)	($603,000)
Reimbursements	$685,000	$421,000
Remaining Budget	$1,543,000	$326,000



WATER CONSERVATION & SOURCE PROTECTION

Due to high fixed costs and significant capital investment, water conservation does not benefit EWEB financially. But EWEB programs lower monthly expenses for customers and reflect utility stewardship of public resources. Customer experiences reported through the Leak Detection program have been very positive.

Q3 Program Results	Projects	Incentives	Loans	kGals Saved
Water Efficiency	52	$4,807		534
Water Line Replaceme	8		$35,025	3,212
LI Leak Repair	4	$12,135		350
Leak Detection	2,941 Res and 63 GS Customers Contacted			84,900
Total				88,996

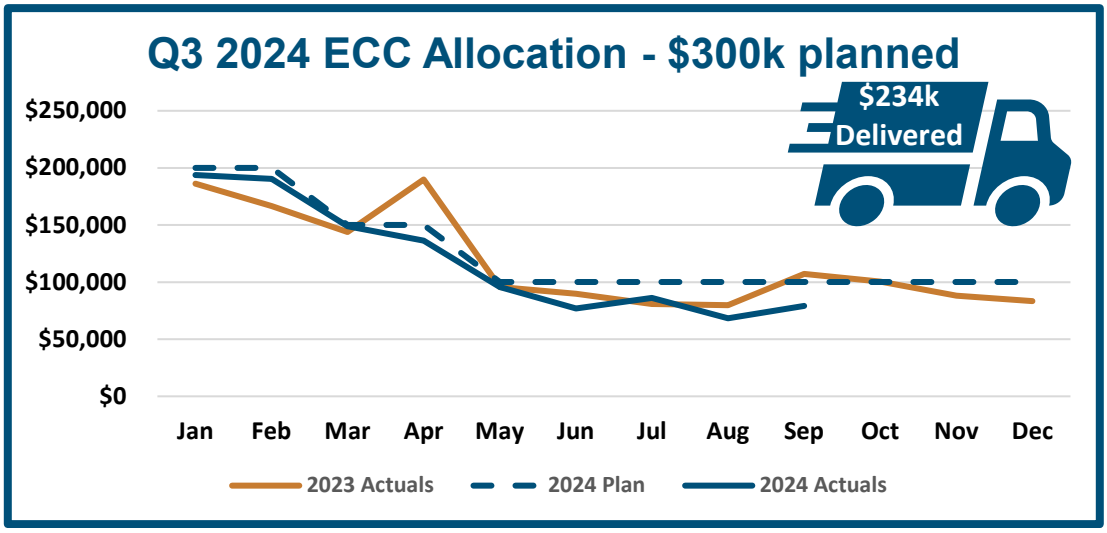


CUSTOMER DIVISION | Q3 2024

APPENDIX J

BILL ASSISTANCE

EWEB provides reliable access to utility bill assistance for eligible customers. Spending for both EWEB Customer Care and the Energy Share program are tracking with planned allocations. In total, EWEB programs have delivered $1.23M in assistance for the year.



LEAD GREEN PROGRAMS

Lead Green Programs are entirely voluntary and self-funded. Participation continues to be static, including only 1,620 customers or 2% of EWEBs residential base. Administrative overhead is negligible and accounted for in Board approved pricing. While revenues and participation are low, Lead Green programs mitigated ~200 MT CO2e during the quarter.

Q3 Program Results	Participation Change	Revenue	Commodities		Carbon Impact (MT CO2e)
Greenpower	-2.8%	$38,366	5,907	RECs	164.59
Cleanpower	0.0%	$2,137	450	RECs	15.30
Carbon Offsets	0.0%	$250	18	MTCO2e	18.00
Carbon Forestry Lab	3.3%	$670			

Clean Power pricing will be significantly lower in 2025 due to opportunistic procurement of RECs to support customer purchases. Customer Solutions will undertake promotional activities in Q2 2025 to increase program visibility and participation.

The Solar Electric budget of $125k has been fully allocated for the year. A total of 89 projects have been completed, for an installed capacity of 930 KW.

TRANSPORTATION ELECTRIFICATION

Move Green programs are entirely funded by State issued Clean Fuels Credits (CFCs), which are sold into wholesale markets. Recently, wholesale pricing for CFCs has plummeted. EWEB is reviewing TE programs for strategic alignment and spending prioritization. TE programs are not intended – nor are they effective -- at driving EV adoption. The utility seeks to deploy funding to address reliability impacts of EV adoption and to enhance customer & community engagement.

CUSTOMER DIVISION | Q3 2024

APPENDIX J

Move Green