



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson
FROM: Jason Heuser, Public Policy and Government Affairs Director
DATE: December 3, 2024
SUBJECT: EWEB's 2025 State Legislative Agenda
OBJECTIVE: Approval of Resolution No. 2420, EWEB's 2025 State Legislative Agenda

Issue

The Oregon Legislature convenes annually – for approximately six months in odd numbered years and almost two months in even numbered years – to enact laws and to set and adjust the biennial budget for the State of Oregon. EWEB has an active advocacy presence during legislative sessions to represent the interests of EWEB and its customers. The 2025 Oregon Legislative Session will begin January 21st, preceded by an orientation period and informational hearings in early January.

Background

Prior to the start of each legislative session, the Board adopts general policy directives for advocacy at the Capitol. These directives are approved by a resolution, after a presentation and discussion with the Board. The adopted directives guide the work of EWEB's lobbying activities. When political considerations test the applicability of these directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm their policy or direct staff to make necessary adjustments. This practice is derived from Board Policy GP-13 – Board Role in Legislative Session. EWEB staff will prepare monthly "legislative update" memos to the Board throughout the legislative session that will apprise the Board of the bills or issues that EWEB staff is devoting time and resources toward in support or opposition, the implications of these bills for the utility, and prognostications on the likelihood of these bills advancing in the legislative process.

Discussion

The agenda of the upcoming 2025 Oregon Legislative Session is still coming into focus. At the time of this memo, Democrats reached 3/5^{ths} supermajorities in both the House (36-24) and Senate (18-12) which will allow for revenue raising measures to be passed with votes solely from the majority party. However, a pending recount in a House district race could potentially alter this. There are indications that increasing housing supply/affordability and reducing homelessness will again be a centerpiece policy focus for the legislature, along with enactment of a major transportation funding package. Other key legislative topics include drug addiction treatment, behavioral health, maternity care, rural pharmacy coverage, wildfire suppression funding, and recycling modernization.

Possible 2025 Oregon Legislative Session Topics

Utility Rate Caps – EWEB Position: Monitor/Oppose if amended to include consumer-owned utilities

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 following year or beyond. This legislation would not be expected to apply to consumer-owned utilities like EWEB. EWEB has generally opposed constraints on price/rate setting that reduces the authority and expertise of the regulating entity (OPUC or Boards).

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

Solar Consumer Protection – EWEB Position: Support

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.

Wildfire Policy – EWEB Position: Monitor

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.

Transmission Siting/Permitting Reform and Financing – EWEB Position: Monitor

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 – EWEB Position: Monitor

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.

Recreational Immunity Remedy – EWEB Position: Support

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 and Requested Board Action

Management recommends that the Board adopt the accompanying resolution as provided.

If you have any questions prior to the Dec. 3 Board Meeting, please contact Jason Heuser at 503-269-5540 or jason.heuser@eweb.org.

**RESOLUTION NO. 2420
DECEMBER 2024**

**EUGENE WATER & ELECTRIC BOARD
2025 LEGISLATIVE SESSION**

WHEREAS, the 2025 Oregon Legislative Session will convene on January 21, 2025; and

WHEREAS, the Eugene Water & Electric Board (EWEB) will continue to participate in the legislative process on behalf of its customers; and

WHEREAS, the Board has traditionally adopted positions and guidelines which provide general direction for purposes of supporting or opposing specific legislation; and

WHEREAS, the Board again desires to set forth such legislative directives.

BE IT RESOLVED that the Eugene Water & Electric Board adopts the attached legislative agenda, which includes the following issues and goals:

1. Preserve local control and autonomous ratemaking and cost-allocation authority for consumer-owned utilities like EWEB;
2. Support solar consumer protection measures to improve transparency and disclosure;

WHEREAS, new and unanticipated legislation can emerge each legislative session.

BE IT FURTHER RESOLVED that the Eugene Water & Electric Board goes on record supporting legislation which generally:

1. Preserves and enhances local control;
2. Complements or improves programs that are cost-effective to our customers; and
3. Preserves, conserves, and restores our natural environment in an equitable and cost-effective manner.

BE IT FURTHER RESOLVED that the Eugene Water & Electric Board will oppose legislation which generally:

1. Withdraws the capability of the Board to best serve EWEB's customers;
 - a. Duplicates existing laws, therefore complicating the execution of the Board's duties by state or federal mandate;
 - b. Imposes fees, assessments or procedures that impede the Board's ability to provide high-quality and cost-effective service.

DATED this 3rd day of December 2024.

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

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its December 3rd, 2024 Regular Board Meeting.

Assistant Secretary