



# Energy Advisory Work Group

Meeting Minutes

September 2, 2014

Oregon Department of Energy

## Director's Report

Michael Kaplan, Acting Director

- **Budget**
  - The Agency Request Budget (ARB) was submitted the beginning of August.
  - This budget, as proposed to the Governor's Office, will resize the Oregon Department of Energy (ODOE) to align agency mission to FTE count.
  - ODOE is proud of the proposed budget as it reflects changes to the agency and priorities moving forward.
- **Business Energy Tax Credit (BETC)**
  - Testimony regarding BETC on August 27, 2014 was honest and critical, when necessary.
  - The Legislature appreciated hearing the message.
  - This brings to a close a 35-year program for ODOE.
- **Role of Energy Advisory Work Group (EAWG)**
  - The group agreed a charter would be helpful to explicitly identify the role of EAWG and the goals of what its members hope to accomplish.
  - The charter will address the role of the group as related to Governor Kitzhaber and his staff, ODOE, and among group members.
  - Brendan McCarthy from Portland General Electric (PGE) commented that the charter should capture the concerns of [HB2807](#).

## Governor's Report

Margi Hoffman, Governor's Policy Advisor

- **ODOE Director Search**
  - The search for the next Director of ODOE is ongoing and active (as of the date of the meeting, September 2, 2014).
  - The search is seeking candidates for recommendation to Governor Kitzhaber and stakeholders.
  - There are three potential candidates for the position (as of September 2, 2014); the target date of hire is October 1, 2014.
- **EPA's Clean Power Plan Proposed Rule (111D)**
  - There are three agencies preparing comments on the Rule by October 16, 2014 and Oregon's comments are taking into consideration feedback from stakeholders.

- Although other states are pushing for an extended comment period, Oregon is planning to meet the current deadline. Additional comments should be shared with Ms. Hoffman as soon as possible.
- Governor's Recommended Budget (GRB)
  - The GRB will be released on December 1, which takes into account the ARB.
  - If stakeholders see things that fall outside the ARB, provide comments to Ms. Hoffman by October 15, 2014.

## ODOE Legislative Concepts

Robin Freeman, Legislative Coordinator

*Please see the handouts shared at the meeting and in the email for complete information.*

- Legislative Concepts (LCs) have few details due to a lack of draft language but what information is available is included in the handout. (The handout is attached the email.)
- ODOE will begin legislative outreach to discuss ideas but not necessarily specific language.

## 2015-17 Budget

Dawn Farr, CFO

*Please see the handouts shared at the meeting and in the email for complete information.*

- Budget Process
  - The budget is biennial and the process requires one year to complete.
  - Each agency submits an Agency Request Budget (ARB) by August 1.
  - Governor Kitzhaber presents a balanced, Governor's Request Budget (GRB) by December 1.
  - The Legislature presents the Legislatively Adopted Budget (LAB) by June 30.
  - The LAB is the basis for the next biennium's budget.
- Goals of ODOE ARB Development
  - The top priority of ODOE's budget development process was to adequately and appropriately resize the agency.
  - Temporary reductions were made permanent.
  - ODOE is realigning resources to ensure stable funding is available for the Planning, Policy and Technical Analysis and Facilities Siting groups, while allowing ample resources for the energy tax credit, state energy loan, and radioactive waste protection programs.
- Bottom line budget: \$203 million
  - \$10 million from ODOE budget to Clean Energy Works of Oregon

## EPA's Clean Power Plan Proposed Rule (111D)

Jessica Shipley, Senior Policy Advisor

*Please see the handouts shared at the meeting and in the email for complete information.*

- Oregon DEQ is the lead agency in preparing comments on behalf of the State of Oregon for EPA's new proposed rule for existing power plants. ODOE is actively involved in the process.
- The rule applies to 2012 data and the first compliance obligation begins in 2020. The final compliance obligation is 2030 and beyond.
- Oregon will submit comments by the current deadline, October 16. The final rule is anticipated in June 2015.

## Strategic Plan Update

Diane Broad, Lead Operations and Policy Analyst

*Please see the handouts shared at the meeting and in the email for complete information.*

- The goal of the strategic planning is to make good use of ODOE resources and bring increased transparency to the work of the Department.
- The process continues to move forward: we are building on the strategies and approaches developed in the first half of 2014. The focus now is to prioritize specific actions, develop and refine our indicators, and allocate resources.
- Handout – Overview of Strategies, Indicators and Approaches
  - Most of the changes in this round appear in the “Indicators” section.
    - Indicator shows how effective we are as an organization
    - Measure progress in the big picture, with a focus on areas ODOE has influence
    - What data is needed to feed into the indicator and how efficient can we be in creating updates?
- Handout – Detailed Approaches and Actions
  - Condensed version of a much more detailed matrix of prioritized actions, deliverables and timeframes
  - Some actions are on-going work, some actions are new policy or program areas
  - Things we're already doing – lead by example via public buildings
  - New area: energy opportunities in the ag sector