



# Oregon

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## MEMORANDUM

**To:** House Committee on Energy and the Environment

**From:** Janine Benner, Director

**Date:** May 12, 2021

**Re:** Testimony – Script to go with Presentation

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### First slide

Chair Marsh, Vice Chairs Helm and Brock-Smith, and members of the Committee, for the record my name is Janine Benner and I am the director of the Oregon Department of Energy.

Thank you for the opportunity to provide an update today on our work to implement Executive Order 20-04.

### Slide 2 – ODOE Mission

Here is ODOE's new vision and mission, which should look familiar to you by now. It highlights the importance of our efforts to help shape an equitable transition to a clean energy future, since about 80 percent of Oregon's greenhouse gas emissions come from the amount and type of energy that Oregonians use every day.

ODOE has operated programs and activities that reduce greenhouse gas emissions through energy efficiency, renewable energy, and sustainable transportation since our creation in 1975.

### Slide 3 – ODOE Tasks

As a reminder, here are the directives that ODOE received in the Executive Order. The key directive that I'll focus on this afternoon is energy efficiency standards, but I'll touch on the other elements of the EO that apply to ODOE as well: building codes, transportation electrification, expediting agency processes, and exercising agency authority.

Also, as my colleagues have mentioned, the Executive Order highlighted that climate change has a disproportionate effect on vulnerable communities, and as we work on implementation, ODOE is committed to having a more equitable process and outcome. In the previous slide you saw equity showing up in both our new vision and our mission – we are working to better incorporate equity not just in our climate work, but into all of what we do at the agency.

We are also participating in the Interagency Workgroup on Climate Impacts to Impacted Communities.

#### Slide 4 – EE Standards

As I hope this committee knows, energy efficiency is the cleanest, least expensive, and second-largest electricity resource in Oregon as well as an important tool for emissions reductions in the natural gas sector.

The EO directed ODOE to update energy efficiency standards to ensure that Oregon's standards are at least equivalent to other West Coast jurisdictions. It also directs us to periodically evaluate and update those standards to make sure we're keeping up with our neighbors.

Last month, the House passed HB 2062, which came out of this committee unanimously and marks the culmination of years of work to update energy efficiency standards. (I'll note that the bill passed yesterday out of the Senate Energy and Environment Committee with bipartisan support.)

Starting in November of 2018 with a report that identified opportunities for new standards in Oregon, and guided by Executive Order 20-04, last year ODOE established 9 new and updated two existing efficiency standards for products for sale in the state. New and updated standards for the products that are shown on this slide will bring us into alignment with our neighboring states, reduce greenhouse gas emissions, save electricity and natural gas, and save consumers money on their utility bills.

I just want to take a moment and emphasize the extensive public process that ODOE undertook prior to finalizing these new standards in rule last August:

- We sent a letter to all 9 of Oregon's federally recognized tribes seeking their early input;
- We sent email notifications to over 600 stakeholders;
- We held an open stakeholder advisory committee meeting attended by more than 45 industry representatives and interested parties with dedicated time for discussion of each proposed standard, an early look at draft rule language, and the opportunity to propose additional standards for ODOE to consider;
- We held a public rulemaking hearing on July 23, 2020 which included written or oral comments from at least 29 different organizations.

I'd like to thank this committee for your work on HB 2062, which will codify these new standards into statute.

#### Slide 5 – Building Codes

I won't spend much time on this topic because it's really a directive to the Building Codes Division, but ODOE is also working with them to adopt building energy efficiency codes for new residential and commercial construction. As you can see on the maps on the left of the slide, where Oregon shows up in dark green, our state already has some of the strongest building codes in the country. The EO aims to keep us at the top by establishing a goal of at least a 60 percent reduction in new building annual site consumption of energy.

Our role in this effort has focused on providing technical expertise and helping facilitate engagement with the energy sector and the public. For example, we have held ten energy stakeholder meetings over the past year, with the 11<sup>th</sup> coming up on June 15<sup>th</sup>.

ODOE and BCD are also working to engage traditionally underrepresented stakeholders who are not normally included in the code development process, to help them participate and provide their valuable perspectives. ODOE has also developed training materials and held multiple virtual training sessions to help bring industry up to speed on the new commercial energy code requirements.

ODOE also worked with BCD to submit a report last September that evaluated Oregon's progress toward achieving the goals in the executive order. Due to COVID, BCD had to delay adoption of the new residential code until this Spring. But as of last month, Oregon now has new residential and commercial codes that represent a code-regulated energy savings of approximately 1-7% for residential (depending on the code path chosen by a builder) and 9% for commercial over the previous code, keeping Oregon on a path to meet the Executive Order targets.

#### Slide 6 – STS

Amanda Pietz has already covered the transportation directives from the Executive Order, and we appreciate ODOT's leadership of the collaborative effort between agencies on greenhouse gas reduction in the transportation sector.

ODOE's role in this area focuses on data, information, and analysis on electric vehicles and other alternative fuels.

In this role, we worked with ODOT, DEQ, DLCD, and other members of the Zero Emission Vehicle Interagency Working Group to develop the Zero Emission Vehicle Interagency Action Plan. The ZAP includes near-term actions state agencies will be completing throughout 2021 in support of increasing zero emission vehicle adoption. The plan includes a specific call out to conduct our work in an equitable way, building off of the Equity Workshop ODOT led in late 2020 to inform implementation of Every Mile Counts actions. ODOE has also provided support

to ODOT in the development of the Transportation Electrification Infrastructure Needs Assessment study.

Finally, this slide shows a screenshot from the electric vehicle dashboard that ODOE developed last summer and which we are in the process of updating. The dashboard is a resource for Oregonians interested in data and information about EVs, their benefits, and EV charging in Oregon.

Providing education and awareness about EVs is also the focus of the Oregon EV Collaborative, a working group led by Oregon Solutions that the state agencies support. The Collaborative seeks to develop a public-private partnership in support of EV adoption and is leveraging the public and private expertise of its members to develop a new website that will function as a central source for EV information in the state. ODOE's EV dashboard and the state's goelectric webpage will be key resources to inform and support that effort.

#### Slide 7 – EFSC

In addition to the specific directives on efficiency and transportation, the EO directs ODOE to prioritize and expedite any processes and procedures that could accelerate greenhouse gas emissions reductions. In our implementation report we identified a number of processes that could accelerate reductions, and I'll highlight one of those today.

Over the spring and summer of 2020, the Energy Facility Siting Council held a public process to update the Carbon Standard for power plants. When Oregon established the standard in 1997, we became the first state to curb carbon dioxide emissions from electric power plants. In April of last year, EFSC initiated a rulemaking to update the offset rate – which is the amount that an energy facility has to pay for any carbon emissions above the standard. Because the rate was so far under the market, EFSC increased the amount by the full 50 percent authorized by statute, bringing it to \$2.85 per ton.

#### Slide 8 – Agency Authority

As I mentioned at the beginning of this presentation, ODOE's new vision and mission emphasize transitioning Oregon to a clean energy future in a way that is resilient, affordable, and equitable. Working with the energy sector to reduce greenhouse gas emissions is a key part of our work.

What you see on the slide is additional language from the new strategic plan, in which we articulated five main ways that ODOE achieves its mission – the services we provide and value that we bring. This should look also familiar to this committee! We used this list as a lens to look at how we could enhance our programs and activities to accelerate greenhouse gas reductions as directed by the EO.

Our implementation report from last May, submitted into the Meeting Materials folder for this meeting, includes more detail on all of these if you're interested.

One example that fits under the first and third bullets, and with which this committee is familiar, is the Biennial Energy Report. The most recent version includes information on how the state can help keep Oregon's energy sector resilient and affordable while we transition to a low carbon future.

Another example that also hits the second and third bullets having to do with problem-solving Oregon's energy challenges and technical assistance is the Climate Vulnerability Assessment Framework. The Biennial Energy Report included a policy brief that examined relevant climate hazards, identified potential impacts that may undermine or harm energy systems and assets, and discussed the outlook for these hazards in the years ahead. In 2021, ODOE will develop a full Climate Vulnerability Assessment focused on Oregon's energy systems.

I'll close by highlighting one more project that will help meet the goals outlined in the Executive Order.

As you may recall, ODOE provides technical and administrative support to the Oregon Global Warming Commission. In this capacity, we are helping the Commission develop a Plan to identify further strategies for achieving the state's GHG reduction goals beyond the executive order, while continuing to grow Oregon's economy and enhancing equity and quality of life for all Oregonians. We are calling this the Transformational Integrated Greenhouse Gas Emission Reduction, or TIGHGER plan, and the work is being supported by a grant from Colorado State University's Center for the New Energy Economy.

The plan will identify actions across sectors to reduce GHG emissions (and sequester carbon dioxide). It will analyze the cost per ton of emissions reduction actions and associated health/economic/equity co-benefits. The work will inform the Commission's 'Roadmap to 2035'.

#### Final Slide

Thank you again for the opportunity to share how ODOE is implementing the Executive Order. Helping the state meet its climate goals in a way that maintains a strong focus on reliable, affordable energy has been and will continue to be central to the work that we do.